

ANNUAL REPORT 2014



The Clifford Pier



This annual report (“Annual Report”) is available in both English and Chinese. Shareholders who have received either the English or the Chinese version of the Annual Report may request a copy in the language different from that has been received by writing to the Company’s Share Registrars, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

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

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

Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company’s website) of all future Corporate Communications from the Company by giving notice in writing by post to the Company’s Share Registrars, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email at sinoland83-ecom@hk.tricorglobal.com.



CONTENTS

2	Corporate Information	136	Consolidated Statement of Profit or Loss
3	Notice of Annual General Meeting	137	Consolidated Statement of Profit or Loss and Other Comprehensive Income
7	Group Financial Summary	138	Consolidated Statement of Financial Position
12	Chairman’s Statement	140	Statement of Financial Position
24	Biographical Details of Directors & Senior Management	142	Consolidated Statement of Changes in Equity
30	Corporate Governance Report	143	Consolidated Statement of Cash Flows
49	Directors’ Report	145	Notes to the Consolidated Financial Statements
89	Review of Operations	246	Disclosure Pursuant to Rule 13.22 of the Listing Rules
134	Independent Auditor’s Report	247	Major Properties Held by the Group
			Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

([#] Non-Executive Director)

(* Independent Non-Executive Directors)

AUDIT COMMITTEE

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

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

CHIEF FINANCIAL OFFICER AND 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 entitlement to attend and vote at Annual General Meeting	21st to 23rd October, 2014 (both dates inclusive)
Annual General Meeting	23rd October, 2014
Closure of Register of Members for dividend entitlement	29th to 30th October, 2014 (both dates inclusive)
Record Date for final dividend entitlement	30th October, 2014
Last Date for lodging form of election for scrip dividend	20th November, 2014 4:30 p.m.
Interim Dividend Paid	HK12 cents per share 16th April, 2014
Final Dividend Payable	HK38 cents per share 2nd December, 2014

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
 DBS Bank Ltd., Hong Kong Branch
 The Hongkong and Shanghai Banking Corporation Limited
 Sumitomo Mitsui Banking Corporation
 Australia and New Zealand Banking Group Limited
 The Bank of East Asia, Limited
 Wing Lung Bank Limited
 China Construction Bank (Asia) Corporation Limited
 Bank of Communications, Hong Kong Branch
 Chong Hing Bank Limited
 Bangkok Bank Public Company Limited
 Industrial and Commercial Bank of China (Asia) Limited
 Hang Seng Bank Limited

INVESTOR RELATIONS CONTACT

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

REGISTERED OFFICE

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

SHARE REGISTRARS

Tricor Standard Limited
 Level 22, Hopewell Centre,
 183 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 Depository Bank	Level One (OTC) The Bank of New York 101 Barclay Street, New York, NY 10286, U.S.A.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of **Sino Land Company Limited** will be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon, on Thursday, the 23rd day of October, 2014 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2014.
2. To declare a final dividend.
3. To re-elect retiring Directors and to authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2015.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorise the Board to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

(i) **"THAT:**

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

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

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

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

(ii) **“THAT:**

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

- (b) for the purposes of this resolution:

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

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

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

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

6. To consider and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution:

Special Resolution

“THAT, the Company’s new articles of association, a copy of which has been produced to the meeting marked **“A”** and initialled by the Chairman for the purpose of identification, be and are hereby approved and adopted as the articles of association of the Company in substitution for and to the exclusion of the memorandum and articles of association of the Company in force immediately before the passing of this Special Resolution and **THAT** any Director or the Secretary of the Company be and is hereby authorised to do all things necessary to effect and record the adoption of the Company’s new articles of association.”

By Order of the Board

Velencia LEE

Company Secretary

Hong Kong, 19th September, 2014

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

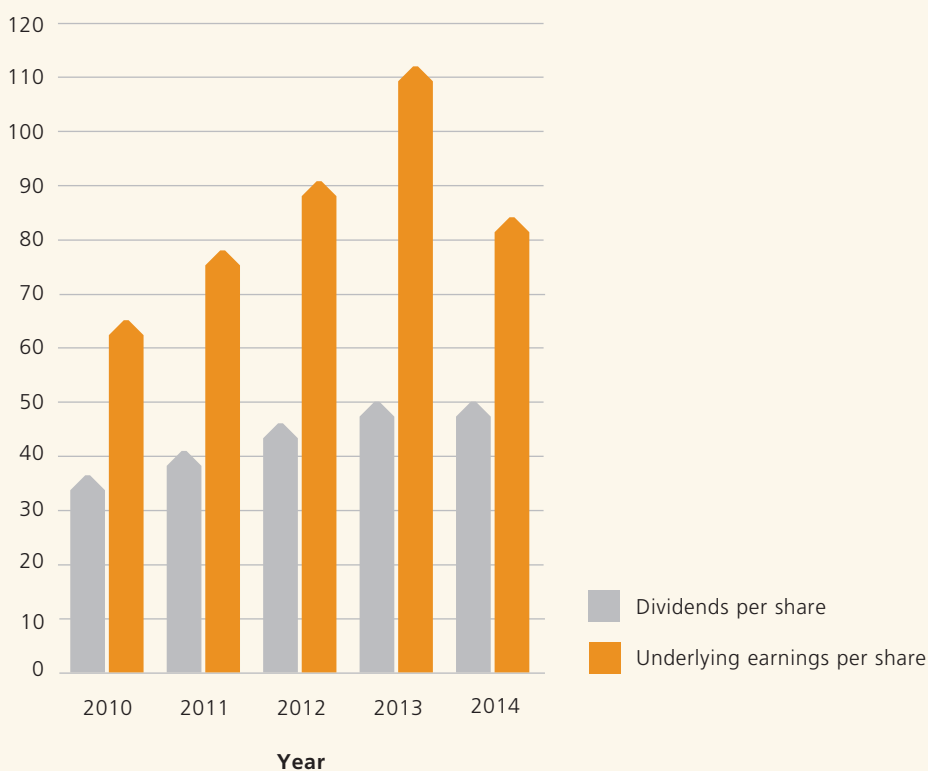
Notes:

- (a) At the Annual General Meeting, the Chairman of the Meeting will put each of the above resolutions to the vote by way of a poll. On a poll, every shareholder who is present in person or by proxy shall have one vote for every share of which he is the holder.
- (b) Any member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
- (c) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the registered office of the Company at 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (d) For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 23rd October, 2014, the register of members of the Company will be closed from Tuesday, 21st October, 2014 to Thursday, 23rd October, 2014, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrars, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 20th October, 2014.
- (e) The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Thursday, 30th October, 2014. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 29th October, 2014 to Thursday, 30th October, 2014, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrars, Tricor Standard Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 28th October, 2014.

GROUP FINANCIAL SUMMARY

	2010 HK\$	2011 HK\$	2012 HK\$	2013 HK\$	2014 HK\$
Turnover	<u>7,697,867,707</u>	<u>5,944,151,294</u>	<u>8,395,820,908</u>	<u>7,818,585,463</u>	<u>7,450,911,679</u>
Underlying net profit from operations	<u>3,506,201,575</u>	<u>4,401,442,725</u>	<u>5,310,690,106</u>	<u>6,635,850,519</u>	<u>5,021,827,916</u>
Profit attributable to the Company's Shareholders	<u>6,348,252,090</u>	<u>11,400,065,035</u>	<u>10,672,548,906</u>	<u>11,687,131,302</u>	<u>8,921,483,066</u>
Underlying earnings per share (cents)	65.04	77.93	90.71	111.92	84.05
Reported earnings per share (cents)	117.76	201.86	182.28	197.11	149.32
Dividends per share (cents)	36.4	40.9	46.0	50.0	50.0

Underlying Earnings & Dividends Per Share (HK cents)

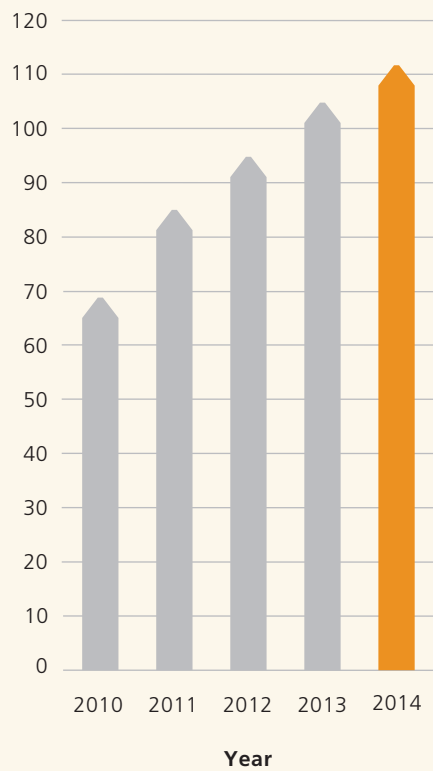


GROUP FINANCIAL SUMMARY (Continued)

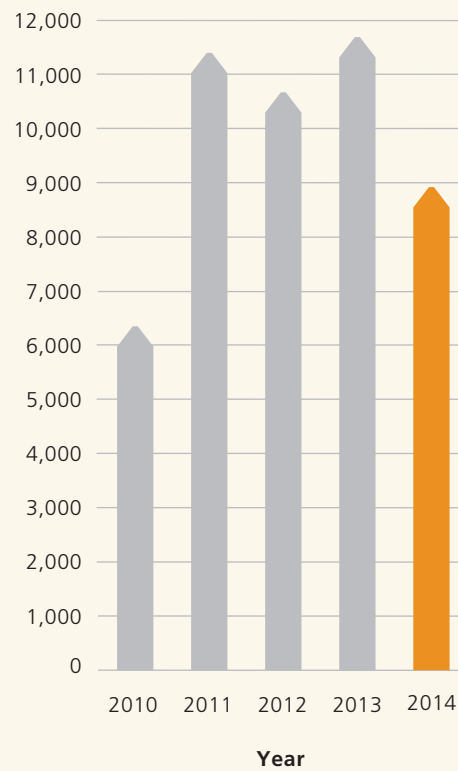
	2010 HK\$	2011 HK\$	2012 HK\$	2013 HK\$	2014 HK\$
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Non-current assets	66,819,609,105	75,624,987,056	78,924,736,271	88,487,464,480	90,181,434,914
Current assets	29,603,462,485	34,302,808,283	35,347,667,593	40,775,748,820	46,747,199,797
Current liabilities	<u>(9,760,389,490)</u>	<u>(8,148,865,562)</u>	<u>(7,312,394,045)</u>	<u>(12,986,780,314)</u>	<u>(11,098,434,981)</u>
	<u>86,662,682,100</u>	<u>101,778,929,777</u>	<u>106,960,009,819</u>	<u>116,276,432,986</u>	<u>125,830,199,730</u>
Share capital	4,902,690,690	5,279,040,969	5,911,789,367	5,947,824,375	36,767,987,593
Reserves	<u>63,889,031,662</u>	<u>79,710,680,068</u>	<u>88,874,512,102</u>	<u>98,858,390,237</u>	<u>74,897,385,874</u>
Shareholders' funds	68,791,722,352	84,989,721,037	94,786,301,469	104,806,214,612	111,665,373,467
Non-controlling interests	448,197,135	790,121,136	821,879,024	1,178,920,912	1,284,068,613
Non-current liabilities	<u>17,422,762,613</u>	<u>15,999,087,604</u>	<u>11,351,829,326</u>	<u>10,291,297,462</u>	<u>12,880,757,650</u>
	<u>86,662,682,100</u>	<u>101,778,929,777</u>	<u>106,960,009,819</u>	<u>116,276,432,986</u>	<u>125,830,199,730</u>
Shareholders' funds at book value per share	<u>14.03</u>	<u>16.10</u>	<u>16.03</u>	<u>17.62</u>	<u>18.56</u>

GROUP FINANCIAL SUMMARY *(Continued)*

Shareholders' Funds (HK\$ Billion)



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

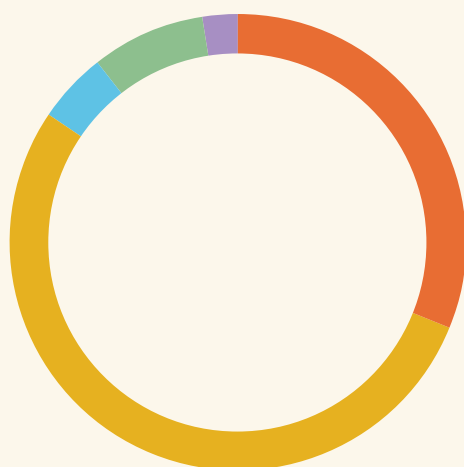


GROUP FINANCIAL SUMMARY (Continued)

The Company and its subsidiaries ("the Group")

Breakdown of Segment Results

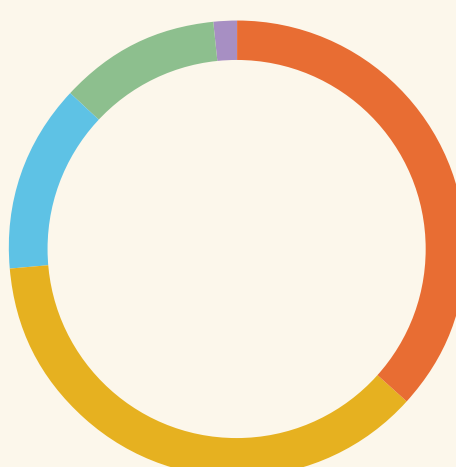
for the year ended 30th June, 2014



- Property sales **31.3%**
- Property rental **53.4%**
- Property management and other services **4.8%**
- Hotel operations **8.1%**
- Investments in securities and financing **2.4%**

Breakdown of Segment Revenue

for the year ended 30th June, 2014

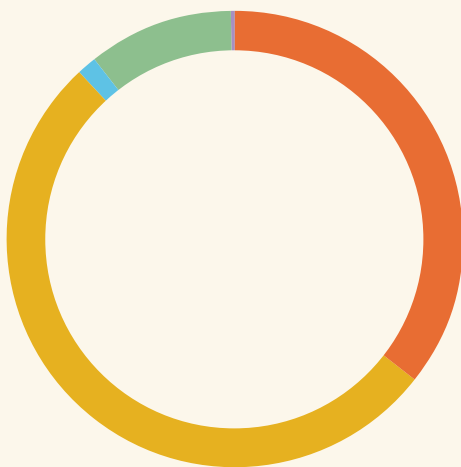


- Property sales **36.8%**
- Property rental **37.0%**
- Property management and other services **13.2%**
- Hotel operations **11.6%**
- Investments in securities and financing **1.4%**

GROUP FINANCIAL SUMMARY *(Continued)*

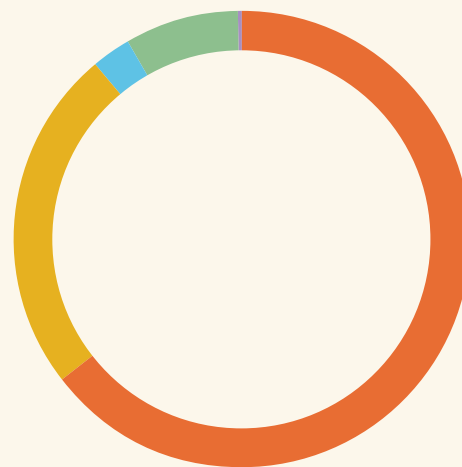
The Group and attributable share from associates and joint ventures

Breakdown of Segment Results for the year ended 30th June, 2014



- Property sales **35.7%**
- Property rental **52.5%**
- Property management and other services **1.3%**
- Hotel operations **10.4%**
- Investments in securities and financing **0.1%**

Breakdown of Segment Revenue for the year ended 30th June, 2014



- Property sales **64.6%**
- Property rental **24.4%**
- Property management and other services **2.8%**
- Hotel operations **8.1%**
- Investments in securities and financing **0.1%**

CHAIRMAN'S STATEMENT



I am pleased to present the 2013/2014 Annual Report to shareholders.

FINAL RESULTS

For the financial year ended 30th June, 2014, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK\$5,021.8 million (2012/2013: HK\$6,635.8 million). Underlying earnings per share was HK\$0.841 (2012/2013: HK\$1.119).

The Group's reported net profit attributable to shareholders was HK\$8,921.4 million (2012/2013: HK\$11,687.1 million). Earnings per share was HK\$1.493 (2012/2013: HK\$1.971). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK\$3,899.6 million (2012/2013: HK\$5,051.3 million).



DIVIDENDS

The Directors have resolved to recommend a final dividend of 38 cents per share in respect of the financial year ended 30th June, 2014 to shareholders whose names appear on the Register of Members of the Company on 30th October, 2014. Together with the interim dividend of 12 cents per share, the total dividend for the financial year ended 30th June, 2014 is 50 cents per share.

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 23rd October, 2014; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 5th November, 2014. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 2nd December, 2014.



Rendering

Mayfair By The Sea

Situated on the picturesque waterfront of Tolo Harbour, Mayfair By The Sea I & II deliver a premium lifestyle with spectacular views of Pat Sin Leng and the azure sea. Mayfair By The Sea I offers 546 elegantly appointed residences including seven houses; Mayfair By The Sea II offers 545 residences including five houses. The shopping arcade within the Development provides convenience for residents.

BUSINESS REVIEW

(1) Sales Activities

Total revenue from property sales recognised for the financial year ended 30th June, 2014, including property sales of associates recognised by the Group, was HK\$4,644.7 million (2012/2013: HK\$14,128.2 million).

Total revenue from property sales comprises mainly the sales of residential units in The Avery in Ma Tau Kok in Hong Kong, Central Park in Xiamen and Phase I of Dynasty Park in Zhangzhou completed during the financial year ended 30th June, 2014 as well as projects completed in previous financial years. To date, approximately 97% of the units in The Avery, 90% of the units in Central Park and 99% of the 602 units launched for sale in Dynasty Park have been sold. In respect of sales derived from projects completed in previous financial years, these mainly included the three projects in Pak Shek Kok, namely The Graces • Providence Bay, Providence Peak and Providence Bay and to date, approximately 71%, 81% and 61% of the units in the respective projects have been sold.

The Group continues to seek good opportunities to sell its projects to enhance shareholders' value. During the financial year 2013/2014, the Group launched six projects in Hong Kong, namely The Graces • Providence Bay in Pak Shek Kok, Park Metropolitan in Kwun Tong, Site A and Site B of The Avenue in Wan Chai as well as Mayfair by the Sea I & II in Pak Shek Kok. To date, approximately 71%, 79%, 92%, 92%, 73% and 65% of the units in these respective projects have been sold. In China, 966 residential units in The Palazzo in Chengdu and 520 units in The Coronation in Chongqing were launched for sale during the financial year 2013/2014 and to date, approximately 81% and 61% of these residential units have been sold respectively.

(2) Land Bank

As at 30th June, 2014, the Group has a land bank of approximately 39.0 million square feet of attributable floor area in Hong Kong, China and Singapore which comprises a balanced portfolio of properties of which 63.9% is residential; 23.3% commercial; 5.8% industrial; 3.7% car parks and 3.3% hotels. In terms of breakdown of the land bank by status, 26.7 million square feet were properties under development, 11.3 million square feet of properties for investment and hotels, together with 1.0 million square feet of properties held for sale. The Group will continue to be selective in replenishing its land bank to optimise its earnings potential.

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW

(Continued)

(2) Land Bank (Continued)

Since July 2011, the Group has acquired a total of eight 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 floor area of approximately 1.4 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 Floor Area</u> (Square feet)
1. Dragons Range STTL525, Shatin Area 56A, Kau To (Site A), New Territories, Hong Kong	Residential	40%	412,588
2. TKOTL 117 Area 66C2, Tseung Kwan O, New Territories, Hong Kong	Residential/ Commercial	60%	291,936
3. Lot 1949 in Demarcation District No. 221, Sha Kok Mei, Sai Kung, New Territories, Hong Kong	Residential	100%	249,133
4. YLTL 513 Long Ping Station (North), Yuen Long, New Territories, Hong Kong	Residential	40%	209,575
5. Lot 1180 in Demarcation District No. 215, Hong Tsuen Road, Sai Kung Tuk, Sai Kung, New Territories, Hong Kong	Residential	100%	173,796

**The Coronation**

Occupying a strategic location in West Kowloon, The Coronation comprises 740 units and is in close proximity to the West Kowloon Cultural District and five rail stations, including the upcoming Express Rail Link Terminus. Residents can enjoy stunning views of Victoria Harbour, Stonecutters Island and Lei Yue Mun.



The Coronation received Merit Award, Hong Kong Residential (Multiple Buildings) at the Quality Building Awards 2014 in recognition of its quality and operation.

CHAIRMAN'S STATEMENT (Continued)**BUSINESS REVIEW**

(Continued)

(2) Land Bank (Continued)

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
6. Lot 726 in Demarcation District No. 4, Mui Wo, Lantau Island, New Territories, Hong Kong	Residential/ Commercial	100%	49,407
7. Lot 676 in Demarcation District Peng Chau, New Territories, Hong Kong	Residential	100%	36,845
8. Lot 674 in Demarcation District Peng Chau, New Territories, Hong Kong	Residential	100%	14,372
9. IL9049 Sik On Street, Wan Chai, Hong Kong	Residential	100%	11,195
			1,448,847

**The Avenue**

Located in the centre of Hong Kong's prime financial and commercial belt spanning Central and Causeway Bay, The Avenue occupies a coveted location in Wanchai. Phases 1 and 2 comprise 179 and 1,096 residential units respectively as well as a themed retail zone at Phase 2. The Avenue features an array of innovative green architecture features, many of which are first in Hong Kong; it has received the HK-BEAM Platinum rating (provisional).

CHAIRMAN'S STATEMENT (Continued)

BUSINESS REVIEW

(Continued)

(3) Property Development

During the financial year 2013/2014, the Group obtained Occupation Permits for the following projects in Hong Kong with a total attributable floor area of approximately 176,198 square feet. Details of these projects are presented as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. Lot 245 Demarcation District No. 331, 3 Cheung Fu Street, Cheung Sha, Lantau Island, Hong Kong	Residential	100%	71,417
2. The Avenue (Site B) 33 Tai Yuen Street, Wan Chai, Hong Kong	Residential	Joint Venture	56,904
3. The Avery 12, 16 and 18 Hau Wong Road, Ma Tau Kok, Kowloon, Hong Kong	Residential/ Commercial	100%	35,751
4. RBL 380 38 Repulse Bay Road, Repulse Bay, Hong Kong	Residential	100%	12,126
			176,198

Subsequent to the financial year ended 30th June, 2014, the Group obtained the Occupation Permits for the residential project Park Metropolitan at 8 Yuet Wah Street, Kwun Tong, Kowloon and Park Ivy at 8 Ivy Street, Tai Kok Tsui, Kowloon in July 2014. The attributable floor area of the two projects is 232,825 square feet and 54,251 square feet respectively.



Sino Land Company Limited was named the 'Best Developer Overall in Hong Kong' at the Euromoney Real Estate Awards 2014 in addition to being voted the 'Best Residential Developer in Hong Kong', 'Best Retail Developer in Hong Kong', 'Best Leisure/Hotel Developer in Hong Kong', 'Best Mixed Developer in Hong Kong' and 'Best Industrial/Warehouse developer in Hong Kong'.

**One Mayfair**

Occupying a coveted address in Kowloon Tong and surrounded by lush green, One Mayfair comprises 120 elegantly appointed residences crafted to the finest details and offers privacy comparable to that of house living. Residents can enjoy a panoramic view of the Kowloon Peninsula.

CHAIRMAN'S STATEMENT (Continued)**Dynasty Park, Zhangzhou**

Located in the city centre of Zhangzhou, Dynasty Park enjoys an extensive transport network. Covering approximately 4.5 million sq. ft., Dynasty Park includes residences, shops, a kindergarten and a premier clubhouse. Phase One provides 602 units, which were handed over in March 2014; Phase Two will provide 1,047 units with a total gross floor area in excess of 1.2 million sq. ft.

BUSINESS REVIEW

(Continued)

(3) Property Development (Continued)

During the financial year 2013/2014, the Group completed the projects Central Park in Xiamen and Phase I of Dynasty Park in Zhangzhou with a total attributable floor area of approximately 1.2 million square feet. Details of these projects are presented below:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. Central Park Nos.178, 180, 182 and 184, Jiahe Road, Siming District, Xiamen, Fujian Province, PRC	Residential/ Commercial	100%	517,690
2. Dynasty Park (Phase I) No. 298, Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, PRC	Residential/ Commercial	100%	681,982
			1,199,672

CHAIRMAN'S STATEMENT *(Continued)*

BUSINESS REVIEW

(Continued)

(4) Rental Activities

For the financial year ended 30th June, 2014, the Group's gross rental revenue, including attributable share from associates and joint ventures, increased 8.3% to HK\$3,450.7 million (2012/2013: HK\$3,185.1 million) and net rental income increased 9.4% to HK\$3,030.6 million (2012/2013: HK\$2,769.4 million). The increase in rental revenue was mainly due to higher rental rates on renewals. Overall occupancy of the Group's investment property portfolio was approximately 97% for the financial year 2013/2014 (2012/2013: 96%).

The Group's retail portfolio in Hong Kong recorded good rental growth with overall occupancy rate increasing to approximately 98% for the financial year 2013/2014 from 97% for the last financial year, mainly due to stable economic conditions and continuous growth in inbound visitors. The Group's flagship shopping malls, namely Tuen Mun Town Plaza Phase I, Olympian City 1, 2 and 3 showed favourable growth in rental revenue and occupancy rates were maintained at high levels.

The leasing performance of the Group's office portfolio saw stable rental growth while overall occupancy rate grew to approximately 96% (2012/2013: 95%) for the financial year ended 30th June, 2014. An increase in the number of overseas and Chinese companies having business operations in Hong Kong is positive to office demand. The leasing performance of the Group's industrial portfolio continued to perform well with overall occupancy rate at approximately 98% (2012/2013: 97%).

The Group's investment property portfolio primarily serves the need of its customers which include tenants, shoppers and the communities around the properties. The design and conditions of the properties together with the quality of service provided to customers are of paramount importance. To ensure that the properties are in good condition with the proper layout and design, the Group would perform regular review of the properties and collect customers' feedback to decide if asset enhancement work is required. To assess the effectiveness of capital expenditure, benefits to customers, payback and return on investment will be analysed. On service quality, the Group places a strong emphasis on regular training particularly for all front-line staff to ensure that the service provided to customers meet their expectations. Comments from customers, reports by silent shoppers and recognitions from professional institutions all play a role in assessing the quality of service delivered by the staff. These indicators are vital for management to review what additional work needs to be done as part of the Group's efforts for continuous improvement.

As at 30th June, 2014, the Group has approximately 11.3 million square feet of attributable floor area of investment properties and hotels in Hong Kong, China and Singapore. Of this portfolio, commercial developments (retail and office) account for 63.2%, industrial developments 15.5%, car parks 12.9%, hotels 6.7%, and residential 1.7%.



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



Coronation Circle

Sino Land Company Limited was voted the 'Best Retail Developer in Hong Kong' at the Euromoney Real Estate Awards 2014 in addition to being named the 'Best Developer Overall in Hong Kong', 'Best Residential Developer in Hong Kong', 'Best Leisure/Hotel Developer in Hong Kong', 'Best Mixed Developer in Hong Kong' and 'Best Industrial/Warehouse developer in Hong Kong'.



The Clifford Pier

The Clifford Pier, the latest destination restaurant of The Fullerton Heritage, was opened in May 2014. Housed in Clifford Pier, which has been situated on the impressive Marina Bay waterfront since 1933, the 13,731-square-foot column-free historic structure has been reconfigured into a unique and chic dining experience while paying tribute to the history of Singapore.



The Fullerton Bay Hotel Singapore has received 'Five-Star' rating from the coveted Forbes Travel Guide in 2013 and 2014, placing it among the crème de la crème of the world's luxury hotels. Other awards received by the hotel include Best New Business Hotel in Asia-Pacific in the Business Traveller Asia-Pacific Awards 2013 and Top 100 Hotels in Travel + Leisure magazine's 2013 World's Best Awards.

BUSINESS REVIEW

(Continued)

(5) Hotels

Overall business performance of the Group's hotels, namely The Fullerton Hotel, The Fullerton Bay Hotel and Conrad Hong Kong was steady during the financial year 2013/2014. 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.

(6) China Business

Urbanisation in China has been an integral part of its economic development. The economic benefits derived from movement of human capital have contributed to China's rapid economic growth since the economy took off in the mid-1980s. Over the past three decades, urbanisation has been one of the key focuses for the Central Government in setting economic policy and objectives. With both global and local economies changing over time, a comprehensive policy framework for urbanisation is needed. It will narrow rural-urban inequalities and reduce wealth disparities. The reforms proposed by the new government cover a broad spectrum of areas. Improvements in 'Hukou' (household registration) system, property rights and land title registration system will facilitate the mobility of workers across China and safeguard the interests of the owners of the properties. Easing of one-child policy will also increase demand for consumer products, education as well as housing. Reforms in public finance, the banking system and capital markets including liberalization of interest rates and better access to housing finance are all important to establish a more sustainable consumption-led economy. These reforms are conducive to developing a healthy property market.

Throughout the years, the Group has completed a number of projects in Xiamen, Fuzhou and the first phase of its residential project in Zhangzhou. The experience gained from developing and leasing projects in China has also built the Group's execution capability in the country. The Group's projects are situated in cities with good economic and demographic fundamentals. The major property developments, namely The Palazzo in Chengdu, The Coronation in Chongqing and Dynasty Park in Zhangzhou will be sold and completed in phases over the next few years.

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, 2013.

CHAIRMAN'S STATEMENT *(Continued)*

FINANCE

As at 30th June, 2014, the Group had cash and bank deposits of HK\$14,412.4 million. After netting off total borrowings of HK\$8,040.2 million, the Group had net cash of HK\$6,372.2 million as at 30th June, 2014. Of the total borrowings, 1% was repayable within one year, 17% repayable between one and two years and 82% repayable between two and five years. The Group's borrowings are subject to floating and fixed interest rates. Total assets and shareholders' funds of the Group were HK\$136,928.6 million and HK\$111,665.4 million respectively.

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 financial year 2013/2014. The majority of the Group's cash are denominated in Hong Kong dollars with a portion of Renminbi 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.

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 the Group's continuous efforts in promoting sustainability and upholding high standards in environmental, social and corporate governance aspects, the Company has been selected as a constituent member of the Hang Seng Corporate Sustainability Index since September 2012 and has also received the 'Sustainability Excellence Award' at the Hong Kong Corporate Governance Excellence Awards 2013, jointly organised by The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University.

CHAIRMAN'S STATEMENT (Continued)

CORPORATE SOCIAL RESPONSIBILITY (Continued)



Sino Land Company Limited received the 'Sustainability Excellence Award' at the Hong Kong Corporate Governance Excellence Awards 2013 jointly organised by The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University in recognition of the Group's commitment to building a strong sustainability culture.



The Group has established Sino Caring Friends to encourage staff to regularly participate in voluntary services and support meaningful causes. Through voluntary services, staff can better understand and contribute to the community.

PROSPECTS

During the financial year 2013/2014, the Group published its 2013 Sustainability Review which has been prepared with reference to Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules. The Group also published its third annual Sustainability Report that highlighted its corporate sustainability footprints and initiatives to demonstrate its commitment to engaging its stakeholders in building a greener future.

The Group has been a long-standing partner 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 supporting staff in joining voluntary service for at least one day a year during office hours. In recognition of its efforts and commitment to corporate social responsibility, the Group has received a number of awards and certifications.

Continuous efforts have been made by the Group to make its properties more environmental-friendly through architectural planning, landscaping, energy saving and green management initiatives. During the financial year 2013/2014, Sino Property Services won a number of awards in recognition of its works on this area.

Dedicated to promoting local art and culture, the Group initiated 'Sino Art' project in 2006, under which Sino Art provides local and international artists with opportunities to showcase their works through exhibitions and public art installations at the Group's properties. During the financial year 2013/2014, Sino Art collaborated with local talents to hold several thematic exhibitions at the Group's flagship shopping malls, namely Olympic City and Tuen Mun Town Plaza. The Group has initiated 'Sino Art in Community' to extend our reach and charitable efforts to local communities with art. During the financial year 2013/2014, the Group partnered with the Hospital Authority and Yan Oi Tong to conduct mural painting created by local artists at Princess Margaret Hospital in Kwai Chung and Yan Oi Tong Ng Wong Fung Ying Kindergarten and Nursery in Tin Shui Wai respectively.

In March 2008, the Ng Teng Fong Family, the major shareholder of the Group, set up a non-profit-making organisation, 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 ("Hotel"), it is home to nine colonial-style rooms and suites and commenced operation in March 2012. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government's 'Revitalising Historic Buildings Through Partnership Scheme'. During the financial year 2013/2014, the Hotel has received the Award of Merit, UNESCO Asia-Pacific Awards for Cultural Heritage Conservation organised by the United Nations Educational, Scientific and Cultural Organization in 2013 for the project's efforts in heritage conservation by various organisations and engagement of local community in the project.

The U.S. economy has continued to improve with lower unemployment rate. Since the end of 2013, the Federal Reserve has steadily reduced the pace of the asset purchase programme. With signs of recovery mainly reflected in an improvement in household spending and the U.S. housing market, the outlook of the economy looks positive.

CHAIRMAN'S STATEMENT *(Continued)***PROSPECTS** *(Continued)*

Overall financial conditions in Euro zone have stabilised, but economies remain vulnerable with high unemployment, excess production capacity and deflationary pressure in a number of its member countries. In response to the situation, European Central Bank has lowered interest rates, imposed negative rates on overnight deposits from banks for the first time and provided banks with new long-term funds. It has also started the lending programme of Targeted Long Term Refinancing Operations alongside with other stimulus measures to increase bank lending and to drive economic growth in the years to come.

China's economy has been growing steadily. Economic, financial and social reforms covering a wide range of areas will lead the economy and society towards a more healthy and sustainable development. As the economic growth in the U.S. continues to strengthen, exports from China should continue to pick up. Combined with the economic forces of domestic consumption-led growth, the gain in momentum in China's economy will have a positive effect on the Hong Kong economy which in turn is supportive to a better business environment for Hong Kong. Economic growth in Hong Kong has been stable with low unemployment and a healthy and prudent financial system.

The Hong Kong property market has been going through a period of change as a result of economic and property-related policies. In February 2014, Legislative Council passed the Stamp Duty (Amendments) Ordinance 2014 in relation to the implementation of Buyer's Stamp Duty and Special Stamp Duty. An amendment to the Double Stamp Duty passed in July 2014 has helped to improve buying sentiment as more projects were launched to market for sale. Primary transaction volume has recently recovered, but with rising construction costs and the property-related policies, there remain sensitivities in the Hong Kong property market. Management will closely monitor the situation and will be responsive to market changes. The Group's recurrent businesses, which comprise property leasing, hospitality and property management services, continue to be resilient. With a good financial position, the Group is well-positioned to respond to challenges ahead.

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.

**STAFF AND
MANAGEMENT**

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

Robert NG Chee Siong
Chairman

Hong Kong, 27th August, 2014

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

(I) EXECUTIVE DIRECTORS

Mr. Robert Ng Chee Siang^{N+}, aged 62, an Executive Director since 1981 and Chairman of the Group since 1991, was called to the Bar in 1975. He has been actively engaged in property investment and development in Hong Kong during the last 38 years and is also a director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Tsim Sha Tsui Properties Limited, the holding company of the Company, and the Chairman of Sino Hotels (Holdings) Limited. In addition, he is a Director of The Real Estate Developers Association of Hong Kong and a member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference. He was formerly an Independent Non-Executive Director of The Hongkong and Shanghai Hotels, Limited. Mr. Ng is the father of Mr. Daryl Ng Win Kong, an Executive Director of the Company, a son of the late substantial shareholder Mr. Ng Teng Fong and the brother of Mr. Philip Ng Chee Tat, the co-executor of the estate of the late Mr. Ng Teng Fong.

Mr. Daryl Ng Win Kong^R, aged 36, an Executive Director since April 2005, holds a Bachelor of Arts Degree in Economics and a Master Degree of Science in Real Estate Development from Columbia University in New York. Mr. Ng first joined the Company as Executive (Development) in 2003. He is a director of a number of subsidiaries and associated companies of the Company, and an Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. He is also an Independent Non-Executive Director of Blue Cross (Asia-Pacific) Insurance Limited and BEA Life Limited. He is a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the International Advisory Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is a trustee member of World Wide Fund for Nature Hong Kong, the Vice Chairman of Hong Kong United Youth Association, a member of Executive Committee of The Boys' & Girls' Clubs Association of Hong Kong, a member of the Social Welfare Advisory Committee, a member of the Executive Committee of Hong Kong Sheng Kung Hui Welfare Council Limited and a member of Friends of Hong Kong Association Limited. He is a Director of The Community Chest of Hong Kong, The Real Estate Developers Association of Hong Kong and Ocean Park Corporation. He is the eldest son of the Chairman of the Group Mr. Robert Ng Chee Siang and the eldest grandson of the late substantial shareholder Mr. Ng Teng Fong.

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

Mr. Ringo Chan Wing Kwong, aged 54, an Executive Director since January 2008. He first joined the Company in 1988 and had been an Associate Director (Group Treasury) of the Company since 2005. He is also a director of a number of subsidiaries and associated companies of the Company. Mr. Chan holds a Master Degree of Business Administration and is a Fellow Member of the Association of Chartered Certified Accountants and an Associate Member of The Hong Kong Institute of Certified Public Accountants (Practising). Mr. Chan has over 30 years of experience in accounting and finance.

Ms. Alice Ip Mo Lin, aged 58, an Executive Director since June 2011, joined the Company in 2007 and had been an Associate Director of the Company since 2009. Ms. Ip has a Bachelor's Degree from the University of British Columbia, Canada and has extensive experience in the areas of organization development and human resources management. Ms. Ip currently oversees the Company's human resources management and development. She is a member of the Hong Kong Management Association Quality Award Organizing Committee and the Hong Kong Institute of Human Resource Management Minimum Wage and Standard Work Hours Taskforce. Ms. Ip is also a member of the Hong Kong Professionals and Senior Executives Association and a registered member of the Board of Registration of Social Worker, British Columbia. She is also a director of a number of subsidiaries and associated companies of the Company.

Mr. Gordon Lee Ching Keung, aged 54, an Executive Director since January 2013. Mr. Lee first joined the Company in 1989 and left the Company in 1995. He rejoined the Company in 1997 and has been an Associate Director (Development Division) of the Company since 2006. He is also a director of a number of subsidiaries and associated companies of the Company. Mr. Lee is a member of The Hong Kong Institute of Architects, a Registered Architect and an Authorized Person (Architect). He has extensive experience in design, project management, quality management, construction site management and cost management and is in charge of the Development Division.

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

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, aged 75, has been a Director of the Company since 1981 and was re-designated from an Independent Non-Executive Director to a Non-Executive Director in July 2005. The Honourable Ronald Arculli through Ronald Arculli and Associates provides consultancy services to the Company. He is also a Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. The Honourable Ronald Arculli was an Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited from 2006 to April 2013, for which he was also a former Independent Non-Executive Chairman from 2006 to April 2012. He has a long and distinguished record of public service on numerous government committees and advisory bodies. He was the Chairman of The Hong Kong Jockey Club from 2002 to August 2006. He is a practising solicitor and has served on the Legislative Council from 1988 to 2000. He was a Non-Official Member of the Executive Council of the HKSAR Government from November 2005 to June 2012, for which he also acted as Convenor of the Non-Official Members since December 2011. He chairs FWD Group, Hong Kong Arts Festival Society Limited, the Honorary Advisory Committee of SVHK Foundation Limited and Common Purpose Charitable Foundation Limited in Hong Kong. He is also a Director of Asia Art Archive Limited and a Trustee and Director of IFRS Foundation. He is a Board Member of The West Kowloon Cultural District Authority and chairs its Executive Committee and Development Committee. The Honourable Ronald Arculli is an Independent Non-Executive Director of Hang Lung Properties Limited and a Non-Executive Director of HKR International Limited, Hutchison Harbour Ring Limited, HK Electric Investments Manager Limited (as trustee-manager of HK Electric Investments) and HK Electric Investments Limited (all are listed on The Stock Exchange of Hong Kong Limited except HK Electric Investments Manager Limited). He was formerly a Non-Executive Director of Power Assets Holdings Limited and an Independent Non-Executive Director of SCMP Group Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT (Continued)

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

Dr. Allan Zeman^{A N R}, GBM, GBS, JP, aged 66, an Independent Non-Executive Director of the Company since September 2004. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited. Dr. Zeman is the Chairman of Lan Kwai Fong Group, a major property owner and developer in Hong Kong's Lan Kwai Fong, one of Hong Kong's popular tourist attractions and entertainment districts. He is also an Independent Non-Executive Director of Pacific Century Premium Developments Limited and a Board Member of The "Star" Ferry Company, Limited. Beside all the Board appointments in Hong Kong, Dr. Zeman is an Independent Non-Executive Director and the Vice Chairman of Wynn Macau, Limited, a prominent gaming company in Macau. He was formerly a Non-Executive Director of Wynn Resorts, Limited. Having lived in Hong Kong for over 40 years, Dr. Zeman has been very involved in Government services as well as community activities. Dr. Zeman serves as a member of the Board of West Kowloon Cultural District Authority, and is the Chairman of its Performing Arts Committee. He is also the appointed member of the Economic Development Commission of Hong Kong, a member of the General Committee of the Hong Kong General Chamber of Commerce, a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong and a member of the Asian Advisory Board of the Richard Ivey School of Business, The University of Western Ontario. Dr. Zeman is a holder of Honorary Doctorate of Laws Degree from The University of Western Ontario, Canada. He is also a holder of Honorary Doctorate of Business Administration from City University of Hong Kong as well as The Hong Kong University of Science and Technology.

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

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

Mr. Adrian David Li Man-kiu^{A+ N R}, JP, aged 41, an Independent Non-Executive Director since April 2005, is Executive Director & Deputy Chief Executive of The Bank of East Asia, Limited. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited. Mr. Li is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference, a member of the All-China Youth Federation, Deputy Chairman of the Beijing Youth Federation and a Counsellor of the Hong Kong United Youth Association. He is a board member of The Community Chest of Hong Kong, a member of the HKSAR Government-mandated Banking Industry Training Advisory Committee and a member of the MPF Industry Schemes Committee of the MPFA. He is an Advisory Committee member of the Hong Kong Baptist University's School of Business and a Vice President of The Hong Kong Institute of Bankers' Council. Furthermore, he serves as a member of the Election Committees responsible for electing the Chief Executive of the HKSAR and deputies of the HKSAR to the 12th National People's Congress. Mr. Li is currently an Independent Non-Executive Director of China State Construction International Holdings Limited and COSCO Pacific Limited, and an Alternate Independent Non-Executive Director of San Miguel Brewery Hong Kong Limited, all companies listed in Hong Kong. In addition, he is an Independent Non-Executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., which is dual listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, a Non-Executive Director of The Berkeley Group Holdings plc, which is listed on the London Stock Exchange, and an Alternate Director of AFFIN Holdings Berhad, which is listed on the Bursa Malaysia. He is a member of the International Advisory Board of Abertis Infraestructuras, S.A., a company listed in Spain, and also sits on the Judging Panel of the 2014 BAI-Finacle Global Banking Innovation Awards. Mr. Li holds a Master of Management degree from the Kellogg School of Management, Northwestern University in the US, and a Master of Arts degree and a Bachelor of Arts degree in Law from the University of Cambridge in Britain. He is a member of The Law Society of England and Wales, and The Law Society of Hong Kong.

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

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

Mr. Steven Ong Kay Eng^{A R+}, aged 68, an Independent Non-Executive Director since October 2011. He is also an Independent Non-Executive Director of Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited since July 2005. He is a Director of Altrade Investments Pte. Ltd. in Singapore and a substantial shareholder of Hwa Hong Corporation Limited, which is listed on the main board of the Singapore Stock Exchange. Mr. Ong has been a veteran banker with extensive experience in banking and finance over 43 years. He was the General Manager and Country Head for American Express Bank in Singapore for nearly 10 years and also the Chief Representative and Country Manager in China for Banca Monte dei Paschi di Siena S.p.A. for 16 years. Mr. Ong remained as the bank's advisor and consultant for 2 years after he left China in 2006 having resided in the country for over 16 years. He was the Chairman of Foreign Bankers' Association in Beijing, PRC from 1999 to 2000.

(IV) SENIOR MANAGEMENT

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

CORPORATE GOVERNANCE REPORT

The Board of Directors (“Board”) is committed to providing effective management and sound control of the Company for maximizing the shareholders’ value. The corporate governance principles of the Company emphasize the attainment and maintenance of a high standard of corporate governance practices and procedures, a quality board, sound internal controls, and high transparency and accountability to the shareholders. The Company has adopted its own Corporate Governance Code and has complied with all code provisions as set out in Appendix 14 (“Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), except for the deviation as disclosed in this report. The corporate governance practices of the Company in compliance with the Code during the financial year ended 30th June, 2014 with explanation of the deviation are set out in this report.

CORPORATE GOVERNANCE PRACTICES

DIRECTORS

Corporate Governance Principle

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

Board Composition

The current Board has 9 Directors composing of five Executive Directors including the Chairman of the Board, one Non-Executive Director and three Independent Non-Executive Directors. During the year ended 30th June, 2014 and up to the date of this Annual Report, the changes to the composition of the Board are set out under the section entitled “Directors’ Report” of this Annual Report. Biographical details of the Directors and their relationships, where applicable, are contained under the section entitled “Biographical Details of Directors & Senior Management” of this Annual Report. The Company has maintained on its website and on the website of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) an updated list of its Directors identifying their roles and functions and whether they are Independent Non-Executive Directors. Independent Non-Executive Directors are identified as such in all corporate communications that disclose the names of Directors of the Company.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Board Composition *(Continued)*

With a view to achieving a sustainable and balanced development, the Company has been seeing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. It is the policy of the Company to consider board diversity from a number of factors when deciding on new appointments to the Board and the continuation of those appointment in order to achieve a diversity of perspectives among Board members. These factors include but not limited to gender, age, cultural and educational background, professional or industry experience, skills, knowledge and other qualities of Directors. The Board as a whole is responsible for reviewing the structure, size and composition of the Board with due regard to the intended benefits of board diversity. The balance between the number of Executive and Non-Executive Directors is considered effective in ensuring independent judgment being exercised effectively to provide sufficient checks and balances to safeguard the interests of the Company and its shareholders. The Company believes that the current Board composition is well-balanced and of a diverse mix appropriate for the business of the Company. The Board will review and monitor the implementation of board diversity on a regular basis to ensure its effectiveness on determining the optimal composition of the Board.

Division of Responsibilities

The Board, led by the Chairman, is responsible for the Company's future development directions, overall strategies and policies, evaluation of the financial performance of the Company and approval of matters that are of a material or substantial nature. The Executive Directors, constituting the senior management of the Company, are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control and delegation framework of the Company. The Board gives clear directions as to the matters that must be approved by the Board before decisions are made on behalf of the Company. 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. The types of decisions to be delegated by the Board to the management include implementation of the strategy and direction determined by the Board, operation of the Group's business, preparation of financial statements and operating budgets, and compliance with applicable laws and regulations.

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

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

There is no separation of the roles of the chairman and the chief executive officer in the Company. The Chairman of the Board provides leadership to the Board and undertakes both roles of chairman and chief executive officer. The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. In addition, the current three Independent Non-Executive Directors have contributed valuable views and proposals for the board's deliberation and decisions. The Board will review the management structure regularly to ensure that it continues to meet these objectives and is in line with the industry practices.

To enhance the function of the Board, four board committees, namely the Remuneration Committee, Nomination Committee, Audit Committee and Compliance Committee, have been set up to take up different responsibilities. All board committees have specific terms of reference clearly defining their powers and responsibilities. All board committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board's approval before taking any action.

The Non-Executive Directors, including Independent Non-Executive Directors, provide the Company with diverse skills, expertise and varied backgrounds and qualifications. They participate in board/board committees (including Audit Committee, Nomination Committee and Remuneration Committee) meetings to bring independent views, advice and judgment on important issues relating to the Company's strategy, policy, financial performance, and take the lead on matters where potential conflicts of interests arise. They also attend annual general meetings of the Company to understand the view of shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive and informed comments.

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

Every Director is considered to have given sufficient time and attention to the Company's affairs for the year. Directors are required to disclose to the Company the number and nature of offices held in public companies or organizations and other significant commitments as well as the identity of such public companies or organizations.

Directors' and Officers' Liabilities Insurance

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

Board Meetings and Supply of and Access to Information

The Board holds at least four regular meetings a year, which are normally scheduled in advance in the fourth quarter of the preceding year, and will meet more frequently as and when required. During the financial year ended 30th June, 2014, the Board had held four meetings. The attendance records of the Directors to these board meetings are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong (<i>Chairman</i>)	4/4
Mr. Daryl Ng Win Kong	4/4
Mr. Ringo Chan Wing Kwong	4/4
Ms. Alice Ip Mo Lin	4/4
Mr. Gordon Lee Ching Keung	4/4
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	4/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	4/4
Mr. Adrian David Li Man-kiu	4/4
Mr. Wong Cho Bau	1/1
<i>(retired on 23rd October, 2013)</i>	
Mr. Steven Ong Kay Eng	4/4

Notice incorporating the agenda for each regular board meeting or board committee meeting is given to all Directors or board committee members at least 14 days in advance, and all Directors or board committee members are given the opportunity to include matters for discussion in the agenda. All Directors/board committee members are entitled to have access to board/board committee papers and related materials in sufficient details to enable them to make informed decisions on matters to be placed before the board/board committee meetings. Meeting papers are normally sent to all Directors or board committee members at least 5 days in advance of every regular board meeting or board committee meeting.

CORPORATE GOVERNANCE PRACTICES *(Continued)***DIRECTORS** *(Continued)***Board Meetings and
Supply of and
Access to Information**
(Continued)

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

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

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

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

All Non-Executive Directors have entered into letters of appointment with the Company for a specific term of three years. The Company's Articles of Association provide that each Director is subject to retirement from office by rotation and re-election once every three years and that one-third (or the number nearest to one-third) of the Directors shall retire from office every year at the annual general meeting. New appointment to the Board is subject to re-election at the next following annual general meeting. In addition, the appointment of an Independent Non-Executive Director who has served on the Board for more than nine years will be subject to a separate resolution to be approved by shareholders. The Board will provide in the circular accompanying the annual report sent to shareholders the reason why the Board considers the Independent Non-Executive Director is still independent and our recommendation to shareholders to vote in favour of the re-election of such Independent Non-Executive Director.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

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

The Directors who are subject to retirement and re-election at the 2014 annual general meeting are set out on page 51 of this Annual Report.

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

Confirmation of Independence

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

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a Director and of the conduct, business activities and development of the Company. Every newly appointed director receives a comprehensive induction package covering the statutory and regulatory obligations of directors, organizational structure, policies, procedures and codes of the Company, terms of reference of board committees and charter of responsibilities of internal audit. The Company Secretary from time to time updates and provides written training materials to the Directors, and organizes seminars on the latest development of the Listing Rules, applicable laws, rules and regulations relating to Directors' duties and responsibilities.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Directors' Training and Professional Development *(Continued)*

The Company Secretary maintains records of trainings attended by the Directors. The trainings attended by the current Directors during the year are as follows:

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

Note:

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Remuneration Committee

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

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

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

During the year, the Remuneration Committee had performed the following works:

- reviewed the Company's existing emolument policy;
- reviewed the remuneration packages of Executive Directors; and
- made recommendations on Directors' fees.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Remuneration Committee *(Continued)*

No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee. The attendance records of the committee members to committee meeting(s) are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Steven Ong Kay Eng* <i>(Committee Chairman)</i>	1/1
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1
Mr. Daryl Ng Win Kong	1/1

* *Independent Non-Executive Director*

Details of Directors' emoluments for the year are set out in Note 14 to the consolidated financial statements.

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

The Company has 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 Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board 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 independence. The Committee meets at least once a year and is provided with sufficient resources to perform its duties.

The Nomination Committee, which is chaired by the Chairman of the Board, currently comprises three members with the Independent Non-Executive Directors constituting the majority of the Committee.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Nomination Committee *(Continued)*

During the year, the Nomination Committee had performed the following works:

- reviewed the current structure, size and composition of the Board;
- assessed the independence of Independent Non-Executive Directors and their annual confirmations on independence;
- reviewed time commitment of directors; and
- renewed the appointment letters to Independent Non-Executive Directors/Non-Executive Directors.

The attendance records of the committee members to committee meeting(s) are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Robert Ng Chee Siong <i>(Committee Chairman)</i>	1/1
Dr. Allan Zeman*	1/1
Mr. Adrian David Li Man-kiu*	1/1

* *Independent Non-Executive Director*

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Statements

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

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

The auditor is responsible for auditing and reporting its opinion on the financial statements of the Company and the independent auditor's report for the financial year ended 30th June, 2014 is set out in the section entitled "Independent Auditor's Report" of this Annual Report.

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Internal Controls and Risk Management

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

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

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Internal Controls and Risk Management *(Continued)*

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

Audit Committee

The Company has set up its Audit Committee with written terms of reference which are available at the Company's website www.sino.com and the Stock Exchange's website.

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

The Audit Committee currently comprises three members, all of them being Independent Non-Executive Directors.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Audit Committee *(Continued)*

During the year, the Audit Committee had held four meetings and reviewed the following matters:

- the Company's 2013 annual report and accounts and the 2013/2014 interim report and accounts, including the accounting policies and practices adopted by the Company, before submitting to the Board;
- internal audit reports on the internal controls and risk management systems, including the effectiveness of the internal control systems of the Company and its subsidiaries, the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes and budget;
- internal audit plan 2014/2015;
- usage of annual caps on continuing connected transactions of the Company; and
- re-appointment of the Company's auditor before submitting to the Board.

All the meetings were attended by the external auditor of the Company. The attendance records of the committee members to these committee meetings are set out below:

Committee members	Meeting(s) Attended/Held
Mr. Adrian David Li Man-kiu <i>(Committee Chairman)</i>	4/4
Dr. Allan Zeman	4/4
Mr. Wong Cho Bau <i>(retired on 23rd October, 2013)</i>	0/1
Mr. Steven Ong Kay Eng	4/4

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 year under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the year ended 30th June, 2014. 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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Auditor's Remuneration

The fees in respect of audit and non-audit services provided to the Company and its subsidiaries by the external auditor of the Company for the year ended 30th June, 2014 amounted to HK\$3,988,727 and HK\$1,542,198 respectively. The non-audit services mainly consist of review, consultancy and taxation services.

CORPORATE GOVERNANCE FUNCTIONS

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

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

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

- reviewed the usage of annual caps on continuing connected transactions of the Company;
- reviewed the compliance with the Code through the Compliance Committee; and
- reviewed the effectiveness of the internal controls and risk management systems of the Company through the Internal Audit Department and the Audit Committee.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

CORPORATE GOVERNANCE FUNCTIONS *(Continued)*

Compliance Committee

The Company has set up its Compliance Committee 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 Compliance Committee currently comprises the Executive Director Mr. Daryl Ng Win Kong (Committee Chairman), the other Executive Directors of the Company, the Chief Financial Officer and Head of Legal and Company Secretarial Departments, the Head of Internal Audit Department, other 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.

COMMUNICATION WITH SHAREHOLDERS

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

Communication Strategies

Principles

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

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

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

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

The last annual general meeting of the Company is the 2013 annual general meeting ("2013 AGM") which was held on 23rd October, 2013 at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon. The Directors, including the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Nomination Committee and the Chairman of the Remuneration Committee, and the external auditor of the Company, Deloitte Touche Tohmatsu, attended the 2013 AGM. The attendance records of the then Directors to the 2013 AGM are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	1/1
Mr. Daryl Ng Win Kong	1/1
Mr. Ringo Chan Wing Kwong	1/1
Ms. Alice Ip Mo Lin	1/1
Mr. Gordon Lee Ching Keung	1/1
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	1/1
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	1/1
Mr. Adrian David Li Man-kiu	1/1
Mr. Wong Cho Bau	0/1
<i>(retired on 23rd October, 2013)</i>	
Mr. Steven Ong Kay Eng	1/1

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

The Company's notice to shareholders for the 2013 AGM was sent to shareholders more than 20 clear business days prior to the meeting. The chairman of the meeting exercised his power under the Company's Articles of Association to put each proposed resolution to vote by way of a poll. The Company adopted poll voting for all resolutions put to vote at the meeting. The procedures for voting by poll at the 2013 AGM were contained in the circular of the Company to its shareholders, which was dispatched together with the 2013 annual report, and were further explained at the 2013 AGM prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the 2013 AGM.

Separate resolutions were proposed at the 2013 AGM on each substantive issue and the percentage of votes cast in favour of such resolutions as disclosed in the announcement of the Company dated 23rd October, 2013 are set out below:

Resolutions proposed at the 2013 AGM		Percentage of Votes
1	Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2013	99.99%
2	Declaration of a final dividend of HK\$0.38 per ordinary share with an option for scrip dividend	100%
3(i)	Re-election of Mr. Daryl Ng Win Kong as Director	84.67%
3(ii)	Re-election of Mr. Ringo Chan Wing Kwong as Director	86.40%
3(iii)	Re-election of Mr. Gordon Lee Ching Keung as Director	85.44%
3(iv)	Authorization of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2014	99.99%
4	Re-appointment of Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorize the Board to fix their remuneration	99.87%
5(i)	Share repurchase mandate up to 10% of the Company's issued share capital	99.99%
5(ii)	Share issue mandate up to 20% of the Company's issued share capital	85.14%
5(iii)	Extension of share issue mandate to the shares repurchased under the share repurchase mandate	85.23%

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Shareholders' Meetings (Continued)

All resolutions put to shareholders at the 2013 AGM were passed. The Company's Share Registrars were appointed as scrutineers to monitor and count the poll votes cast at that meeting. The results of the voting by poll were published on the respective websites of the Company and the Stock Exchange.

The latest version of the Memorandum and Articles of Association of the Company is available at the Company's website www.sino.com and the Stock Exchange's website. No changes have been made to the Company's Memorandum and Articles of Association during the year. Changes reflecting the impact of the new Companies Ordinance of Hong Kong (Chapter 622 of the Laws of Hong Kong) ("Companies Ordinance") will be proposed and considered by shareholders at the 2014 AGM.

Enquiries

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

Shareholders' Privacy

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

Corporate Communications

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

Company's Website

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

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Shareholders' Rights

Pursuant to Section 566 of the Companies Ordinance, the Directors are required to call a general meeting if the Company has received requests to do so from shareholders representing at least 5% of the total voting rights of all the shareholders having a right to vote at the general meetings. The request must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such request must be authenticated by the shareholders making it and may either be deposited at the registered office of the Company at 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Company Secretary or sent to the Company's email address at investorrelations@sino.com.

In relation to an annual general meeting which the Company is required to hold, Sections 615 and 616 of the Companies Ordinance provide that the Company must give notice of a resolution if it has received request to do so from shareholders representing at least 2.5% of the total voting rights of all shareholders of the Company having a right to vote on the resolution at the annual general meeting, or at least 50 shareholders having a right to vote on the resolution at the annual general meeting. Such request must be authenticated by the shareholders making it and may either be deposited at the registered office of the Company or sent to the Company's email address, both of which are mentioned above.

Shareholders who wish to propose a person (other than a retiring Director) for election as director ("Candidate") at a general meeting of the Company, should (a) deposit a written notice of such proposal at the registered office of the Company for the attention of the Company Secretary, signed by the shareholders who should be qualified to attend and vote at the general meeting; (b) provide biographical details of the Candidate as set out in Rule 13.51(2)(a) to (x) of the Listing Rules; and (c) provide a written consent signed by the Candidate indicating his/her willingness to be elected. The period for lodgment of such a written notice shall be at least 7 days commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such meeting and such election and ending not later than 7 days prior to the meeting.

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

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2014.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 49 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 136.

An interim dividend of HK12 cents per share amounting to HK\$717,743,259, including HK\$341,507,137 by way of cash dividends and HK\$376,236,122 by way of scrip alternatives, was paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK38 cents per share amounting to HK\$2,286,260,513 payable to shareholders whose names appear on the Register of Members of the Company on 30th October, 2014.

INVESTMENT PROPERTIES

During the year, the Group incurred construction cost on investment properties under redevelopment of HK\$119,424,064 and renovation cost on investment properties of HK\$189,236,372, disposed of investment properties of HK\$1,818,156,448, transferred to hotel properties of HK\$117,232,122, transferred to prepaid lease payments of HK\$92,887,878 and also transferred from properties under development of HK\$86,322,259 to investment properties. The Group revalued all its investment properties at the year end date and the increase in fair value of the investment properties amounting to HK\$3,290,416,953 has been credited directly to the consolidated statement of profit or loss.

Details of these and other movements during the year in the investment properties of the Group are set out in Note 19 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in Note 21 to the consolidated financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2014 are set out on pages 247 to 266.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal subsidiaries, associates and joint ventures at 30th June, 2014 are set out in Notes 49, 50 and 25 to the consolidated financial statements, respectively.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in Note 36 to the consolidated financial statements.

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

During the year, the Company repurchased 412,000 shares on The Stock Exchange of Hong Kong Limited at an aggregate consideration of HK\$4,220,820. 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>
January 2014	412,000	10.32	10.16	4,220,820
	<u>412,000</u>			<u>4,220,820</u>

All 412,000 shares repurchased were cancelled on delivery of the share certificates during the year. The aggregate consideration of HK\$4,220,820 was paid out from the Company's retained profits.

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

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 30th June, 2014 were the retained profits of HK\$16,084,516,214 (2013: HK\$14,130,763,508).

MEDIUM TERM NOTE PROGRAMME

As at 30th June, 2014, the aggregate carrying amount of notes guaranteed by the Company and issued under the Group's Medium Term Note Programme established in April 2012 and which remain outstanding was US\$500,000,000, with maturity terms of five years and fixed interest rate at 3.25% per annum. These guarantee notes are included in the Group's bank and other borrowings at 30th June, 2014 as referred to in Note 35 to the consolidated financial statements.

DIRECTORS' REPORT *(Continued)***TREASURY, GROUP
BORROWINGS AND
INTEREST CAPITALISED**

The Group maintains a prudent approach in its treasury management with foreign exchange exposure being kept at a minimal level and interest rates on a floating rate bases. Bank borrowings repayable within one year are classified as current liabilities. Repayment analysis of bank borrowings as at 30th June, 2014 are set out in Note 35 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$20,287,555.

DIRECTORS

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

Executive Directors

Mr. Robert Ng Chee Siong (Chairman)
Mr. Daryl Ng Win Kong
Mr. Ringo Chan Wing Kwong
Ms. Alice Ip Mo Lin
Mr. Gordon Lee Ching Keung

Non-Executive Director

The Honourable Ronald Joseph Arculli

Independent Non-Executive Directors

Dr. Allan Zeman
Mr. Adrian David Li Man-kiu
Mr. Steven Ong Kay Eng
Mr. Wong Cho Bau (retired on 23rd October, 2013)

In accordance with the Company's Articles of Association and pursuant to Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), Mr. Robert Ng Chee Siong, Mr. Adrian David Li Man-kiu and Ms. Alice Ip Mo Lin will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election.

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

As at 30th June, 2014, the interests and short positions held by the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were as follows:

(A) Long Positions in Shares of the Company

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	3,195,514,253 <i>(Note)</i>	Beneficial owner of 175,319 shares, spouse interest in 3,751,306 shares and trustee interest in 3,191,587,628 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.11%
The Honourable Ronald Joseph Arculli	1,157,090	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Daryl Ng Win Kong	100,495	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–

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

(Continued)

Note:

The trustee interest in 3,191,587,628 shares comprises:

- (a) 1,378,884,961 shares which were held by Tsim Sha Tsui Properties Limited, which was 71.97% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
- (b)
 - (i) 44,838,411 shares which 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) 1,633,930,883 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 98,694,800 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 161,571 shares by Fanlight Investment Limited, 157,810 shares by Garford Nominees Limited, 35,513,066 shares by Karaganda Investments Inc., 15,316,634 shares by Orient Creation Limited, 7,444,257 shares by Strathallan Investment Limited, 22,437,125 shares by Strong Investments Limited, 17,193,614 shares by Tamworth Investment Limited and 470,723 shares by Transpire Investment Limited; and
- (d) 35,238,573 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

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

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	1,169,153,611 <i>(Note)</i>	Beneficial owner of 627,871 shares and trustee interest in 1,168,525,740 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.01%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈0%
Dr. Allan Zeman	-	-	-
Mr. Adrian David Li Man-kiu	-	-	-
Mr. Steven Ong Kay Eng	-	-	-
Mr. Daryl Ng Win Kong	-	-	-
Mr. Ringo Chan Wing Kwong	-	-	-
Ms. Alice Ip Mo Lin	-	-	-
Mr. Gordon Lee Ching Keung	-	-	-

Note:

The trustee interest in 1,168,525,740 shares comprises:

- (a) 1,076,302,705 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 111,558,755 shares by Fanlight Investment Limited, 151,178,386 shares by Nippomo Limited, 3,473,922 shares by Orient Creation Limited, 297,336,069 shares by Strathallan Investment Limited, 443,706,162 shares by Tamworth Investment Limited and 69,049,411 shares by Transpire Investment Limited; and
- (b) 92,223,035 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

DIRECTORS' REPORT *(Continued)***DIRECTORS' INTERESTS (B) Long Positions in Shares of Associated Corporations** *(Continued)***(ii) Associates and joint ventures**

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

Name of Company	Number of Ordinary Shares	% of Issued Shares
Brighton Land Investment Limited	1,000,002 <i>(Notes 1 and 2)</i>	100%
Dramstar Company Limited	440 <i>(Notes 1 and 3)</i>	44%
Empire Funds Limited	1 <i>(Notes 1 and 4)</i>	50%
Erleigh Investment Limited	110 <i>(Notes 1 and 4)</i>	55%
Eternal Honest Finance Company Limited	1 <i>(Notes 1 and 4)</i>	50%
Famous Empire Finance Limited	5 <i>(Notes 1 and 5)</i>	50%
Famous Empire Properties Limited	5,000 <i>(Notes 1 and 5)</i>	50%
FHR International Limited	1 <i>(Note 6)</i>	33.33%
Island Resort Estate Management Company Limited	10 <i>(Notes 1 and 4)</i>	50%
Jade Result Limited	500,000 <i>(Notes 1 and 4)</i>	50%
Jumbo Funds Limited	1 <i>(Notes 1 and 7)</i>	50%
Murdoch Investments Inc.	2 <i>(Notes 1 and 2)</i>	100%
Real Maker Development Limited	20,000 <i>(Notes 1 and 8)</i>	10%
Rich Century Investment Limited	500,000 <i>(Notes 1 and 4)</i>	50%
Sea Dragon Limited	70 <i>(Notes 1 and 4)</i>	70%
Silver Link Investment Limited	10 <i>(Notes 1 and 4)</i>	50%
Sino Club Limited	2 <i>(Note 9)</i>	100%
Sino Parking Services Limited	450,000 <i>(Note 10)</i>	50%
Sino Real Estate Agency Limited	50,000 <i>(Note 10)</i>	50%

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (B) Long Positions in Shares of Associated Corporations (Continued) (Continued)

(ii) Associates and joint ventures (Continued)

Notes:

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

Save as disclosed above, as at 30th June, 2014, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT *(Continued)***ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES**

At no time during the year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

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

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

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Apart from the transactions disclosed under the heading "Related Party Disclosures" as set out in Note 48 to the consolidated financial statements, there were no other contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

SERVICE CONTRACTS

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

DIRECTORS' REPORT (Continued)**CONNECTED
TRANSACTIONS****(A) Non-exempted Continuing Connected Transactions up to 30th June, 2014**

The Company and its holding company, Tsim Sha Tsui Properties Limited ("TST Properties"), jointly announced on 28th June, 2013 that the Company and/or its subsidiaries ("Group") had entered into agreements on 28th June, 2013 ("Agreements" or individually, "Agreement") relating to the following non-exempted continuing connected transactions between the Company and/or its subsidiaries, and the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong, and/or their respective associates) for the three financial years commencing from 1st July, 2013 and ending on 30th June, 2016 with annual caps fixed for each of the years. Applicable particulars of the Agreements together with the total amount received/paid in respect of the transactions for the year ended 30th June, 2014 are disclosed herein as required under the Listing Rules:

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2014
	Service Provider	Recipient				
1. Building Cleaning Services	Best Result Environmental Services Limited, a wholly-owned subsidiary of the Company	Ng Family	Provision of building cleaning services and cleaning consultancy services by the Group to properties developed/owned/partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$131 million	HK\$72.02 million
2. Car Park Management Services	Sino Parking Services Limited ("SPSL"), a company held as to 50% by the Company and 50% by the Ng Family	Group	Provision of car park management services by SPSL and/or members of the Ng Family to properties owned/developed or to be owned/developed by the Group	A lump sum fee to be agreed between the parties which shall be determined by reference to a rate of the total gross revenue generated from car parking operations in the properties managed by SPSL and/or the relevant member of the Ng Family pursuant to the Agreement	HK\$49 million	HK\$25.16 million

DIRECTORS' REPORT (Continued)

CONNECTED
TRANSACTIONS
(Continued)

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2014 (Continued)

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2014
	Service Provider	Service Recipient				
3. Estate Management and General Administrative Services	Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of the Company	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by the Group to properties developed/owned/partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be a fixed sum or determined by reference to a rate of the management expenditure as shown in the annual budget of, or actually incurred by, the Ng Family in respect of the properties managed by SEML pursuant to the Agreement	HK\$43 million	HK\$23.07 million
4. Security Guard Services	Sino Security Services Limited, a wholly-owned subsidiary of the Company	Ng Family	Provision of security guard services by the Group to properties developed/owned/partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	HK\$86 million	HK\$49.69 million

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2014 (Continued)

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2014
	Service Provider	Service Recipient				
5. Lease of Properties	Group	Ng Family	Lease of properties by: <ul style="list-style-type: none"> (i) the Group of properties owned or to be owned by the Ng Family; and (ii) the Ng Family of properties owned or to be owned by the Group 	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of particular properties	(i) For the period from 1st July, 2013 to 30th June, 2014, HK\$110.5 million ^{Note} comprising: <ul style="list-style-type: none"> (a) HK\$100.3 million for lease of properties by the Group; and (b) HK\$10.2 million^{Note} for lease of properties by the Ng Family; and (ii) For the period from 1st July, 2014 to 30th June, 2015, HK\$130.4 million ^{Note} comprising: <ul style="list-style-type: none"> (a) HK\$110.4 million for lease of properties by the Group; and (b) HK\$20 million^{Note} for lease of properties by the Ng Family 	HK\$42.21 million, comprising: <ul style="list-style-type: none"> (i) HK\$37.15 million for lease of properties by the Group; and (ii) HK\$5.06 million for lease of properties by the Ng Family

DIRECTORS' REPORT (Continued)

CONNECTED
TRANSACTIONS
(Continued)

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2014 (Continued)

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2014
	Service Provider	Recipient				
						(iii) For the period from 1st July, 2015 to 30th June, 2016, HK\$141.4 million ^{Note} comprising:
						(a) HK\$121.4 million for lease of properties by the Group; and
						(b) HK\$20 million ^{Note} for lease of properties by the Ng Family

Note: Due to a recent corporate acquisition by an associate of the Ng Family, the acquiree being an existing tenant of certain properties owned by the Group, the existing leasing transactions between the acquiree and the Group have come within the scope of the continuing connected transactions contemplated under the relevant Agreement entered into between the Group and the Ng Family on 28th June, 2013 and as a result, the levels of aggregate total amount payable under the said Agreement in respect of the lease of properties by the Ng Family for the then remaining part of the financial year ended 30th June, 2014 and for the financial years ending 30th June, 2015 and 2016 are expected to be higher than the levels envisaged at the time of entering into of the said Agreement. The Group and the Ng Family entered into a supplemental agreement on 10th June, 2014 to revise the annual caps for the continuing connected transactions contemplated under the said Agreement for the lease by the Ng Family of properties owned or to be owned by the Group for the financial year ended 30th June, 2014 and for the financial years ending 30th June, 2015 and 2016 from HK\$4 million, HK\$4.4 million and HK\$4.8 million to HK\$10.2 million, HK\$20 million and HK\$20 million respectively.

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

(A) Non-exempted Continuing Connected Transactions up to 30th June, 2014 *(Continued)*

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

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

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited ("Stock Exchange").

**CONNECTED
TRANSACTIONS**
*(Continued)***(B) Acquisition of Additional Interests regarding The Waterside and Corporation Park**

The Company and TST Properties jointly announced on 20th May, 2014 that:

- (i) King Chance Development Limited ("King Chance"), a wholly-owned subsidiary of the Company, CapitaLand China Holdings Pte Ltd ("CapitaLand China") and CRL (HK) Pte Ltd ("CRL (HK)") entered into an agreement ("Famous Empire Agreement"), pursuant to which (a) CapitaLand China and CRL (HK) agreed to sell and King Chance agreed to purchase the 1,000 issued shares of Famous Empire Properties Limited ("Famous Empire") legally owned by CapitaLand China and beneficially owned by CRL (HK), representing 10% of the total issued shares of Famous Empire, at the consideration being 10% of the net asset value of Famous Empire as at the date of completion of the Famous Empire Agreement, and (b) CRL (HK) agreed to sell and assign and King Chance agreed to purchase the outstanding loan (including the principal amounts and interest accrued thereon) owing by Famous Empire to CRL (HK) as at completion of the Famous Empire Agreement, such loan was in the amount of approximately HK\$9,908,086 as at 31st March, 2014 on a dollar-for-dollar basis, upon and subject to the terms and conditions of the Famous Empire Agreement. The total consideration payable by King Chance, if calculated based on the management accounts of Famous Empire as at 31st March, 2014, would be HK\$28,258,034, subject to adjustment (if necessary) according to the relevant audited completion accounts as at the date of completion. Such adjustment, if any, is not expected to be material.

Famous Empire is a company holding interest in the property which consists of a shopping arcade with a total gross floor area of approximately 56,570 square feet and 101 car parking spaces of the residential property known as The Waterside located at 15 On Chun Street, Ma On Shan, Shatin, New Territories, Hong Kong.

Upon the completion of the Famous Empire Agreement, Famous Empire is owned as to 50% by the Company and 50% by the Ng Family.

DIRECTORS' REPORT *(Continued)***CONNECTED
TRANSACTIONS**
*(Continued)***(B) Acquisition of Additional Interests regarding The Waterside and Corporation Park** *(Continued)*

- (ii) Joy Bright Limited ("Joy Bright"), an indirect wholly-owned subsidiary of the Company, and CapitaLand (Hong Kong) Limited ("CapitaLand (Hong Kong)") entered into an agreement ("Sea Dragon Agreement"), pursuant to which (a) CapitaLand (Hong Kong) agreed to sell and Joy Bright agreed to purchase the 30 issued shares of Sea Dragon Limited ("Sea Dragon") legally and beneficially owned by CapitaLand (Hong Kong), representing 30% of the total issued shares of Sea Dragon, at the consideration being 30% of the net asset value of Sea Dragon as at the date of completion of the Sea Dragon Agreement, and (b) CapitaLand (Hong Kong) agreed to sell and assign and Joy Bright agreed to purchase the outstanding loan (including the principal amounts and interest accrued thereon) owing by Sea Dragon to CapitaLand (Hong Kong) as at completion of the Sea Dragon Agreement, such loan was in the amount of approximately HK\$122,212,254 as at 31st March, 2014 on a dollar-for-dollar basis, upon and subject to the terms and conditions of the Sea Dragon Agreement. The total consideration payable by Joy Bright, if calculated based on the management accounts of Sea Dragon as at 31st March, 2014, would be HK\$331,050,189, subject to adjustment (if necessary) according to the relevant audited completion accounts as at the date of completion. Such adjustment, if any, is not expected to be material.

Sea Dragon is a company holding interest in the industrial property known as Corporation Park located at 11 On Lai Street, Shatin, New Territories, Hong Kong with a total gross floor area of approximately 409,028 square feet and 45 car parking spaces.

Upon the completion of the Sea Dragon Agreement, Sea Dragon is owned as to 30% by the Company and 70% by the Ng Family.

The Ng Family and its associates are connected persons of TST Properties and the Company by virtue of the Ng Family being a controlling shareholder of both TST Properties and the Company. Although CapitaLand China, CRL (HK), CapitaLand (Hong Kong) and their ultimate beneficial owners are independent third parties of TST Properties and the Company and their respective connected persons, the Famous Empire Agreement and the Sea Dragon Agreement relate to the acquisition of the respective shares of and loans owing by Famous Empire and Sea Dragon and because the Ng Family is a controlling shareholder of TST Properties and the Company and is also an indirect substantial shareholder of Famous Empire and Sea Dragon, the Famous Empire Agreement and the Sea Dragon Agreement constitute connected transactions of each of TST Properties and the Company under the then effective Rule 14A.13(1)(b)(i) of the Listing Rules.

DIRECTORS' REPORT (Continued)**CONNECTED
TRANSACTIONS**
(Continued)

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

Details of other related party transactions are set out in Note 48 to the consolidated financial statements.

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

As at 30th June, 2014, 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 Shares
Mr. Philip Ng Chee Tat	3,203,600,680 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 12,013,052 shares and trustee interest in 3,191,587,628 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.24%
Mr. Robert Ng Chee Siong	3,195,514,253 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 175,319 shares, spouse interest in 3,751,306 shares and trustee interest in 3,191,587,628 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.11%
Tsim Sha Tsui Properties Limited	3,057,654,255 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,378,884,961 shares and interest of controlled corporations in 1,678,769,294 shares	50.81%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Spangle Investment Limited	377,097,301 <i>(Note 3)</i>	Beneficial owner	6.26%
Ka Fai Land Investment Limited	335,545,134 <i>(Note 4)</i>	Beneficial owner	5.57%

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

Notes:

1. 12,013,052 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 3,708,556 shares by Bestdeal Contractors Pte Ltd and 8,304,496 shares by Western Properties Pte Ltd.
2. The trustee interest in 3,191,587,628 shares comprises:
 - (a) 1,378,884,961 shares which were held by Tsim Sha Tsui Properties Limited, which was 71.97% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
 - (b)
 - (i) 44,838,411 shares which 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) 1,633,930,883 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 377,097,301 shares held by Spangle Investment Limited (Note 3) and 335,545,134 shares held by Ka Fai Land Investment Limited (Note 4));
 - (c) 98,694,800 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 161,571 shares by Fanlight Investment Limited, 157,810 shares by Garford Nominees Limited, 35,513,066 shares by Karaganda Investments Inc., 15,316,634 shares by Orient Creation Limited, 7,444,257 shares by Strathallan Investment Limited, 22,437,125 shares by Strong Investments Limited, 17,193,614 shares by Tamworth Investment Limited and 470,723 shares by Transpire Investment Limited; and
 - (d) 35,238,573 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. 377,097,301 shares were held by Spangle Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and such parcel of shares 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. 335,545,134 shares were held by Ka Fai Land Investment Limited, a wholly-owned subsidiary of Tsim Sha Tsui Properties Limited and such parcel of shares 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 refer to the same parcel of shares and were duplicated.

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

Save as disclosed above and so far as the Directors of the Company are aware, as at 30th June, 2014, 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.

DONATIONS

During the year, the Group made charitable and other donations amounting to approximately HK\$1,301,000.

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 83% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 49% of the Group's total purchases.

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

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

CORPORATE GOVERNANCE

The corporate governance report is set out on pages 30 to 48.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

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

On behalf of the Board
Robert NG Chee Siong
Chairman

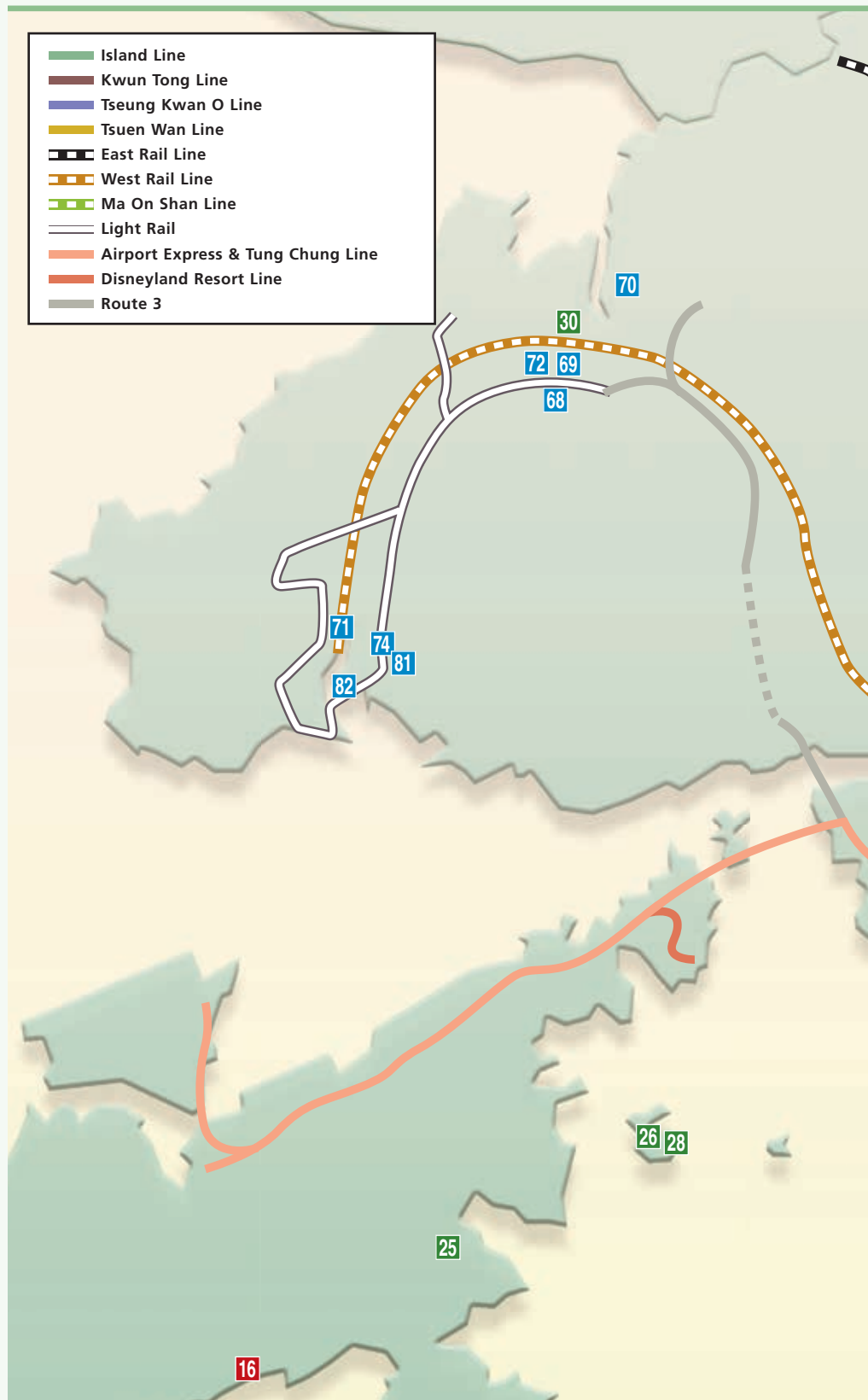
Hong Kong, 27th August, 2014

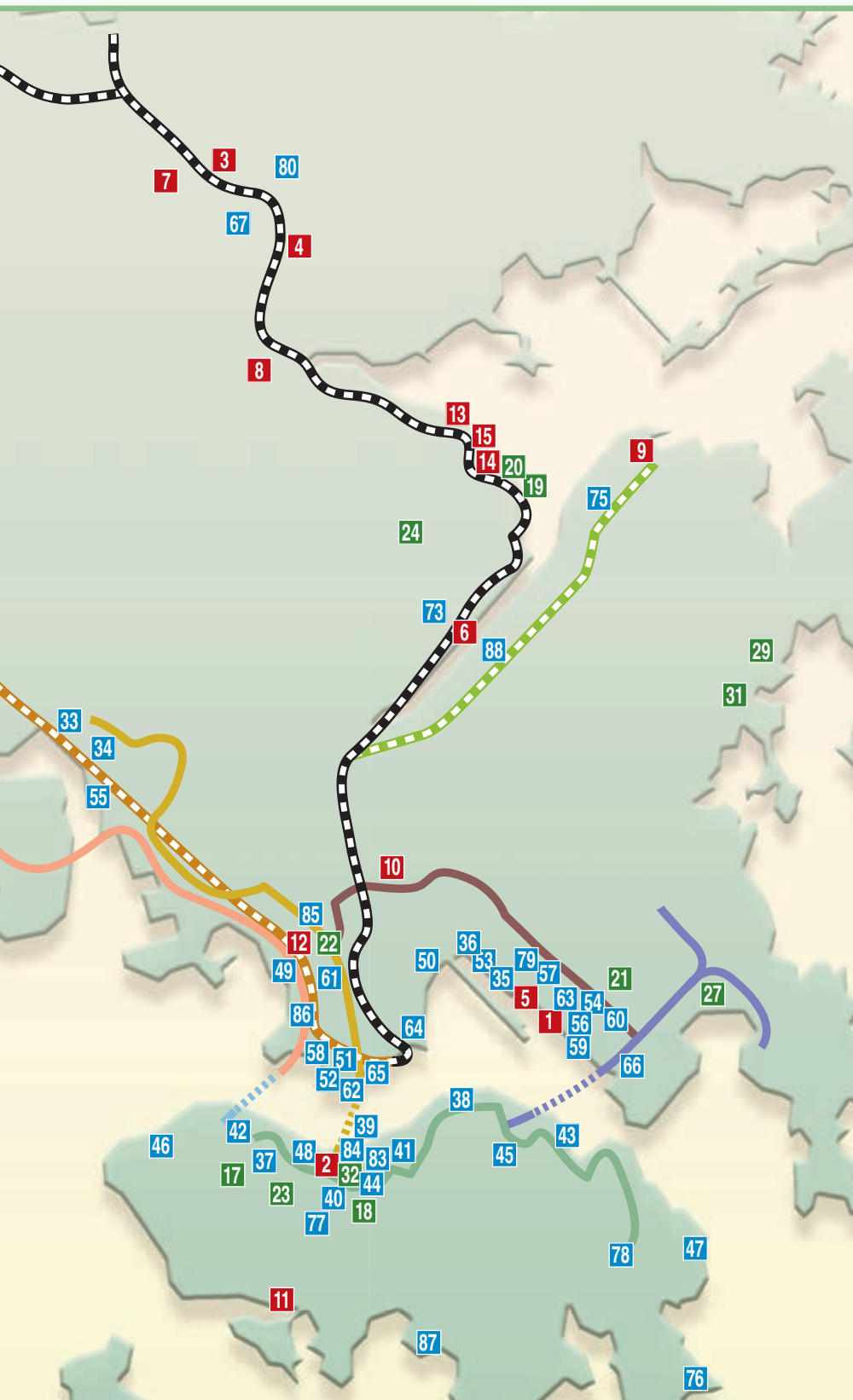
Completed properties

1. Westin Centre
2. Far East Finance Centre
3. Cambridge Plaza
4. Lincoln Centre
5. Pan Asia Centre
6. The Palazzo
7. Goodwood Park
8. The Balmoral
9. Lake Silver
10. One Mayfair
11. Marinella
12. Park Summit
13. Providence Bay
14. Providence Peak
15. The Graces • Providence Bay
16. Cheung Sha, Lantau Island, Lot No. 245 in DD331

Properties under development

17. 53 Conduit Road, The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613
18. The Avenue, 200 Queen's Road East/ 33 Tai Yuen Street, Wan Chai
19. Mayfair By The Sea I, 23 Fo Chun Road, Tai Po
20. Mayfair By The Sea II, 21 Fo Chun Road, Tai Po
21. Park Metropolitan, 8 Yuet Wah Street, Kwun Tong
22. Park Ivy, 8 Ivy Street
23. 22 Staunton Street, Central
24. Dragons Range, Shatin Town Lot No. 525
25. Mui Wo, Lot No. 726 in DD4
26. Peng Chau, Lot No. 676 in DD
27. Area 66C2, Tseung Kwan O
28. Peng Chau, Lot No. 674 in DD
29. Sha Kok Mei, Sai Kung, Lot No. 1949 in DD221
30. West Rail Long Ping Station (North) Property Development, Yuen Long Town Lot No. 513
31. Hong Tsuen Road, Sai Kung Tuk, Lot No. 1180 in DD215
32. Sik On Street, Wan Chai, Inland Lot No. 9049





Properties for investment and hotels

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

COMPLETED PROPERTIES



1



2

1 ONE MAYFAIR

Surrounded by the lush green of Kowloon Tong, One Mayfair occupies a coveted address in the esteemed neighbourhood and redefines luxury living. Comprising 120 exclusive residences crafted to the finest details, residents can enjoy a panoramic view of the Kowloon Peninsula.



2 THE CORONATION

Occupying a strategic location in West Kowloon, The Coronation, comprising 740 residential units, is in close proximity to five rail stations, including the upcoming Express Rail Link Terminus, Kowloon Station and Austin Station. Residents can enjoy the stunning views of Victoria Harbour, Stonecutters Island or Lei Yue Mun. West Kowloon Cultural District and the Canton Road shopping and dining belt are within walking distance.

COMPLETED PROPERTIES *(Continued)*

3 THE AVERY

The Avery provides approximately 10,000 sq. ft. of commercial space and 78 residential units. It is situated in the heart of Kowloon City with School Net 41, and in close proximity to the upcoming To Kwa Wan Station of the Central-Shatin Link.



4 THE PALAZZO

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

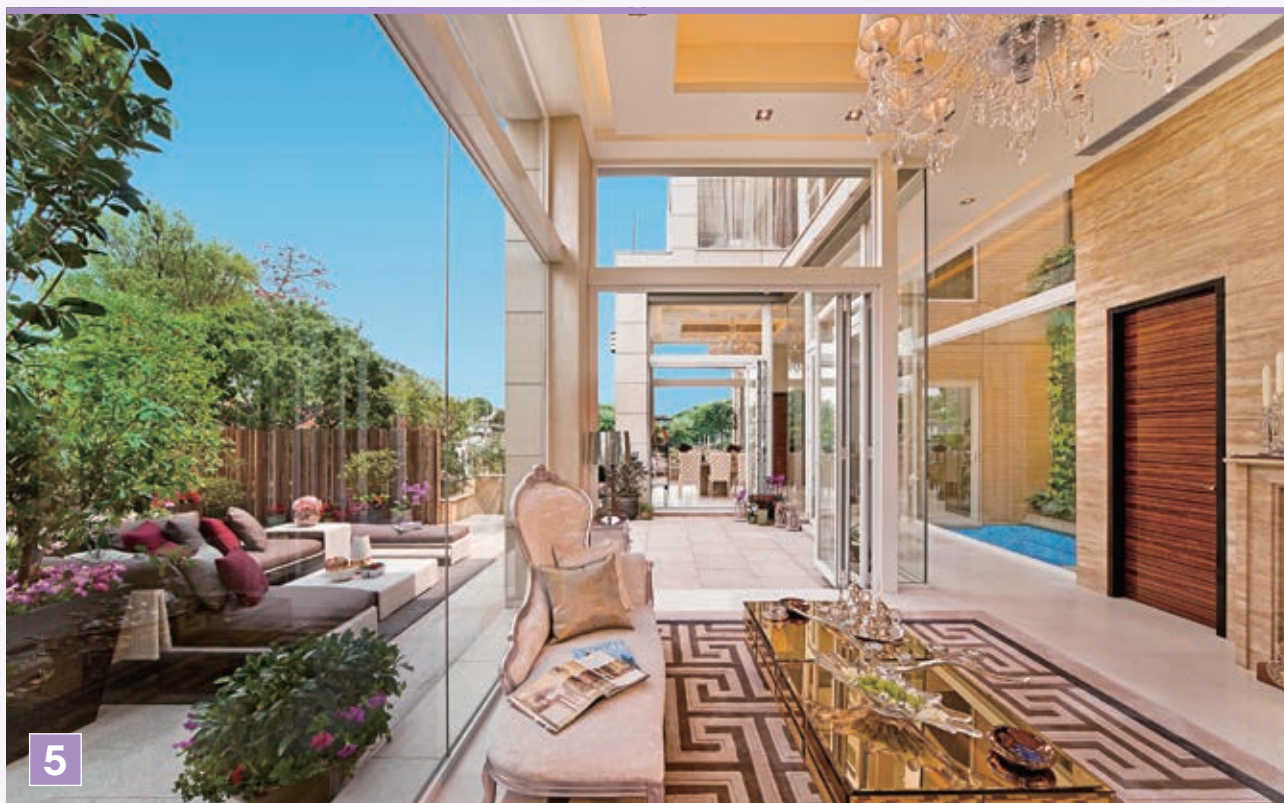


3



4

COMPLETED PROPERTIES *(Continued)*



5

5 GOODWOOD PARK

Located by Beas River, Goodwood Park provides 13 houses with lush private gardens. The clubhouse features an outdoor swimming pool and a range of facilities. The property is adjacent to the prestigious Hong Kong Golf Club and the Hong Kong Jockey Club Beas River Country Club.



6

6 THE BALMORAL

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

COMPLETED PROPERTIES *(Continued)***7 PROVIDENCE BAY/PROVIDENCE PEAK/THE GRACES**

Situated on the waterfront of Tolo Harbour, Tai Po, Providence Bay, Providence Peak and The Graces are designed by the world renowned architecture firm, Foster + Partners. The projects enjoy beautiful views of Tolo Harbour and Pat Sin Leng Ranges and provide exquisite clubhouses with comprehensive leisure facilities. The three projects offer 1,197 apartments and 26 houses in total.



COMPLETED PROPERTIES (Continued)



8 MARINELLA

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



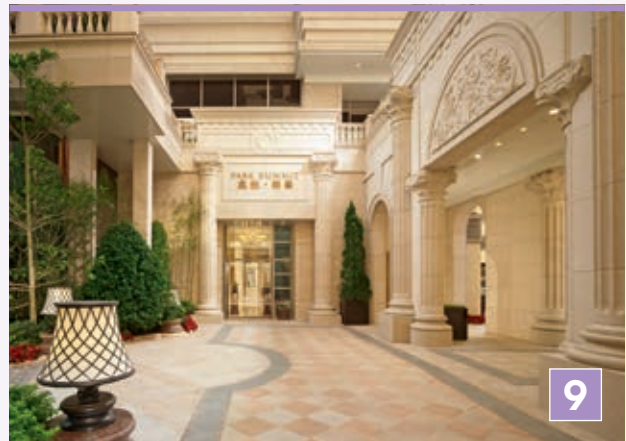
9 PARK SUMMIT

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



10 CENTRAL PARK, XIAMEN

Central Park occupies a prime location in Xiamen, at the intersection of three main roads of the town centre, amid greenery of Lianhua Park and comprehensive facilities. The project has been designated for residential and commercial development, comprising 450 residential units spanning over 460,000 sq.ft. and over 52,000 sq.ft. of commercial space. Units were handed over in June 2014.



PROPERTIES UNDER DEVELOPMENT



11 MAYFAIR BY THE SEA I & MAYFAIR BY THE SEA II

The latest premium projects on the waterfront of Pak Shek Kok, Mayfair By The Sea I offers 546 residential units, including seven houses; Mayfair By The Sea II provides 545 residential units, including five houses. The shopping arcade within the development provides convenience for residents.



12 PARK METROPOLITAN

Conveniently located in the Kwun Tong Town Centre, Park Metropolitan is in close proximity to Kwun Tong Station and nearby shopping areas. The project will be the first residential development of the Kowloon East CBD and Kwun Tong New Town Centre Redevelopment Master Plan.



PROPERTIES UNDER DEVELOPMENT *(Continued)*



13 **PARK IVY**

Located in the heart of West Kowloon, the 113-unit project enjoys excellent accessibility and the convenience of shopping with Olympic and Mong Kok Stations, shopping malls on its doorstep.



14 **THE AVENUE (PHASES 1 & 2)**

Situated in the centre of Hong Kong's prime financial and commercial belt spanning Central and Causeway Bay, The Avenue occupies a coveted location in Wanchai. Phases 1 and 2 comprise 179 and 1,096 residential units respectively across four towers as well as a themed retail zone at Phase 2. Featuring an array of innovative green architecture features, many of which are first in Hong Kong, it has received the HK-BEAM Platinum rating (provisional). Blending modern metropolitan lifestyle with heritage while preserving a historic tenement house on site, the project celebrates the unique East-meets-West spirit of the district.



15 **DRAGONS RANGE**

Located in one of the most sought-after residential precincts, Kau To, Shatin, Dragons Range delivers a buildable gross floor area of approximately 1.03 million sq.ft.



16 **TSEUNG KWAN O TOWN LOT NO. 117**

Occupying a prime waterfront site in Tseung Kwan O, the project is close to Tseung Kwan O and Tiu Keng Leng Stations. Comprising around 546 residential units, the site was acquired through a government tender in 2012. The project will provide around 417,000 sq.ft. of residential gross floor area.



PROPERTIES UNDER DEVELOPMENT *(Continued)*

17 3 CHEUNG FU STREET

Situated in the picturesque South Lantau, the project offers 16 houses with private gardens. The highly exclusive houses nestle against the Lantau Peak, commanding panoramic views of Cheung Sha Beach. Riding on the Lantau development and Hong Kong-Zhuhai-Macao Bridge, the project enjoys convenience of living with well-connected transport. The site was acquired at a government land auction in 2007. The project will provide around 71,417 sq. ft. of residential gross floor area.



18 THE CORONATION, CHONGQING

Located at a prime precinct in Chongqing, The Coronation enjoys panorama river views and an extensive transport network. Spanning a total gross floor area of over 10 million sq.ft., this project consists of landmark office buildings, shopping malls, an exotic commercial street and exquisite residences. The project spans four phases. Phase 1A provides 851 units with over 1.2 million sq.ft.



19 REGENCY PARK, XIAMEN

Regency Park in Xiamen is a high-rise building with about 475 residential units with flat sizes ranging from approximately 500 to 3,000 sq.ft. It covers a site area of about 60,000 sq.ft. and will provide a total gross floor area of approximately 500,000 sq.ft.



PROPERTIES UNDER DEVELOPMENT *(Continued)*

20 THE PALAZZO, CHENGDU

Situated at the Second Ring district in Chengdu, The Palazzo is adjacent to Shahe River and Tazishan Park. This riverfront and landscaped development comprises a world-class hotel, shopping malls, serviced apartments and residences, covering a total gross floor area of over 13 million sq. ft. Phase One of the project offers 1,115 residential units; Phase Two provides over 3,200 units.



21 DYNASTY PARK, ZHANGZHOU

Located in the city centre of Zhangzhou, Dynasty Park benefits from an extensive transport network and is easily accessible from anywhere in the city. Covering approximately 4.5 million sq.ft., Dynasty Park includes high-rise and low-rise residences, shops and a kindergarten. Phase One of the project provides 602 residential units in over 670,000 sq.ft. of gross floor area. Phase One was handed over in March 2014; Phase Two will provide 1,047 units with a total gross floor area in excess of 1.2 million sq.ft.



PROPERTIES FOR INVESTMENT AND HOTELS



22

22 SINO INTERNATIONAL PLAZA, FUZHOU

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

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



23 THE HENNESSY

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

24 EXCHANGE TOWER

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

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



25 CITYWALK

Citywalk is Hong Kong's first green shopping mall and is located in Yeung Uk Road, Tsuen Wan. This 300,000-square-foot shopping mall has an approximately 7,000-square-foot Vertical Garden and a 40,000-square-foot 'Citywalk Piazza' with landscaped water features. The unique green space provides shoppers and tourists with a stylish and natural environment.



26 CITYWALK 2

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



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*

27 OLYMPIAN CITY

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



28 TMTPLAZA

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



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



29



30

29 TSIM SHA TSUI CENTRE

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

30 HONG KONG PACIFIC CENTRE

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

PROPERTIES FOR INVESTMENT AND HOTELS (Continued)



31 CHINA HONG KONG CITY

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



32 SKYLINE TOWER

Skyline Tower is located in the heart of the commercial district of Kowloon Bay and commands a spectacular view of Victoria Harbour. This 39-storey Grade A commercial complex comprises office and F & B offerings.

PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



33 THE CENTRIUM

Located in the heart of Central, The Centrium is a Grade A commercial development in the well-known Lan Kwai Fong and Soho district. The project provides a marketable floor area of about 300,000 sq.ft. of office space and fine dining offerings.



34 148 ELECTRIC ROAD

Located in close proximity to Fortress Hill Station and being easily accessible to the Island Eastern Corridor and the Cross Harbour Tunnel, 148 Electric Road comprises 26 floors of Grade A office space, two levels of retail accommodation and five floors of parking space. The glass curtain walls enable a panoramic sea view of Victoria Harbour. Split-type air-conditioning units are provided to facilitate flexible working hours for tenants.



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*



35 THE FULLERTON HERITAGE

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



PROPERTIES FOR INVESTMENT AND HOTELS *(Continued)*

36 THE FULLERTON HOTEL SINGAPORE

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



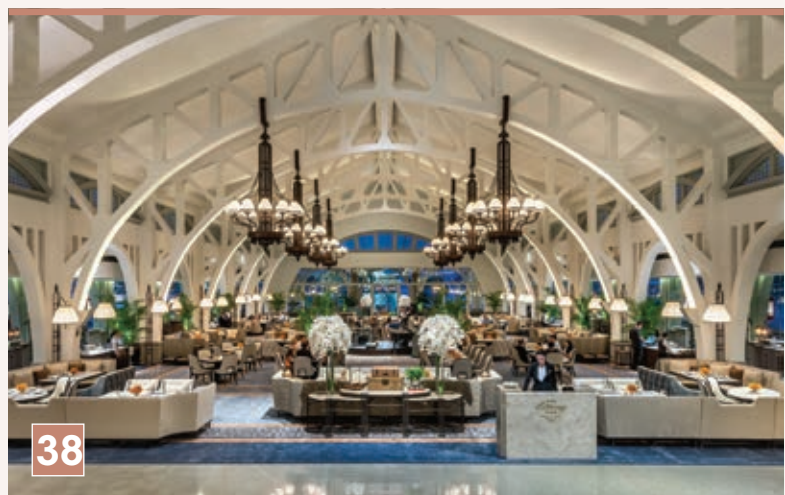
37 THE FULLERTON BAY HOTEL SINGAPORE

Opened on 8 July 2010, The Fullerton Bay Hotel features breathtaking architecture and stunning interiors that combine modernity and heritage. Sited on a prime waterfront location in the Central Business District and in close proximity to the arts and cultural precinct, the hotel offers five-star hospitality and services with rooms providing spectacular views of Marina Bay and the Singapore skyline. It received the coveted 'Five-Star' rating from Forbes Travel Guide in 2013 and 2014.



38 CLIFFORD PIER

A historic landmark and the first port of call for immigrants in the early days of Singapore, the revitalised Clifford Pier has kept its original architectural characteristics and charm. Occupying an area of 13,731 sq.ft., the pier houses The Fullerton Bay Hotel's destination restaurant, The Clifford Pier, which features alfresco dining with breathtaking views.



PROPERTIES FOR INVESTMENT AND HOTELS (Continued)

39 CONRAD HONG KONG

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



40 RAFFLES CITY SHANGHAI

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



REVIEW OF OPERATIONS

(1) LAND BANK

As at 30th June, 2014, the Group has 39.0 million square feet of land bank. This land bank consists of a well-diversified portfolio of properties, comprising: residential 63.9%, commercial 23.3%, industrial 5.8%, car parks 3.7% and hotels 3.3%. Developments currently under construction are generally situated in good locations and are conveniently served by various modes of transport, including railway and subway lines. The tables below show the detailed breakdown of the Group's land bank as at 30th June, 2014.

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

	By Status and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Floor Area in Square Feet)</i>						
Properties under Development	24,313,230	1,884,109	0	0	531,539	26,728,878	68.4%
Investment Properties and Hotels	194,143	7,146,073	1,754,017	1,464,849	754,775	11,313,857	29.0%
Completed Properties for Sale	454,098	63,823	506,480	0	0	1,024,401	2.6%
Total	24,961,471	9,094,005	2,260,497	1,464,849	1,286,314	39,067,136	100.0%
Percentage	63.9%	23.3%	5.8%	3.7%	3.3%	100.0%	

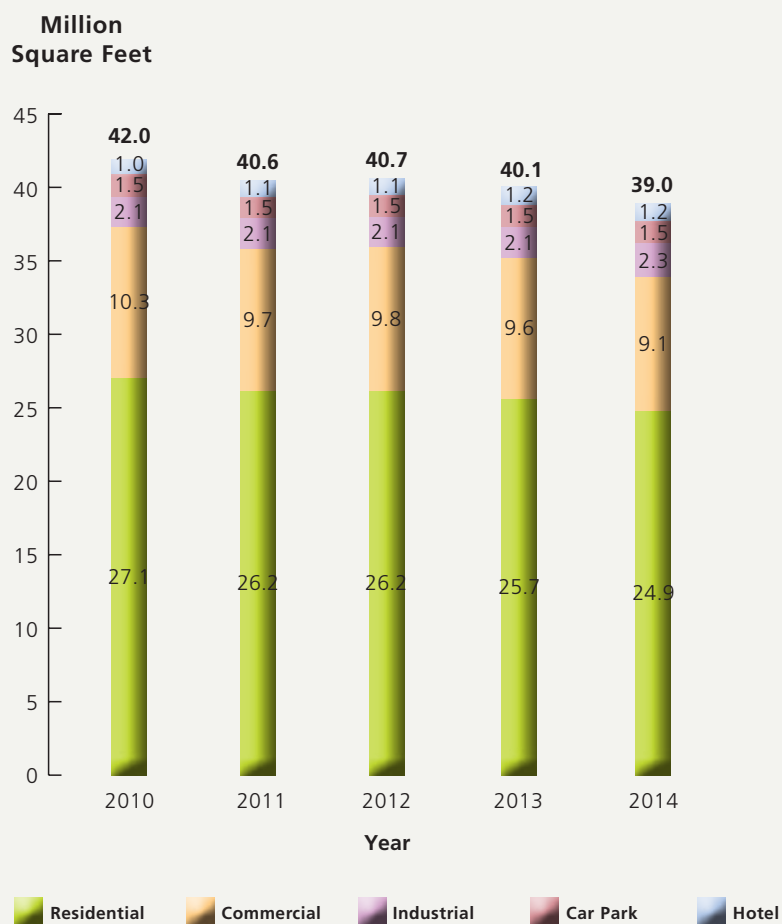
	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Floor Area in Square Feet)</i>						
New Territories	2,950,727	2,147,898	766,715	1,000,234	0	6,865,574	17.6%
Kowloon	306,999	3,015,905	1,493,782	391,452	43,759	5,251,897	13.4%
Hong Kong Island	648,023	1,223,736	0	60,302	165,506	2,097,567	5.4%
China	21,055,722	2,575,737	0	12,861	531,539	24,175,859	61.9%
Singapore	0	130,729	0	0	545,510	676,239	1.7%
Total	24,961,471	9,094,005	2,260,497	1,464,849	1,286,314	39,067,136	100.0%

REVIEW OF OPERATIONS *(Continued)*

(1) LAND BANK *(Continued)*

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

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



REVIEW OF OPERATIONS (Continued)

(1) LAND BANK (Continued)

Land Bank Breakdown by Geographical Location

(As at 30th June)



REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2013/2014

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

3 Cheung Fu Street, Cheung Sha, Lantau Island, Hong Kong

This Cheung Sha site was acquired at a government land auction in October 2007. It is located in the picturesque southern part of Lantau Island overlooking an environmental reserve area. The project provides a total of approximately 71,417 square feet of plot ratio area of residential space in approximately 16 houses. The Occupation Permit was issued in September 2013.

The Avery (100% owned)

12, 16 and 18 Hau Wong Road, Ma Tau Kok, Kowloon, Hong Kong

The Avery is located in Kowloon City (originally named Kowloon Walled City) and it was a redevelopment project and the original building was acquired in March 2007. The site is surrounded by some famous parks, namely Kowloon Walled City Park and the Kowloon Tsai Park as well as some historical remains such as remnants of colonial construction and fort. It is also in the vicinity of the Kai Tak Development including the cruise terminal which started operations in the second quarter of 2013. The project provides a total of approximately 35,751 square feet comprising 78 residential units and approximately 10,455 square feet of commercial space. The Avery was launched for sale in February 2013 and to date, approximately 97% of the units have been sold. The Occupation Permit was issued in January 2014.

RBL380 (100% owned)

38 Repulse Bay Road, Hong Kong

Located in one of the most prestigious charming areas in between the Deep Water Bay Beach and Repulse Bay Beach overlooking the Deep Water Bay and Middle Island in southern part of the Hong Kong Island, the project affords a total of approximately 12,126 square feet of plot ratio area of residential space and three houses have been built. All houses can enjoy panoramic sea views. The project is for investment purposes and the Occupation Permit was issued in October 2013.

REVIEW OF OPERATIONS *(Continued)*

(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2013/2014 *(Continued)*

Central Park, Xiamen, PRC (100% owned)

Nos.178, 180, 182 and 184, Jiahe Road, Siming District, Xiamen, Fujian Province, PRC

The project was completed in the financial year 2013/2014 and it provides a total of approximately 517,690 square feet of plot ratio area consisting of approximately 464,814 square feet of residential area in 450 units and approximately 52,876 square feet of commercial space. The project was launched for sale in May 2013 and to date, approximately 90% have been sold.

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

No. 298, Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, PRC

The development site of Dynasty Park was acquired in 2005. The project will be developed and sold in phases. The project will provide a total of 4.5 million square feet of plot ratio area comprising 4.3 million residential area and 0.2 million square feet of commercial space. A total of approximately 3,900 residential units are expected to be built. Phase I, encompassing residential plot ratio area of 656,328 square feet in 602 units and commercial plot ratio area of 25,654 square feet, was completed in financial year 2013/2014. Phase I was launched for sale in batches with the first batch commencing in September 2012 and to date, approximately 99% of Phase I have been sold.

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

DEVELOPMENT PROJECTS IN HONG KONG

Mayfair By The Sea I (85% owned)

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

The site was acquired at a government land auction in December 2009. It is adjacent to Mayfair By The Sea II. The area is well known for various types of sports including water sports and cycling. Upon completion which is estimated to be in the financial year 2014/2015, a total of approximately 720,757 square feet of plot ratio area will be provided. Of this total plot ratio area, 675,710 square feet will be for residential purposes comprising 546 units and the remaining area of 45,047 square feet for commercial. The project was launched for sale in June 2014 and to date, approximately 73% of the residential units have been sold.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Mayfair By The Sea II (100% owned)

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

The site was acquired at a government land auction in December 2009. The site is located between The Graces • Providence Bay and Mayfair By The Sea I. Upon completion which is estimated to be in the financial year 2014/2015, a total of approximately 545 units with approximately 720,757 square feet of plot ratio area will be built. Of this total plot ratio area, 675,710 square feet will be for residential purposes comprising 545 units and the remaining area of 45,047 square feet for commercial. The project was launched for sale in June 2014 and to date, approximately 65% of the residential units have been sold.

Dragons Range (40% owned)

STTL525, Shatin Area 56A, Kau To (Site A), New Territories, Hong Kong

The site of STTL525 was acquired at a government land auction in August 2011. It is located in the mid-level of Kau To Shan and surrounded by mountain greenery. The project is for residential development and it is expected that a total of approximately 970 units will be built. Upon completion which is estimated to be in the financial year 2014/2015, a total of approximately 1,031,471 square feet of residential plot ratio area will be built.

The Avenue, Sites A and B (Joint Venture)

200 Queen's Road East and 33 Tai Yuen Street, Wan Chai, Hong Kong

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

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

The Avenue, Sites A and B (Joint Venture) *(Continued)*

Sites A (also known as Phase 2) and B (also known as Phase 1) of The Avenue comprises 617,585 square feet of residential plot ratio area in 1,096 units and 113,808 square feet of residential plot ratio area in 179 units respectively. Site A or Phase 2 of The Avenue is located at 200 Queen's Road East in Wan Chai and Site B or Phase 1 located at 33 Tai Yuen Street in Wan Chai. Site A or Phase 2 of The Avenue is expected to be completed in the financial year 2014/2015. The Group obtained the Occupation Permit for Site B or Phase 1 in March 2014 and the Certificate of Compliance is expected to be issued in the financial year 2014/2015. Upon completion of both Phases, a total of approximately 731,393 square feet of residential plot ratio area and a themed shopping mall of approximately 87,720 square feet of plot ratio area will be built. The shopping mall has been named Avenue Walk. Phase 2 and Phase 1 were launched for sale in November 2013 and January 2014 respectively and to date, approximately 92% of the units in each of the Phases have been sold.

TKOTL 117 Area 66C2 (60% owned)

Tseung Kwan O, New Territories, Hong Kong

This site was acquired at a government tender in September 2012 and located on the sea-front of Tseung Kwan O overlooking Junk Bay. The project is conveniently located in the area where it can easily be commuted by MTR and buses. Upon completion which is estimated to be in the financial year 2015/2016, the project will provide a total of 417,047 square feet and 69,513 square feet of residential and commercial plot ratio areas respectively.

YLTL 513 (40% owned)

Long Ping Station (North), Yuen Long, New Territories, Hong Kong

The Group was awarded the development right to develop the site next to Long Ping Station North in Yuen Long from MTR Corporation Limited at a tender in October 2012. Upon completion which is expected to be in the financial year 2017/2018, the project will provide a total of 523,938 square feet of plot ratio area in approximately 912 residential units.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Lot 1949 in Demarcation District No. 221 (100% owned)

Sha Kok Mei, Sai Kung, New Territories, Hong Kong

The development site was acquired at a government tender in January 2013 and located next to the city centre of Sai Kung. Sai Kung is surrounded by greenery, namely Sai Kung Country Park and mountains. It is also close to the sea-front of Sai Kung Promenade. The project is also in the proximity to some public recreation facilities and can be accessed by public transport. Upon completion which is expected to be in the financial year 2017/2018, a total of 249,133 square feet of plot ratio area in approximately 270 residential units will be built.

Lot 1180 in Demarcation District No. 215 (100% owned)

Hong Tsuen Road, Sai Kung Tuk, Sai Kung, New Territories, Hong Kong

The development site was acquired at a government tender in November 2013 and located on south-west side of the Sai Kung city centre. The project is within the vicinity of Sai Kung Outdoor Recreation Centre, the Lion Club's Nature Education Centre and Man On Shan Country Park. Upon completion which is expected to be in the financial year 2017/2018, a total of 173,796 square feet of plot ratio area in approximately 270 residential units will be built. Site formation and foundation work are in progress.

Park Metropolitan (Joint Venture)

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

In December 2009, the Group was awarded the rights to develop the site in Yuet Wah Street in Kwun Tong. Kwun Tong Town Centre is undergoing a redevelopment and revitalisation programme by the Urban Renewal Authority of Hong Kong. It is the largest redevelopment initiative ever undertaken by the Urban Renewal Authority of Hong Kong. The entire project comprising hotel, shopping arcades, commercial buildings and residences will be a vibrant world-class, integrated mixed-used mega development. Park Metropolitan forms part of the entire Kwun Tong Town Centre redevelopment programme and it is located in the residential area of Kwun Tong with a wide range of public facilities nearby and it is easily accessed by various modes of public transport including MTR. The project has a total of approximately 232,825 square feet of residential space in 299 units and the Occupation Permit was issued in July 2014, which was subsequent to the financial year ended 30th June, 2014. It was launched for sale in November 2013 and to date, approximately 79% of the units have been sold.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

IL2138 RP (100% owned)

53 Conduit Road, Hong Kong Island, Hong Kong

The Group acquired this site from a private landlord in August 2004. The site will be redeveloped into a residential project. Upon completion which is expected to be in the financial year 2014/2015, the project will provide a total of approximately 60,421 square feet of plot ratio area. Superstructure works are in progress.

Park Ivy (Joint Venture)

8 Ivy Street, Tai Kok Tsui, Kowloon, Hong Kong

The Group was awarded the development rights from the Urban Renewal Authority of Hong Kong to develop the site of KIL11200 in Mongkok in July 2010. The project has a total of approximately 54,251 square feet of plot ratio area comprising 113 residential units and 9,042 square feet of commercial area. It was launched for sale in March 2013 and to date, approximately 96% of the units have been sold. The Occupation Permit was issued in July 2014 which was subsequent to the financial year ended 30th June, 2014.

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

Mui Wo, Lantau Island, New Territories, Hong Kong

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

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

22 Staunton Street, Central, Hong Kong

The site is situated at the heart of an area rich in heritage establishments, including a section of the Dr. Sun Yat-sen Historical Trail, the Central Police Station Compound, Man Mo Temple, Wing Lee Street and the original site of the Central School in Hollywood Road. It is also next to the Soho entertainment area, featuring a number of upmarket restaurants, boutiques, café and shops and can be accessed by the Central-Mid-levels escalators system. The site was acquired in phases in the period from 2005 to 2006. The project is under planning stage. Upon completion which is estimated to be in the financial year 2015/2016, a total of approximately 37,814 square feet of plot ratio area comprising approximately 28,181 square feet of residential space and approximately 9,633 square feet of retail space will be built.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN HONG KONG *(Continued)*

Lot 676 in Demarcation District Peng Chau (100% owned)

Peng Chau, New Territories, Hong Kong

The site of Lot 676 in Demarcation District Peng Chau was acquired through a government tender in March 2012. It has a site area of 49,127 square feet and will be used for residential development. The foundation works are under progress. Upon completion which is estimated to be in the financial year 2015/2016, a total 36,845 square feet of residential plot ratio area will be built.

Lot 674 in Demarcation District Peng Chau (100% owned)

Peng Chau, New Territories, Hong Kong

The site of Lot 674 in Demarcation District Peng Chau was acquired through a government tender in September 2012. It has a site area of 19,163 square feet and will be used for residential development. The project is currently under site formation stage. Upon completion which is estimated to be in the financial year 2016/2017, a total 14,372 square feet of residential plot ratio area will be built.

IL9049 (100% owned)

Sik On Street, Wan Chai, Hong Kong

The site was acquired at a government land auction in September 2013 and it is close to The Avenue which is also developed by the Group. Upon completion which is estimated to be in the financial year 2016/2017, a total of approximately 11,195 square feet of residential plot ratio area will be built.

DEVELOPMENT PROJECTS IN CHINA

The Palazzo, Chengdu, Sichuan Province (100% owned)

No. 9, The Second Yufeng Road, Chenghua District (Intersection of Yinghui Road and Tashan Road), Chengdu, PRC

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

Upon completion of the entire project, which is estimated to be in four to five years time, the approximately 13.3 million-square-foot development will include residential area of approximately 12.1 million square feet in 11,300 units, commercial space of approximately 0.7 million square feet and hotel space of approximately 0.5 million square feet. The project will be sold and completed in phases. 966 residential units in Phase 1 were launched for sale during the financial year 2013/2014 and to date, approximately 81% of the units have been sold.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN CHINA *(Continued)*

The Coronation, Chongqing (50% owned)

No. 288, Beibing Road, Jiang Bei District, Chongqing, PRC

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

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

Upon completion of the entire project, which is expected to be in five to six years time, the project will yield approximately 10.7 million square feet of total plot ratio area mainly comprising residences of approximately 9.2 million square feet in a total of approximately 7,800 units and commercial of approximately 1.5 million square feet. The project will be sold and completed in phases. 520 residential units in Phase 1 were launched for sale during the financial year 2013/2014 and to date, approximately 61% of the units have been sold.

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

No. 298, Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, PRC

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

Dynasty Park will be sold and completed in phases over the next four to five years. Upon completion of the entire project, a total of 4.5 million square feet of plot ratio area will be built with 4.3 million square feet of residential area in approximately 3,900 units and the remaining commercial space.

As mentioned in the previous section, Phase I comprising residential plot ratio area of 656,328 square feet in 602 units and commercial plot ratio area of 25,654 square feet was completed in the financial year 2013/2014. Phase I was launched for sale in batches with the first batch commencing in September 2012 and to date, approximately 99% of Phase I have been sold.

REVIEW OF OPERATIONS *(Continued)*

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

DEVELOPMENT PROJECTS IN CHINA *(Continued)*

Regency Park, Xiamen, PRC (100% owned)

North Hubin Road, Xiamen Lot No. 88-C5, Fujian Province, PRC

The project will provide a total of approximately 522,230 square feet of plot ratio area consisting of approximately 503,718 square feet of residential space and approximately 18,512 square feet of retail space upon completion, which is estimated to be in the financial year 2015/2016. Approximately a total of 547 residential units will be built for this project.

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

The Coronation (45% owned)

1 Yau Cheung Road, South West Kowloon, Hong Kong

The Group acquired this prime site (KIL 11073) close to Austin Road Station in South West Kowloon at a government land auction in May 2007. A total of approximately 650,685 square feet of plot ratio area encompassing 740 units have been built. Of the total plot ratio area, approximately 563,927 square feet are designated for residential and approximately 86,758 square feet are retail space which has been named Coronation Circle. The residential units in The Coronation were launched for sale in December 2011. Over 99% of the total units have been sold to date. The Occupation Permit and Certificate of Compliance were obtained in August and December 2012 respectively. The project received Merit Award, Hong Kong Residential (Multiple Buildings) at the Quality Building Awards 2014 in recognition of the quality of the project.

Providence Bay (35% owned)

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

This site (TPTL 186, Site B) was acquired at a government land auction in September 2007. It is located next to site TPTL 187 (Site A) and 188 (Site C). The project provides a total of approximately 714,493 square feet of plot ratio area of residential space in 482 units. The sale of Providence Bay was started in November 2011. Approximately 61% of the units have been sold since its first sale launch. The Occupation Permit and Certificate of Compliance were obtained in September 2012 and February 2013 respectively.

(4) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTIES COMPLETED IN RECENT YEARS *(Continued)***Providence Peak (25% owned)**

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

The development, in which the Group has 25% interest, consists of approximately 749,788 square feet of residential premises. This site (TPTL 188, Site C) was acquired at a government land auction in March 2007. A total of approximately 548 units have been built. The project was launched for sale in June 2012 with approximately 81% of total units sold so far. The Occupation Permit and Certificate of Compliance were obtained in December 2012 and April 2013 respectively.

The Graces • Providence Bay (50% owned)

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

Acquired in March 2007, the Group has built 345,406 square feet of low-density residential premises overlooking Tolo Harbour. Of the total plot ratio area, approximately 323,824 square feet are residential area and approximately 21,582 square feet are retail space. A total of approximately 193 units have been built. The project was launched for sale in October 2013 and to date, approximately 71% of the units have been sold. The Occupation Permit and Certificate of Compliance for the project were obtained in September 2012 and July 2013 respectively.

One Mayfair (100% owned)

1 Broadcast Drive, Kowloon Tong, Kowloon, Hong Kong

The Group acquired the site for residential development at a land auction in November 2006. The site has been developed into a low-density residential project with a total of approximately 196,592 square feet of plot ratio area. A total of 120 units have been built and the project commands the panoramic views of the Kowloon Peninsula. The sale of One Mayfair was launched in October 2011. Over 98% of the units have been sold so far. The Occupation Permit and the Certificate of Compliance for the project was obtained in December 2011 and August 2012 respectively.

The Hermitage and Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

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

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

REVIEW OF OPERATIONS *(Continued)*

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

The Hermitage and Olympian City 3 (50% owned) *(Continued)*

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

The Fullerton Heritage (100% owned)

Singapore

Capitalising on the important history and heritage of the conserved buildings in the heart of Singapore's central business district, and the prime location of the promenade along the waterfront facing The Fullerton Hotel Singapore, the Group has embarked on a comprehensive development to transform the entire area into a major destination for hospitality, dining and entertainment. This development will conserve the distinctive architecture and heritage of the area. The development, which has been named The Fullerton Heritage, comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, One Fullerton, The Fullerton Waterboat House, Clifford Pier, Customs House and The Fullerton Pavilion. The Fullerton Heritage offers a memorable lifestyle experience for locals and tourists, and also promotes the conservation of heritage buildings in line with the Group's ongoing commitment to corporate social responsibility. Descriptions of One Fullerton, The Fullerton Waterboat House, The Fullerton Pavilion and Customs House can be found in Section (6) of this Review of Operations whilst descriptions of The Fullerton Hotel Singapore, The Fullerton Bay Hotel can be found in Section (7) of this Review of Operations.

(5) MAJOR INVESTMENT PROPERTIES AND HOTELS

The Group's investment properties and hotels, including attributable share in associated companies, was approximately 11.3 million square feet as at 30th June, 2014. The portfolio comprises properties of diversified usage:

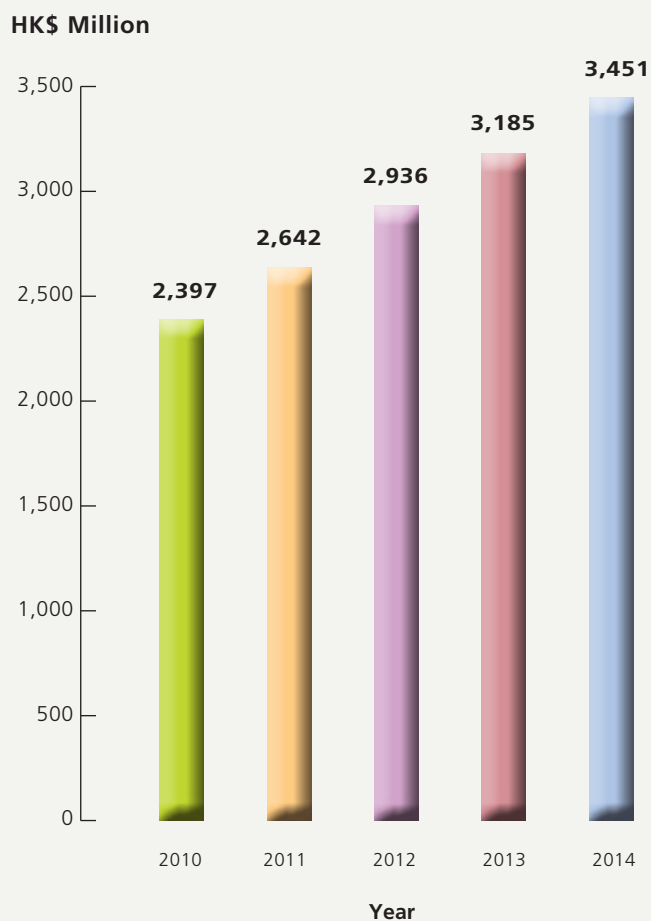
Use	Floor Area <i>(Square feet)</i>	Percentage
Office/Retail	7,146,073	63.2%
Industrial	1,754,017	15.5%
Car parks	1,464,849	12.9%
Hotels	754,775	6.7%
Residential	194,143	1.7%
	11,313,857	100.0%

REVIEW OF OPERATIONS *(Continued)*

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

The Group's investment property portfolio showed an overall occupancy rate of 97% for the financial year 2013/2014. Including contributions from associated and related companies, the total gross rental revenue was HK\$3,450.7 million.

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



REVIEW OF OPERATIONS *(Continued)*

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES

Tuen Mun Town Plaza Phase I (100% owned)

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

Tuen Mun Town Plaza Phase I is one of the major retail malls and landmarks in North-West New Territories. It provides over 1 million square feet of floor area comprising approximately 853,000 square feet of retail space and approximately 157,000 square feet of car park area, the mall offers a wide spectrum of business mix with over 400 shops and restaurants catering to a diverse customer base including people living in the local community and nearby areas as well as overseas visitors. A good transport network including the West Rail, the local Light Rail System and buses as well as the economic development in the district over the years are the contributory factors that help to increase the shoppers' flow to the mall.

Trade mix is regularly reviewed and reorganised from time to time to meet the demand of shoppers. Renowned international brand retailers in various business sectors including fashions, cosmetics, health care, jewellery and electrical appliances have their shops in the mall to capture the business in the region. A balanced trade mix combined with the Group's asset enhancement programme including promotional and marketing events, customers shopping in mall will find it interesting and inviting. The Group will continue its effort in providing a pleasant and interesting shopping environment for its customers. The mall was close to full occupancy during the year under review.

The Group places emphasis on adopting and implementing best practices in environmental protection and efforts have been made by the property manager Sino Estates Management Limited to apply the practices wherever applicable. Subsequent to financial year 30th June, 2014, Sino Estates Management Limited was fortunate to have won the Grand Award in the category of Prestige Honour of the GREENPLUS Recognition Award 2014 in September 2014 in recognition of its effort in driving energy saving practices in the mall.

REVIEW OF OPERATIONS *(Continued)*

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

Olympian City 1 and 2 (Joint Venture)

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

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

Olympian City 1 and 2 with its three levels of shopping, an open piazza, variety of retail and a cinema offer shoppers a wide range of choices of entertainment and shopping, and the opportunity to dine on a wide selection of cuisines in its restaurants and food court. To sustain shoppers' flow, raise the popularity of the mall and provide an enjoyable shopping environment for our customers, the Group will review the trade mix and carry out renovation for the malls whenever necessary. During the financial year 2013/2014, certain areas in Olympian City 2 were under renovation and more shops will be added to the mall. Both malls were maintained at a high occupancy throughout the year under review.

Olympian City 3 (50% owned)

1 Hoi Wang Road, South West Kowloon, Hong Kong

Olympian City 3 is the shopping mall at the residence of The Hermitage and it is adjacent to the Olympian City 2 and Central Park residence which are also developed by the Group. The shopping mall has a total of approximately 120,000 square feet of retail space. It is also well connected to Mongkok area by a covered footbridge which enhances the accessibility of the mall and shoppers' flow. Combining the existing Olympian City 1 and 2 shopping malls, the entire Olympian City shopping mall accommodates an attractive trade mix. The Group strives to develop its malls as favourite family destinations by providing a pleasant shopping environment and an exciting programme of special events and entertainment. The mall attained high occupancy during the year under review.

REVIEW OF OPERATIONS *(Continued)*

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

Citywalk (Joint Venture)

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

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

A landmark shopping attraction, Citywalk includes a piazza, a Vertical Garden, an optimal tenant mix, good floor layouts, ample car park facilities and high accessibility via public transport networks. The project has received a Platinum rating from the Hong Kong Building Environmental Assessment Method Society (HK-BEAM Society) for eleven distinctive green features and designs, which include the Vertical Garden, Citywalk Piazza, a hybrid water and air-cooled air-conditioning system and more.

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

Citywalk 2 (Joint Venture)

18 Yeung Uk Road, Tsuen Wan, New Territories

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

The mall includes Hong Kong's first 'ArchiSculpture', the iGlobe, a distinctive giant pixilated wall with thousands of LED discs integrated into the exterior of the building as an electronic façade. Citywalk 2 and Citywalk are connected by a footbridge and together offer customers and local residents a complete spectrum of dynamic shopping, dining and entertainment. The occupancy of Citywalk 2 was at high level during the financial year 2013/2014.

REVIEW OF OPERATIONS *(Continued)*

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

Island Resort Mall (45% owned)

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

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

Coronation Circle (45% owned)

1 Yau Cheung Road, South West Kowloon, Hong Kong

Coronation Circle is conveniently located in South West Kowloon, close to the West Kowloon terminus of the future Express Rail Link which connects the railway systems in China and Hong Kong as well as Yau Ma Tei Station of the Mass Transit Railway. The mall has a total of 86,758 square feet of plot ratio area. The Certificate of Compliance for the project was obtained in December 2012. The mall features fine retail shopping and quality education centres to serve the population in the region.

Tsim Sha Tsui Centre (45% owned)

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

Located on the seafront of Tsim Sha Tsui East overlooking panoramic views of Hong Kong Island, Tsim Sha Tsui Centre is conveniently accessed by various transport options. A well-developed public transport network, which includes the East Tsim Sha Tsui Station on the East Rail Line, the Tsim Sha Tsui East (Mody Road) bus terminus and the Kowloon Southern Link has brought in more shopper traffic to the area. Tsim Sha Tsui Centre has a total of approximately 514,020 square feet of area. The retail area in Tsim Sha Tsui Centre has been renovated and business mix has been re-positioned in recent years. With a variety of food and beverage tenants including Agnes b Café and Ruth's Chris steak house as well as other fine merchandises, namely Rimowa, Puyi Optical and Europe Watch Company, the mall has attracted locals and visitors. During the financial year 2013/2014, the Group received a number of awards in recognition of its effort in energy saving and maintenance quality of the building. Both office and retail of the building were close to full occupancy during the year under review.

REVIEW OF OPERATIONS *(Continued)*

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

Hong Kong Pacific Centre (100% owned)

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

Located in the centre of Tsim Sha Tsui's vibrant retail neighbourhood, this commercial development comprises a high-rise office tower and a shopping centre podium with a total area of 232,606 square feet. Most of the shops enjoy extensive street frontage with a heavy pedestrian flow at Hankow Road and from nearby Nathan Road. The building is close to Tsim Sha Tsui Station and also in proximity to the Kowloon Southern Link and Austin Station. During the financial year 2013/2014, the property manager of the building Sino Estates Management Limited received awards in recognition of its efforts in applying good indoor air quality and energy-saving initiatives in managing the building. The property enjoyed high occupancy during the year under review.

China Hong Kong City (25% owned)

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

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

Skyline Tower (50% owned)

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

The development is located next to the East Kowloon Expressway and provides a total attributable area of 413,915 square feet. During the financial year 2013/2014, the building was rated 'Excellent Class' in three categories in the Hong Kong Award for Environmental Excellence and these categories were Energywise Label, IAQwise Label and Wastewise Label. The building maintained high occupancy during the year under review. The HKSAR Government's plan to develop Kowloon East as new core business district with new transport infrastructure to support the development will be positive to the leasing market.

(6) HIGHLIGHTS OF INVESTMENT PROPERTIES *(Continued)***Futura Plaza (100% owned)**

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

This 26-storey building located in Kwun Tong is only a few minutes walk from the Kwun Tong Station. The property has been converted from industrial use to office use. The project was completed in November 2001 and enjoyed good occupancy during the year under review. Kwun Tong has been going through a significant improvement in terms of its commercial and residential landscape. The Kwun Tong Town Centre project is the largest redevelopment initiative ever undertaken by the Urban Renewal Authority of Hong Kong. The entire project comprises hotel, shopping arcades, commercial buildings and residences. Combining the HKSAR Government's development programme to enhance the infrastructure of Kowloon East, Kwun Tong and the nearby areas Kowloon Bay and Kai Tak will benefit from this world-class integrated mixed-used development. During the financial year 2013/2014, the property manager of Futura Plaza Sino Estates Management Limited was given the Excellence in Facility Management Award in the category of Office Building by The Hong Kong Institute of Facility Management in recognition of its efforts in providing good management service for the building. The occupancy of the building was maintained at high level during the year under review.

Central Plaza (10% owned)

18 Harbour Road, Wan Chai, Hong Kong

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

The Centrium (70% owned)

60 Wyndham Street, Central, Hong Kong

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

REVIEW OF OPERATIONS *(Continued)*

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

The Hennessy (100% owned)

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

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

148 Electric Road (100% owned)

Electric Road, North Point, Hong Kong

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

Pacific Plaza (100% owned)

418 Des Voeux Road West, Hong Kong

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

REVIEW OF OPERATIONS *(Continued)*

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

One Fullerton (100% owned)

1 Fullerton Road, Singapore

Developed in 2001, the site is situated adjacent to Merlion Park across from The Fullerton Hotel Singapore. It has been developed into a well-designed modern two storey building providing over 80,000 square feet of area of commercial space. Named One Fullerton, it houses some of Singapore's best restaurants, bars and entertainment concepts, from chic cafes to fine-dining alfresco restaurants serving cuisines from around the globe, all with panoramic views of the Marina Bay. Merlion Park attracts over a million visitors every year who flock to visit the Lion City's Merlion. One Fullerton forms part of The Fullerton Heritage and is connected with The Fullerton Hotel Singapore by an underground traveller. One Fullerton is also a well-placed vantage point for the Formula One Grand Prix circuit in Singapore.

The Fullerton Waterboat House (100% owned)

3 Fullerton Road, Singapore

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

Customs House (100% owned)

70 Collyer Quay, Singapore

Customs House, also part of The Fullerton Heritage, is a two-storey heritage building with a total floor area of approximately 14,800 square feet. It is located in Marina Bay, Singapore's world class Central Business District, arts, culture, and heritage waterfront area. Built in the '60s, Customs House was formerly home to the Customs Police. The building commands direct waterfront views of Marina Bay, and is now a dining destination with several chic restaurants. The project was completed in February 2010.

REVIEW OF OPERATIONS *(Continued)*

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

The Fullerton Pavilion (100% owned)

82 Collyer Quay, Singapore

An addition to The Fullerton Heritage and completed in May 2012, The Fullerton Pavilion is a first-of-its-kind floating dome-shaped structure set on waters of Marina Bay between One Fullerton and Clifford Pier. It is designed by a renowned architectural firm, complete with an observation deck on the roof. It features views of the bay, and the internal space of close to 4,500 square feet is leased to a contemporary Spanish restaurant, helmed by an international team of award-winning culinary experts.

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

137 Wusi Road, Fuzhou, PRC

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

Raffles City Shanghai (22.4% owned)

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

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

(7) HOTELS

The Fullerton Hotel Singapore (100% owned)

1 Fullerton Square, Singapore

Characterised by its unique heritage architecture with distinguished Doric columns and monumental porte cocheres, the Fullerton Building represents the height of Palladian architecture in Singapore. The 1928 Fullerton Building underwent a major makeover and has been transformed into a prestigious, world class, 5-star hotel with 400 rooms and suites. Named The Fullerton Hotel Singapore (The Fullerton), it officially opened on 1st January, 2001, featuring a contemporary interior design.

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

The Fullerton received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2013/2014. These awards included Condé Nast Traveler USA-Gold List 2014, Tenth Best Hotel in Southeast Asia in the Readers' Choice Awards 2013 by Condé Nast Traveler USA, Top 20 Hotels in Asia and the Indian Subcontinent in the Readers' Travel Awards 2013 by Condé Nast Traveller UK, Best Conference Hotel in Asia 2013 by Smart Travel Asia, World's Best Hotels 2013/2014 conferred by Institutional Investor, Best Hotel in Singapore 2014 by DestinAsian Readers' Choice, T+L 500 World's Best Hotels 2014 by Travel + Leisure USA and Best Heritage Hotel (World Category) 2014 by Travel + Leisure India & South Asia.

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

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

The Fullerton Bay Hotel (100%)

80 Collyer Quay, Singapore

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

The hotel's culinary experiences include the signature restaurants of The Clifford Pier, The Landing Point, Clifford and Lantern.

The neo-classical inspired Clifford Pier is named after Sir Hugh Charles Clifford, Governor of the Straits Settlements (1927 to 1929). The pier was first opened on 3rd June, 1933. It is defined by its notable architecture as a quintessential column-free Victorian wrought-iron pier. Clifford Pier is a celebrated historic landmark and was the key landing point for visitors and immigrants arriving by ships in the early days of Singapore. A part of The Fullerton Heritage, it was opened in December 2008. The revitalised pier has kept its original architectural characteristics and charm, and it commands the panorama of the Marina Bay developments. The pier affords over 14,000 square feet of commercial space. It was closed for refurbishment earlier this year and re-opened for business in May 2014. The restaurant has been named The Clifford Pier and it is now operated as a restaurant under The Fullerton Bay Hotel.

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

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

Lantern is a stylish rooftop bar, surrounding the hotel's 25-metre rooftop swimming pool, where guests can enjoy the panoramic views of the Marina Bay waterfront and the Singapore skyline.

REVIEW OF OPERATIONS *(Continued)*

(7) HOTELS *(Continued)*

The Fullerton Bay Hotel (100%) *(Continued)*

The Fullerton Bay Hotel received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2013/2014. These awards included Condé Nast Traveler USA – Gold List 2014, 100 World's Best Hotels and Amongst Top City Hotels in Asia 2013 by Travel + Leisure USA, T+L 500 World's Best Hotels 2014 by Travel + Leisure USA, Forbes Travel Guide – Five Star Hotel 2014 and World's Best Hotels 2013/2014 conferred by Institutional Investor.

Conrad Hong Kong (30% owned)

Pacific Place, 88 Queensway, Hong Kong

This five-star, international-class hotel is located above a major shopping complex on Hong Kong Island and is managed by a renowned international hotel operator. Its good location and high standard of service have placed Conrad Hong Kong among the most favoured hotels in the region. In recognition of its quality of service, Conrad Hong Kong and its restaurants received a number of awards from respected organisations and magazines during the financial year 2013/2014. These awards included World's Best Hotels 2014 by Travel+Leisure. Its Chinese restaurant Golden Leaf was rated One Michelin Star in the Hong Kong & Macau Michelin Guide 2014 and all its three restaurants namely Golden Leaf, Nicholini's and Brasserie on the Eighth were rated 100 Top Tables 2014 by SCMP.

(8) CORPORATE AFFAIRS

The Group affirms its commitment to maintaining a high degree of corporate transparency and communicating regularly with banks, research analysts and investors. The Corporate Finance Department disseminates information about the Group's latest developments through various channels, including meetings with investors, fund managers and analysts, investor conferences, site visits, results briefings and the www.sino.com website. During the financial year 2013/2014, the Group participated in a total of 16 investor conferences and 8 non-deal roadshows.

Date	Type	Region/ Country/City	Organiser
Aug-13	Non-deal Roadshow	Hong Kong	Goldman Sachs
Sep-13	Non-deal Roadshow	Europe	JP Morgan
Sep-13	Investor Conference	Hong Kong	BNP Paribas
Sep-13	Investor Conference	Hong Kong	Daiwa Capital Markets
Sep-13	Investor Conference	Hong Kong	CLSA
Oct-13	Non-deal Roadshow	United States	HSBC
Oct-13	Investor Conference	Hong Kong	Jefferies

REVIEW OF OPERATIONS *(Continued)*

(8) CORPORATE AFFAIRS *(Continued)*

Date	Type	Region/ Country/City	Organiser
Nov-13	Investor Conference	Hong Kong	Goldman Sachs
Nov-13	Investor Conference	Hong Kong	Morgan Stanley
Nov-13	Investor Conference	Macau	Citigroup
Dec-13	Investor Conference	Hong Kong	Bank of America Merrill Lynch
Jan-14	Investor Conference	Hong Kong	BNP Paribas
Jan-14	Investor Conference	Hong Kong	Credit Suisse
Jan-14	Investor Conference	Hong Kong	Citigroup
Feb-14	Non-deal Roadshow	Hong Kong	Goldman Sachs
Feb-14	Non-deal Roadshow	Hong Kong	DBS Vickers
Mar-14	Non-deal Roadshow	Europe	BNP Paribas
Mar-14	Non-deal Roadshow	Sydney	Macquarie
Mar-14	Investor Conference	Hong Kong	Credit Suisse
Apr-14	Investor Conference	Hong Kong	HSBC
May-14	Non-deal Roadshow	United States	HSBC
Jun-14	Investor Conference	Hong Kong	CLSA
Jun-14	Investor Conference	Hong Kong	Bank of America Merrill Lynch
Jun-14	Investor Conference	Hong Kong	Citigroup

During the financial year, the Group received the 'Corporate Governance Asia Annual Recognition Awards 2013' from Corporate Governance Asia magazine.

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

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

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

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES

As at 30th June, 2014, the Group employed approximately 8,900 staff, excluding part-time and temporary employees. In line with the Group's mission of being the 'Preferred Choice for Customers, Investors and Employees', we have established policies and provide programs to ensure that employees are given growth opportunities and provided a rewarding career. The Group also seeks to retain talents through competitive employment packages, incentive schemes and a supportive work environment. Employee development and employee engagement are always placed on top of the Corporate agenda.

Staff Training & Development

The Group fosters a continuous learning culture and provide systematic training and development programmes under a comprehensive curriculum and structured academies to support employees' training and career development needs. The Group also set aside budget and offer education and training sponsorship to support employee's career development. During the financial year 2013/2014, approximately 61,000 hours of in-house training were provided to employees within the Company, including training on personal effectiveness, leadership development, project management, professional knowledge, corporate governance and language proficiency.

It is the Group's policy that all staff, in particular those in front-line positions, must uphold meticulous standards of customer service. The Group continues to channel efforts into enhancing customer service standards through regular workshops and programmes. A culture building programme "Wisdom of the Week" has been launched since mid-June 2012 as part of the initiative on top of regular training to reinforce service culture within the Company.

The Group's training Academies which aim to help employees grow professionally and serve customers better offer systematic training programmes with more than 120 courses covering customer service, property management, leasing operation, building maintenance, security service, clubhouse management, environmental conservation, cleaning services, car park operation and language skills. The Group's training capability has been recognized by the accreditation awarded by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications to 3 of our in-house training programs, namely, Module Certificate in Star Service (Level 2), Module Certificate in Clubhouse Management (Level 2) and Module Certificate in Supervisory Skills for Property management (Level 3). In recognition of the Group's continuous commitment in manpower development and promotion of a learning culture, the Employees Retraining Board has conferred to Sino Land Company Limited the logo and title 'Manpower Developer 1st (MD1st)' under the "ERB Manpower Developer Award Scheme" since 2010.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Leadership and Management Development

Executive and leadership development programmes were organised from time to time to managers and senior leaders to strengthen Company's leadership capability. The Group continues to organise 'The Seven Habits of Highly Effective People Signature Programme' to promote continuous improvement in personal effectiveness and the ability to leading people and also Six Thinking Hats training to cultivate systematic and yet innovative thinking techniques for problem solving and decision making. In addition to leadership and personal effectiveness training programmes, seminars and talks on different topics, such as that related to "Mobile and Social Media Marketing Strategy", "Listening to the Voice of Customer", "Zhou Yi & Management", and "Leading Teams with Positive Psychology", and "How to Work Across Generations Effectively" were organised for the Group's middle to senior managers to keep abreast of the latest leadership and management practices. The Group also conducted 360 Degree Feedback Survey to support the development of our executives.

Talent Management

The Group has taken steps to strengthen its leadership pipeline to support business development in Hong Kong and China. In addition to recruiting graduates from universities in Hong Kong, the Group expanded its talent base by encouraging graduates from top-notch universities in China and overseas to join the Group's Corporate Management Trainee Programme. The Group also collaborates with renowned universities in China and overseas, such as Tsinghua University, Yale University and Columbia University as well as local universities and education institutions to sponsor students undertaking internship in our Company. These have been established to identify and groom young talents for long term career development within the Group and ensure a continual supply of executives with the skills and potential to support the Group's drive for ongoing success and excellence.

Employee Engagement

It is the Group's belief that employee engagement is critical to organisational success and therefore a high priority is placed in maintaining open two-way communications to strengthen staff engagement. More than 100 Quality Improvement Team members continued to garner quality improvement ideas and suggestions from staff to help drive quality and excellence in customer service, operational effectiveness and office procedures.

Staff Engagement survey was conducted again in 2014 to gain insight into what the staff value in the workplace for the Group to further strengthening and improving people practices based on the identified staff engagement factors along the vision of enabling Sino to become the employer of choice.

REVIEW OF OPERATIONS *(Continued)*

(9) EMPLOYEE PROGRAMMES *(Continued)*

Employee Engagement *(Continued)*

Besides, different forms of communication channels such as Town Hall Meetings, monthly and weekly Staff Communication Meetings, site visits, regular company newsletters and Staff Suggestion Scheme are deployed to promote open communication and listen to the voice of our employees. Regular recreational and welfare activities, including holiday flats at Hong Kong Gold Coast, holiday house at Cheung Sha, company sponsored local tours, movie nights, Children's Christmas Party and talks on workplace wellness, were arranged for staff from time to time. Activities held during the financial year of 2013/2014 were well-received by more than 2,800 participants. As a caring employer, the Group also introduced family-friendly policies such as paternity leave, Children Education Scholarship and Bursary Scheme and Book Reading Award Scheme, to extend our care and support to family members of our employees.

(10) SINO PROPERTY SERVICES

The Group's fully integrated property management service is provided by Sino Property Services (SPS) which consists of four companies, namely Sino Estates Management Limited (SEML), Sino Security Services Limited (SSSL), Best Result Environmental Services Limited (BRESL) and Sino Parking Services Limited (SPSL). Each of these companies has its own functions. SPS is set up to complement the Group's property development and investment businesses. SPS currently manages 192 projects with an aggregate floor area of over 54.2 million square feet.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Property Management Service

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



The Hermitage received the Silver Award- Category I at the Residential Clubhouse Management Award 2013 organised by the Hong Kong Recreation Management Association.

Our efforts in quality services are recognised by the public. Island Resort and The Hermitage were conferred the Gold Award – Category II (Number of Residential Unit is above 1,000) and the Silver Award – Category I (Number of Residential Unit is equal 1,000 or less) respectively at the Residential Clubhouse Management Award 2013 by the Hong Kong Recreation Management Association. In recognition of our continuous improvement and innovation in customer services, Olympian City won the Grand Award (Retail) at the Excellence in Facility Management Award 2013 by the Hong Kong Institute of Facility Management. Seven other projects including China Hong Kong City, Tuen Mun Town Plaza Phase I & II (Shopping Arcade), Exchange Tower, The Centrium, Futura Plaza, Westley Square and Vision City achieved the Excellence in Facility Management Award in various categories and Pacific Palisades also received the Certificate of Merit (Private Residential). During the reporting period, SPS received a total of 310 certificates from the Hong Kong Police Force's various Regional Crime Prevention Offices and District Fight Crime Committees.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Property Management Service *(Continued)*

SPS's continuous involvement in Corporate Social Responsibilities (CSR) has also been recognised by the industry. Under the Caring Company Scheme by The Hong Kong Council of Social Service, SEML received the 10 Years Plus Caring Company Logo while SSSL, SPSL, BRESL, China Hong Kong City, Tuen Mun Town Plaza and Regentville Mall were given the 5 Years Plus Caring Company Logo. Olympian City and Avon Mall also received the Caring Company Logo 2013/14. BRESL has been actively participating in community services. Over the past 12 months, BRESL took part in a number of CSR initiatives such as partnership with Hong Chi Association and Richmond Fellowship of Hong Kong in recruitment of different rehabilitants, staff participation in St. James' Settlement flag day campaign, weaving scarves for the elderly in conjunction with The Lok Sin Tong Benevolent Society Kowloon, providing Home Improvement Services (Cleaning) for the Hong Kong Family Welfare Society and Wai Ji Christian Service, etc. With continuous efforts in improving service quality as well as enhancing the efficiency of work process, both SEML and BRESL have integrated their three management systems in respect of Quality (ISO9001), Environmental (ISO14001) and Occupational Health & safety (OHSAS18001) and thus qualified for the Integrated Management System Certificate.

Training

Property management is a human capital intensive business. Employees are the Group's most important assets. Managing and maintaining a portfolio of properties requires stringent regular controls, close communications, an efficient internal operation workflow system and an effective internal database. All these are executed by human interaction. Training and good communication systems are vital to ensure staff can deliver the required standards of service, adapt to the latest changes in the working environment, and upgrade their skill set, productivity and efficiency. Training and good communications also encourage staff to raise their value and increase their contributions to the Group, enhance job satisfaction and help ensure staff mindsets, attitudes and skill sets aligned with the interests of the Group. This all contributes to a knowledge-based management. SPS has established 11 academies over the past few years designed to meet customer needs and expectations. Property management focused academies are Sino Property Management Academy, Sino Maintenance Academy, Sino Security Academy, Sino Cleaning Academy, Sino Carpark Academy, Sino Safety Academy and Sino Clubhouse Academy. Service focused academies are Sino 5-star Service Academy and Sino Language Academy. Sino Green Academy and Sino Landscape Academy are formed to promote green living. These academies aim at enhancing knowledge, skill and attitude of the wide range of staff of SPS, ranging from professional property managers to frontline cleaners and security guards. Three Module Certificate Courses of SPS Academies have been recognised by the Government's Qualification Framework: Supervisory Skills for Property Management (Level 3), Star Service (Level 2) and Clubhouse Management (Level 2).



The Group's continuous involvement in corporate social responsibilities has been recognised, with the Hong Kong Council of Social Service awarding the Group and Sino Estates Management Limited the 10 Years Plus Caring Company Logo.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Safety Management

Establishing and maintaining a safe working environment is of paramount importance for SPS to increase productivity and efficiency. As a socially responsible corporation, SPS reviews and analyses working procedures and operations from time to time with the objective of maintaining a safe workplace. Safety precaution measures are also implemented for events and activities held in the premises where SPS manages. In addition to procedures and measures, training is also important for staff to build their mindsets and habits to pursue safety standards. SPS has been recognised and authorised by the Labour Department to run the Green Card and the Confined Spaces Safety Training courses and endorse related professional qualifications for the staff that have completed the courses. Since 2008, over 3,202 staff members have completed the Mandatory Basic Safety Training Courses (Construction Work) and 476 staff have completed the Confined Spaces Operations Safety Training Course.

Environmental Protection

SPS recognises its role in promoting environmental protection. From the property management perspective, environmental protection initiatives can be applied in several main areas of the daily operations. These include treatment of used materials or waste; reduction of waste; use of sustainable materials, use of recycled materials, reduction of greenhouse gases (GHGs) or carbon footprints; conservation of nature and landscaping. Initiatives can be extended to raise the awareness of the residents and customers as well as to educate the young generation to be more cautious on protecting the nature and environment. SPS supports building a sustainable environment in Hong Kong. The Group has been one of the first corporations to become a 'Carbon Audit Green Partner' of the Environment Bureau since 2008 and has carried out carbon audits at their buildings and initiated carbon reduction programmes according to the 'Carbon Reduction Charter'. Since July 2013, 20 projects have been audited. Energy saving is also one of the main areas that can contribute to the reduction of fuel consumption thereby reducing carbon emission, much attention has been paid to minimising power consumption in the areas of lighting, electrical appliances and equipment, air-conditioning as well as lifts and escalators. In response to the trend towards electric vehicles, a total of 116 electric vehicle chargers have been installed at 54 flagship car parks managed by SPSL and this project will be reviewed and expanded to cover more car parks. SEML received a number of awards in recognition of its efforts in environmental protection. The Royal Oaks and Citywalk received the Gold Award of Domestic Property (Properties between 6 to 10 years of age) and Non-Domestic Property (Properties between 6 to 10 years of age) respectively at the Best Landscape Award for Private Property Development 2014 organised by the Leisure and Cultural Services Department. Six other projects including The Hermitage, Mount Beacon, Dynasty Heights, Pacific Palisades, Exchange Tower and Olympian City 3 also received the Merit Award. As a long-standing supporter of the Hong Kong Awards for Environmental Excellence, Skyline Tower won the Bronze Award whereas Olympian City and Pacific Palisades received the Certificate of Merit in the Sectoral Awards (Property Management) during the reporting period. To support minimising waste at source, SPS has implemented the food waste management programme in residential properties and shopping malls including Pacific Palisades, Hong Kong Gold Coast, Olympian City and tmtplaza.



Food waste management programmes have been implemented at residential developments and shopping malls managed by the Group, including Pacific Palisades, Hong Kong Gold Coast, Olympian City, tmtplaza and Island Resort Mall. Olympian City is the first shopping mall in Hong Kong to install a high-efficiency food decomposer, which can decompose up to 99.8% of food waste.

REVIEW OF OPERATIONS *(Continued)*

(10) SINO PROPERTY SERVICES *(Continued)*

Others

SPSL is seeing solid progress in developing their in-house car park control system, jointly with The Hong Kong Polytechnic University. The first system was in operation in May 2012. SPSL has successfully applied for the HKSAR Government's Innovative Technology Funding (ITF) amounting to HK\$2 million, which enable SPSL to develop innovative mobile and global technologies that would greatly enhance car park patrons' parking experience. In respect of the software support, a mobile app including basic car park information and GPS routing has been introduced to the public in December 2013. On the hardware side, a comprehensive wireless node equipped with various sensors such as ultrasonic sensor, temperature sensor, etc, which forms part of the Environment, Health and Safety System (EHS), was installed at Coronation Circle in June 2014 and is now under testing & commissioning.

In May 2014, Perfect Green Supplies Company Limited, a subsidiary of BRESL, launched 'Perfect Wash', a one-stop-shop hygiene service tailored for the F & B industry, with the opening of its first Dishwashing and Sterilization Service Centre in Yau Tong. With its remarkable performance and efforts of Perfect Green, Perfect Wash has secured the business with the market leader in the fast food industry.

In addition, BRESL was successfully awarded a service contract commencing from 1st August 2014 to 31st July 2015 by a leading airline catering company in May 2014. The sales and marketing works for targeting this eminent client last for a period of 12 months. Efforts have been made to develop more business opportunities for BRESL and Perfect Green.

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

REVIEW OF OPERATIONS *(Continued)*



Sino Land Company Limited has been selected as a constituent member of the Hang Seng Corporate Sustainability Index since September 2012 in recognition of its continuous efforts in promoting sustainability and upholding high standards of performance in environmental, social and corporate governance aspects.

(11) CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, the Group has been actively participating in a wide range of community programmes, voluntary services, green initiatives, art and cultural events, and staff teambuilding activities over the years. In recognition of its continuous efforts in promoting sustainability and upholding high standards in environmental, social and corporate governance aspects, the Company has been selected as a constituent member of the Hang Seng Corporate Sustainability Index since September 2012; the Group has also received the 'Sustainability Excellence Award' at the Hong Kong Corporate Governance Excellence Awards 2013 jointly organised by the Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University.

In the financial year 2013/2014, the Group published its 2013 Sustainability Review with reference to Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules. The Group has also published its third Sustainability Report that highlights the Group's corporate sustainability footprint and initiatives to demonstrate its commitment to engage its stakeholders in building a greener future.

Sino Care

To encourage staff participation in voluntary programmes on a regular basis, the Group has established the 'Sino Caring Friends' volunteer team. With an objective of further nurturing volunteering culture, the Group encourages and supports staff to join voluntary services during office hours for at least one day in a year. In the financial year 2013/2014, the total number of hours for volunteer service of the Group exceeded 99,000 hours.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Care *(Continued)*

The Group serves the community with an emphasis on helping the underprivileged. Since the launch of 'Sino Home Visit Programme' in June 2011, the Group has served over 3,300 underprivileged families in Sham Shui Po, Tai Kok Tsui, Kwai Chung, Kwun Tong and Wong Tai Sin. The programme includes festive home visits, monthly home improvement services and elderly home visits. 'Sino Caring Friends' collaborates with various charity organisations, including Hong Kong Young Women's Christian Association Sham Shui Po Integrated Social Service Centre, Society for Community Organization, and Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre to organise home visits to families at Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival as well as Winter Solstice to give festive gift packs and to bring joy and care to them. To leverage on the professional expertise of our staff, a technical team was formed in December 2011 to offer home improvement services such as circuit checking and basic maintenance for underprivileged families on a monthly basis. This service is rendered with support from the Hong Kong Family Welfare Society, Tung Wah Group of Hospitals Yu Mak Yuen Integrated Service Centre and Wai Ji Christian Service. Sino Caring Friends also collaborate with Ho Chui District Community Centre for Senior Citizens (sponsored by Sik Sik Yuen) on monthly home visits to the elderly who live alone in Tsz Wan Shan. In April 2014, Sino Caring Friends extended the service to those who lived in home for the elderly to spread the message of love in collaboration with Ho Shing Home for the Elderly (sponsored by Sik Sik Yuen).

The Group also places great emphasis on the development of the young generation. Sino Group commenced the 'Sino Children Mentorship Programme' in 2013 in partnership with the Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre; 22 children aged from 6 to 9 completed the year-round learning programme. In April 2014, Sino Group launched 'Sino Children Mentorship Programme 2014' on the heels of positive responses; 30 children aged from 6 to 9 from underprivileged families in Tai Kok Tsui, under the mentorship of Sino Caring Friends, would complete the eight-month programme with the themes of Green and Care. The programme has been designed to help mentees build up positive attitude, confidence and team spirit in a joyful learning environment.

The Group is also a long-standing supporter of the Community Chest of Hong Kong, the Hong Kong Family Welfare Society, the Hong Kong Young Women's Christian Association, Hong Chi Association, Agency for Volunteer Service and Operation Santa Claus. In the year 2013/2014, the Group participated in a number of meaningful causes, including 'New Territories Walk', 'Hong Chi Climbathon', 'AVS Charity Walk & Run for Volunteering' and '2013 Santa on the Beach'. We are delighted that the Group's commitment to community, green and art has been recognised, with the Hong Kong Council of Social Service awarding the Group the '10 Years Plus Caring Company Logo' for the 11th consecutive year since 2003.



Sino Caring Friends conduct home visits to the elderly and underprivileged families during festivals to present festive gift packs and bring joy to them. In April 2014, we extended the service to the elderly living in the elderly homes to spread the message of care.



The eight-month 'Sino Children Mentorship Programme' is designed to help mentees build up positive attitude, confidence and team spirit in a joyful learning environment. Thirty children from underprivileged families in Tai Kok Tsui joined the programme this year.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Care *(Continued)*

In Singapore, Town Restaurant at The Fullerton Hotel Singapore participated in Make-A-Wish Foundation Singapore's Wish Dish Campaign in October 2013 and donated 100% of the proceeds from the sale of its signature Laksa. A total of S\$2,738.60 was raised which assisted the Foundation in granting wishes of children with life-threatening medical conditions to enrich their lives with hope, strength and joy.



In November 2013, The Fullerton Hotel Singapore started festivities on a meaningful note, with a Christmas Light Up Ceremony followed by a charity buffet dinner. One hundred and eight hotel staff members came together in a dazzling candle-lit march-in to the charming tunes performed by handbell ringers. The Hotel pledged 20% of the proceeds from the buffet dinner to the Singapore General Hospital Needy Patients Fund and continued to donate S\$10 to the Fund from the sale of each custom-designed Santa Bear.

In November 2013, The Fullerton Hotel Singapore kick started the festive celebrations on a meaningful note, with a splendid Christmas Light Up ceremony and a Charity Buffet Dinner at Town Restaurant. One hundred and eight hotel staff members from various departments came together in a dazzling candle-lit march-in to the charming tunes of 'The Little Drummer Boy' performed by handbell ringers at the hotel atrium. A group of needy patients under the care of the Singapore General Hospital Needy Patients Fund and their caretakers were invited to Town Restaurant for a festive dinner buffet treat. The Fullerton Hotel Singapore pledged 20% of the proceeds from the evening's dinner to the Singapore General Hospital Needy Patients Fund to provide support for needy patients and their families who need financial assistance for medical consumables, such as wheelchairs and oxygen ventilators.

The Fullerton Hotel Singapore also continued the sale of the hotel's adorable custom-designed Santa Bears and donated S\$10 to the SGH Needy Patients Fund for each bear sold. To encourage more guests to contribute to the cause, a Christmas tree filled with the hotel's Santa Bears was displayed at the hotel lobby and the hospital's retail pharmacy. A total of S\$8,578.88 was raised through the Charity Buffet Dinner and the sale of the Fullerton Santa Bear.

During the Christmas season, The Fullerton Heritage partnered with Mainly I Love Kids (MILK) in December 2013 to invite disadvantaged children from various beneficiaries to participate in its Christmas Postcard Design Competition. The initiative paid tribute to The Fullerton Hotel Singapore's illustrious heritage. The three best entries were printed and placed in each of The Fullerton Hotel Singapore's guest rooms. Hotel guests were able to purchase the postcards with all proceeds pledged to the Mainly I Love Kids (MILK) Fund.

In February 2014, The Fullerton Heritage partnered with Hope Centre, a non-profit volunteer welfare organisation committed to serving the community regardless of race, culture, language and religion, and brought the festive joy of the lunar New Year into the homes of the immobile elderly in the Kampong Glam area.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Care *(Continued)*

The Fullerton Heritage invited 40 guests, made up of foster families and their children, to partake in a surprise cake decoration activity in appreciation of the foster mothers in conjunction with Mother's Day, followed by a buffet lunch at Town Restaurant in May 2014. The event was jointly organised by Ministry of Social and Family Development (MSF) and The Fullerton Heritage to pay tribute to mothers and celebrate their important role in nurturing their families. The Fullerton Heritage also organised football matches in collaboration with Beyond Social Service for underprivileged children to celebrate Father's Day and have fun in World Cup season.

The Fullerton Hotel Singapore and The Fullerton Bay Hotel Singapore continued to dedicate part proceeds of the sales of its signature Postmaster Teddy Bear, The Fullerton Bellhop Bear and The Fullerton Bay Hotel Ship Captain Bear to MILK. The teddy bear is priced at S\$22 and S\$10 from the sale of each bear is dedicated to MILK Fund in support of their programmes for disadvantaged children. During the Reporting Period, the hotels raised more than S\$27,700 in total for MILK Fund.

Sino Green

The Group appreciates its role in sustainability. Constant efforts have been made to make its properties more environment-friendly through architectural planning, energy saving and management initiatives.

Sino Property Services, the Group's property services arm, has been actively supporting the development of a sustainable environment in Hong Kong. Efforts and initiatives adopted in different aspects of the daily operations for promoting environmental protection have been widely recognised. In the financial year 2013/2014, the Group received a number of awards in recognition of its efforts in environmental protection from various organisations, including government departments, professional bodies and community organisations. The Royal Oaks and Citywalk received the Gold Award of Domestic Property (Properties between 6 to 10 years of age) and Non-Domestic Property (Properties between 6 to 10 years of age) respectively at the Best Landscape Award for Private Property Development 2014 organised by the Leisure and Cultural Services Department, HKSAR Government. Seven other projects including The Hermitage, Mount Beacon, Dynasty Heights, Pacific Palisades, Exchange Tower, Olympian City 3 and The Coronation also received the Merit Award. Skyline Tower won the Bronze Award at the Hong Kong Awards for Environmental Excellence while Olympian City and Pacific Palisades received the Certificate of Merit in the Sectoral Awards (Property Management) during the reporting period.



During the reporting period, the Group published its third annual Sustainability Review to highlight the Group's corporate sustainability footprints and initiatives, demonstrating its commitment to engage its stakeholders in building a greener future.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Green *(Continued)*

In Singapore, a Green Champion campaign has been organised for all The Fullerton Heritage employees to cultivate a green culture. From front desk to back office, housekeeping staff, kitchen stewards, and operations staff took part in a fun and interactive session learning about the 3Rs, 'Reduce • Reuse • Recycle'.

The Fullerton Heritage launched its recycling project in March 2013 with an aim to reduce waste and step up the management of recycled waste in all properties and work closely with green partners to achieve better results.

The hotels in Singapore have also adopted the practice of Demand Response (DR). For an hour each day, minor operational adjustment are made, such as switching off non-essential lighting, reducing laundry activities, and adjusting the temperature of the air-conditioners and chillers. The concerted efforts resulted in a reduction of energy usage of approximately 200 kWh a day.

The Fullerton Heritage has also reaffirmed the commitment to protecting marine biodiversity by stopping sales of shark's fin or related products at the hotels and restaurants as well as banquets.

The two hotels also actively engage hotel guests to work towards green consciousness. Guests can make a choice whether to change their bed linens and towels daily. Encouraging results have been achieved since the implementation of the practice with a significant percentage of guests embracing our green culture to reduce water usage and save the environment.

In recognition of our efforts, The Fullerton Hotel Singapore and The Fullerton Bay Hotel received the 'Water Building Efficiency Award' and 'Fire Safety Award' for 2013/2014.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Art

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

Sino Art presented four public, thematic art exhibitions at the Group's flagship mall properties, Olympian City and tmtplaza. During summer 2013, Visionaire, a local design concept shop, and Sino Art presented 'Paris Rétro' at Olympian City, an exhibition and pop-up shop based on the photographs of Parisian store fronts by French photographer Maron Bouillie. In the exhibition, Maron's photographs were enlarged into 1:1 life-sized installation format, displayed together with a six-metre Eiffel Tower replica, the Central Atrium of Olympian City was transformed into a mini Paris with classic Parisian sidewalks and a street café.

At Christmas, local design collective Stickyline and Sino Art presented 'Sweet Paper Tales' exhibition at Olympian City. Known for their paper art installations, Stickyline created a six-metre Xmas tree consisting of 1,000 paper candies handmade by the creative duo. At tmtplaza, local illustrator Bigsoil, in his exhibition 'In Pursuit of the Perfect Xmas', converted the mall space into a lovely Xmas setting joined by his well-loved cartoon characters in 3D format. The exhibition featured a gallery space that showcased his personal collection of around 200 original sketches, illustrating his creative development with the audience.

In May 2014, The Consulate General of France in Hong Kong and Macau, Le French May, Sino Art and Foundation Antoine de Saint Exupéry jointly presented 'The Little Prince' exhibition at Olympian City to pay tribute to Antoine de Saint Exupéry, the legendary creator of the classic *The Little Prince*. The exhibition featured the biography and watercolour drawings of the aristocrat writer, pop up characters and installations based on classic scenes in *The Little Prince*, with a series of art and cultural public programmes.



*Sino Art, the Consulate General of France in Hong Kong and Macau and Foundation Antoine de Saint Exupéry jointly presented 'The Little Prince' exhibition at Olympian City to pay tribute to Antoine de Saint Exupéry, the legendary creator of the classic *The Little Prince*. The exhibition featured the biography, manuscripts and drawings of the aristocratic writer as well as signature scenes of the classic, supported by a series of guided tours and workshops.*

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Art *(Continued)*

The Group initiated Sino Art in Community, extending our reach and charitable efforts to the community in 2013. Endorsed by the Hospital Authority, Sino Art in Community debuted at the Paediatrics Nephrology unit of the Princess Margaret Hospital in Kwai Chung. Working with local artist collective Postgal and their much-loved character Din-Dong, the Group brought the artists' joyful spirits to the wards through mural painting, workshops and mascot visit. In 2014, Sino Art has partnered with Yan Oi Tong and local artist kikiwong on the creation of a 122-foot green-themed mural at Yan Oi Tong Ng Wong Fung Ying Kindergarten and Nursery in Tin Shui Wai. Making use of characters 'siki & buddies', the Group delivered the artist's green message to the kids.



Sino Art in Community debuted in 2013 at the Paediatrics Nephrology unit of Princess Margaret Hospital. Working with local artist collective Postgal and their much-loved character Din-Dong, the joyful spirit was brought to the ward and patients through mural painting, workshops and mascot visit.

In addition to organising art exhibitions, the Group also provides sponsorships for the art and cultural events. In the year 2013/2014, we have supported large-scale art and cultural events including Detour 2013 and Hong Kong Arts Festival 2014. We also continued to sponsor the graduation shows of art schools at universities, providing our support to nurture the next generation of artists for a creative community. To provide operational support to art groups for their sustainable growth, we have provided venue sponsorships for Asian Youth Orchestra, Opera Hong Kong and Asia Art Archive.

In Singapore, The Fullerton Arts Programme presented Clare Haxby's solo exhibition of paintings on 'Singapore Landmarks' in September 2013. From the pastel coloured restored shophouses of Blair Road to the modern dynamic architecture of the Central Business District, Clare brings to the canvas Singapore's diverse and historical architecture using contemporary and mixed media painting and printmaking techniques.

During the Lunar New Year in 2014, Lui Guo brought back the classic theme of spring with his beautiful, atmospheric paintings to The Fullerton Hotel Singapore. The paintings expressed the liveliness of the spring season in blossom, heralding a new season of fresh beginnings and prosperity. Highlights of the exhibition included the showcase of Liu's signature majestic landscape paintings of Changbaishan in Spring, and also upon special request, a small series of 5-10 paintings of the Singaporean tropical landscape and mangroves. Liu's acclaim found its audience amongst the art lovers in Singapore, where he has had seven successful exhibitions since 1992 till date.

From March to May 2014, 'City Stories' presented an art exhibition which discovers more about the 'everyday' modern city life in Singapore through the works of local artists, Quek Kiat Seng and Ron Wong in The Fullerton Hotel Singapore. Portraying unique Singaporean stories with a familiarity that was deeply personal and introspective, these artists recollected familiar scenes of growing up in Singapore, drawing upon shared experiences that evoked a sense of nostalgia through some of the memories that Singaporeans carried around closed to their hearts.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Art *(Continued)*

From May to July 2014, 'Different Strokes, One Hope', a joint art exhibition helmed by four aspiring young artists aged between 11 to 12 years old was hosted. Using the exhibition as a platform to raise funds, these young artists came together to paint with different strokes but creating 'one hope', working towards a common purpose of helping those in need.

Sino Heritage

Sino Heritage was established in 2011 with the belief that conservation of cultural heritage helps the community build a sense of identity and strengthen relationships in the city. Sino Heritage identifies and showcases the heritage significance of historical projects in both Hong Kong and Singapore.

In 2013/2014, Sino Heritage has sponsored the roving exhibition 'TIMELESS archiCULTURE – UNESCO Asia-Pacific Awards for Cultural Heritage Conservation: 14 award-winning projects of Hong Kong', presented by the Development Bureau of the HKSAR Government.

In March 2008, the Ng Teng Fong Family, the ultimate major shareholder of the Group, set up a non-profit-making 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 (Hotel), it is home to nine colonial-style rooms and suites and commenced operation in March 2012. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government's Revitalising Historic Buildings Through Partnership Scheme. The Hotel received the Award of Merit, UNESCO Asia-Pacific Awards for Cultural Heritage Conservation organised by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 2013 in recognition of the efforts in heritage conservation by various organisations and engagement of local community.

In Singapore, The Fullerton Heritage is committed to showcasing Singapore's unique history and rich heritage through the preservation and restoration of historic buildings. The respect for heritage and the integration of its elements into the lifestyle destination is a unique and distinct aspect of the precinct. In 2014, The Fullerton Heritage was awarded with the Patron of the Heritage Award by National Heritage Board Singapore and World Silver Winner in Heritage (Restoration/Conservation) Category in FIABCI World Prix d' Excellence Awards 2014.

REVIEW OF OPERATIONS *(Continued)*



Built in 1933 as the landing jetty of immigrants in the early days of Singapore, Clifford Pier has been reconfigured into to a unique destination restaurant, The Clifford Pier. The Clifford Pier has kept the Pier's original architectural charm and preserves its intrinsic culture to pay tribute to its history.

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Sino Heritage *(Continued)*

The Clifford Pier at The Fullerton Bay Hotel Singapore was unveiled in May 2014. Housed in Clifford Pier, a historic landmark built in 1933 as the landing jetty for ships and marks the arrival point where the early immigrants began a new chapter of their lives. This new dining destination preserves the Pier's intrinsic hawker culture and honours its historical role as the landing point of Singapore's forefathers, as well as a melting pot of diverse cultures. From the décor to the menu items, which include signature Singapore delicacies like Soup Kambing and Rickshaw Noodle, strong heritage elements are infused within each of these aspects to enliven the old world charm of the historic place.

The Fullerton Heritage partnered with SingPost on the celebration of Singapore's 48th birthday, where SingPost prepared a gift to the Nation. In keeping with the National Day 2013 theme – 'Many Stories, One Singapore', the gift was a collage of old and new Singapore stamps contributed by the public as well as SingPost to form and fill a map of Singapore, it is now housed in The Fullerton Hotel Singapore for public enjoyment.

In the Reporting Period, two specially tailored heritage tours – The Fullerton Hotel Singapore Tour and A Maritime Journey Tour were conducted by The Fullerton Heritage resident heritage guide five times weekly for both hotel guests and the public. Since the inception of these complimentary tours in 2013, we have served up to 100 hotel guests on these tours monthly.

In addition to the weekly tours, The Fullerton Heritage also hosted exclusive tours for various organisations such as Urban Redevelopment Authority, Ngee Ann Polytechnic, Mediacorp Radio Station 95.8FM and Blue House International School.

Festival-themed tours were also conducted during the National Heritage Festival in July and the F1 Grand Prix in September 2013. During the Mid-Autumn Festival, The Fullerton Heritage hosted the elderly from an elderly care centre to a river cruise which docked at Clifford Pier, followed by a mid-autumn themed dinner at The Clifford Pier to relive the shared memories of the past.

REVIEW OF OPERATIONS *(Continued)*

(11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

Staff Engagement

In addition to providing professional development and personal growth opportunities that enable individual staff to realise their full potential, the Group places great emphasis on the well-being of staff and strives to enhance team spirit and work-life balance by encouraging staff to participate in various sports and events. In 2013/2014, our staff participated in several events including the 'New Territories Walk', 'Hong Chi Climbathon', 'Team Challenge 36', 'AVS Charity Walk & Run for Volunteering' and '2013 Santa on the Beach'.

Recognition

Sino Group has received the '2013/14 President's Award' by The Community Chest of Hong Kong in recognition of the Group's support to various fundraising activities organised by the Chest.

INDEPENDENT AUDITOR'S REPORT



TO THE SHAREHOLDERS OF SINO LAND COMPANY LIMITED

信和置業有限公司

(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Sino Land Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 136 to 245, which comprise the Group's consolidated and the Company's statements of financial position as at 30th June, 2014, and the Group's consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance (Cap. 622) (the "Companies Ordinance"), and for such internal controls as the directors determine are necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 80 of Schedule 11 to the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT *(Continued)*

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30th June, 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27th August, 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30th June, 2014

	NOTES	2014 HK\$	2013 HK\$ (Restated)
Turnover	7	7,450,911,679	7,818,585,463
Cost of sales		(1,046,622,645)	(2,658,285,013)
Direct expenses		(1,801,399,642)	(1,775,575,901)
Gross profit		4,602,889,392	3,384,724,549
Change in fair value of investment properties	19	3,290,416,953	3,918,639,739
Other income and other gains or losses		94,198,432	90,863,655
Gain arising from change in fair value of trading securities		128,217,989	85,346,045
Gain on disposal of investment properties		1,267,546,033	622,377,866
Administrative expenses		(665,490,397)	(643,588,828)
Other operating expenses		(166,600,525)	(165,899,202)
Finance income	9	368,177,912	464,150,795
Finance costs	10	(253,131,133)	(266,987,781)
Less: Interest capitalised	10	20,287,555	40,517,094
Finance income, net		135,334,334	237,680,108
Share of results of associates	11	1,429,548,748	4,701,812,188
Share of results of joint ventures	12	208,307,744	271,456,303
Profit before taxation	13	10,324,368,703	12,503,412,423
Income tax expense	16	(1,281,069,728)	(660,561,771)
Profit for the year		9,043,298,975	11,842,850,652
Attributable to:			
Company's shareholders		8,921,483,066	11,687,131,302
Non-controlling interests		121,815,909	155,719,350
		9,043,298,975	11,842,850,652
Earnings per share (reported earnings per share)			
Basic	18(a)	1.493	1.971

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30th June, 2014

	2014 HK\$	2013 HK\$
Profit for the year	<u>9,043,298,975</u>	<u>11,842,850,652</u>
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
(Loss) gain on fair value change of available-for-sale investments	(65,145,705)	258,865,473
Exchange differences arising on translation of foreign operations	246,990,926	428,113,878
	<u>181,845,221</u>	<u>686,979,351</u>
Total comprehensive income for the year	<u>9,225,144,196</u>	<u>12,529,830,003</u>
Total comprehensive income attributable to:		
Company's shareholders	9,103,328,287	12,374,110,653
Non-controlling interests	121,815,909	155,719,350
	<u>9,225,144,196</u>	<u>12,529,830,003</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2014

		THE GROUP		
	30th June, 2014	30th June, 2013	1st July, 2012	
<i>NOTES</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	
		(Restated)	(Restated)	
Non-current assets				
Investment properties	19	56,281,352,385	54,610,734,765	51,643,719,403
Hotel properties	20	1,891,263,436	1,744,677,191	1,609,676,576
Property, plant and equipment	21	129,209,993	118,274,006	123,271,895
Prepaid lease payments – non-current	22	1,303,292,089	1,187,175,429	1,197,808,601
Interests in associates	24	17,475,905,471	15,878,770,311	11,317,343,155
Interests in joint ventures	25	2,242,353,923	2,026,792,762	1,547,645,256
Available-for-sale investments	26	1,008,794,665	1,055,153,634	782,784,479
Advances to associates	24	8,132,002,059	9,198,819,160	8,227,201,296
Advances to joint ventures	25	1,553,726,462	2,495,551,817	2,277,996,798
Advance to non-controlling interests	27	96,082,492	117,965,207	133,210,793
Advance to an investee company	28	17,617,226	16,769,403	16,899,509
Long-term loans receivable	29	49,834,713	36,780,795	47,178,510
		90,181,434,914	88,487,464,480	78,924,736,271
Current assets				
Properties under development	46	27,884,031,411	25,407,957,851	21,869,542,575
Stocks of completed properties		1,617,543,658	965,950,674	1,519,208,274
Hotel inventories		18,708,821	17,703,917	27,337,338
Prepaid lease payments – current	22	20,390,423	19,462,924	19,104,164
Trading securities	30	554,800,591	426,518,325	570,874,967
Amounts due from associates	24	970,529,537	936,218,709	3,097,093,173
Accounts and other receivables	31	1,117,280,334	835,469,674	2,519,927,659
Current portion of long-term loans receivable	29	3,794,836	4,976,725	2,236,139
Taxation recoverable		147,713,722	48,213,013	264,546
Restricted bank deposits	32	412,983,955	323,633,103	679,660,662
Time deposits, bank balances and cash	32	13,999,422,509	11,619,643,905	5,042,418,096
		46,747,199,797	40,605,748,820	35,347,667,593
Assets classified as held for sale	33	–	170,000,000	–
		46,747,199,797	40,775,748,820	35,347,667,593
Current liabilities				
Accounts and other payables	34	3,483,872,299	3,313,987,059	3,492,162,113
Deposits received on sales of properties		2,613,997,918	977,093,758	590,130,004
Amounts due to associates	24	3,836,204,380	3,455,225,003	706,076,620
Taxation payable		1,043,811,670	687,756,677	677,052,332
Current portion of long-term bank borrowings	35	28,548,714	14,586,873	–
Bank loans – secured	35	92,000,000	4,538,130,944	1,846,972,089
Financial guarantee contracts – current	43	–	–	887
		11,098,434,981	12,986,780,314	7,312,394,045
Net current assets		35,648,764,816	27,788,968,506	28,035,273,548
Total assets less current liabilities		125,830,199,730	116,276,432,986	106,960,009,819

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30th June, 2014

		THE GROUP		
	<i>NOTES</i>	30th June, 2014	30th June, 2013	1st July, 2012
		HK\$	HK\$	HK\$
			(Restated)	(Restated)
Capital and reserves				
Share capital	36	36,767,987,593	5,947,824,375	5,911,789,367
Reserves		74,897,385,874	98,858,390,237	88,874,512,102
Equity attributable to the Company's shareholders		111,665,373,467	104,806,214,612	94,786,301,469
Non-controlling interests		1,284,068,613	1,178,920,912	821,879,024
Total equity		112,949,442,080	105,985,135,524	95,608,180,493
Non-current liabilities				
Long-term bank and other borrowings				
– due after one year	35	7,919,616,786	5,640,192,065	7,823,684,649
Deferred taxation	38	1,713,619,521	1,509,757,243	1,208,108,678
Advances from associates	39	1,652,248,300	1,695,792,402	1,862,708,895
Advances from non-controlling interests	40	1,595,273,043	1,445,555,752	457,327,104
		12,880,757,650	10,291,297,462	11,351,829,326
		125,830,199,730	116,276,432,986	106,960,009,819

The consolidated financial statements on pages 136 to 245 were approved and authorised for issue by the Board of Directors on 27th August, 2014 and are signed on its behalf by:

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Director

STATEMENT OF FINANCIAL POSITION

At 30th June, 2014

	NOTES	THE COMPANY	
		2014 HK\$	2013 HK\$
Non-current assets			
Investments in subsidiaries	23	448,441,991	448,569,994
Interests in associates	24	515,829,723	515,829,723
Available-for-sale investments	26	925,510,895	986,370,674
		<u>1,889,782,609</u>	<u>1,950,770,391</u>
Current assets			
Trading securities	30	554,800,591	426,518,325
Amounts due from subsidiaries	23	51,167,890,687	48,610,035,241
Accounts and other receivables		5,251,581	4,391,809
Taxation recoverable		14,781,890	–
Time deposits, bank balances and cash	32	11,781,735	1,476,690
		<u>51,754,506,484</u>	<u>49,042,422,065</u>
Current liabilities			
Accounts and other payables		7,534,729	9,100,129
Amount due to a subsidiary	23	435,631,932	375,244,770
Amounts due to associates	24	67,531,290	67,091,985
Taxation payable		–	20,227,531
Financial guarantee contracts – current	43	–	11,000
		<u>510,697,951</u>	<u>471,675,415</u>
Net current assets		<u>51,243,808,533</u>	<u>48,570,746,650</u>
Total assets less current liabilities		<u>53,133,591,142</u>	<u>50,521,517,041</u>

STATEMENT OF FINANCIAL POSITION (Continued)

At 30th June, 2014

	NOTES	THE COMPANY	
		2014 HK\$	2013 HK\$
Capital and reserves			
Share capital	36	36,767,987,593	5,947,824,375
Reserves	37	16,364,814,198	44,572,903,315
Total equity		53,132,801,791	50,520,727,690
Non-current liability			
Financial guarantee contracts – non-current	43	789,351	789,351
		53,133,591,142	50,521,517,041

Robert NG Chee Siong
Chairman

Daryl NG Win Kong
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2014

	Attributable to Company's shareholders						Attributable to Company's shareholders	Non-controlling interests	Total
	Share capital	Share premium	Capital redemption reserve	Investment revaluation reserve	Exchange reserve	Retained profits			
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$ (Note)	HK\$	HK\$	
At 1st July, 2012	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 year	-	-	-	-	-	11,687,131,302	11,687,131,302	155,719,350	11,842,850,652
Other comprehensive income:									
- gain on fair value change of available-for-sale investments	-	-	-	258,865,473	-	-	258,865,473	-	258,865,473
- exchange differences arising on translation of foreign operations	-	-	-	-	428,113,878	-	428,113,878	-	428,113,878
Total comprehensive income for the year	-	-	-	258,865,473	428,113,878	11,687,131,302	12,374,110,653	155,719,350	12,529,830,003
Shares issued in lieu of cash dividends	39,885,008	493,791,281	-	-	-	-	533,676,289	-	533,676,289
Cancellation upon repurchase of own shares	(3,850,000)	-	3,850,000	-	-	(46,890,040)	(46,890,040)	-	(46,890,040)
Additional interest on non-controlling interests on acquisition of subsidiaries (Note 47)	-	-	-	-	-	-	-	192,579,973	192,579,973
Deemed capital contribution from non-controlling interests in relation to interest-free advance from non-controlling interests	-	-	-	-	-	-	-	42,242,565	42,242,565
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(33,500,000)	(33,500,000)
Final dividend - 2012	-	-	-	-	-	(2,128,157,772)	(2,128,157,772)	-	(2,128,157,772)
Interim dividend - 2013	-	-	-	-	-	(712,825,987)	(712,825,987)	-	(712,825,987)
At 30th June, 2013	5,947,824,375	29,558,611,308	523,584,000	398,153,513	2,119,908,412	66,258,133,004	104,806,214,612	1,178,920,912	105,985,135,524
Profit for the year	-	-	-	-	-	8,921,483,066	8,921,483,066	121,815,909	9,043,298,975
Other comprehensive (expense) income:									
- loss on fair value change of available-for-sale investments	-	-	-	(65,145,705)	-	-	(65,145,705)	-	(65,145,705)
- exchange differences arising on translation of foreign operations	-	-	-	-	246,990,926	-	246,990,926	-	246,990,926
Total comprehensive (expense) income for the year	-	-	-	(65,145,705)	246,990,926	8,921,483,066	9,103,328,287	121,815,909	9,225,144,196
Shares issued in lieu of cash dividends	410,017,574	327,950,336	-	-	-	-	737,967,910	-	737,967,910
Cancellation upon repurchase of own shares	(412,000)	-	412,000	-	-	(4,220,820)	(4,220,820)	-	(4,220,820)
Transition to no-par value regime on 3rd March, 2014 under the Companies Ordinance (Cap. 622)	30,410,557,644	(29,886,561,644)	(523,996,000)	-	-	-	-	-	-
Additional interest on non-controlling interests	-	-	-	-	-	-	-	2	2
Deemed capital contribution from non-controlling interests in relation to interest-free advance from non-controlling interests	-	-	-	-	-	-	-	19,673,981	19,673,981
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(36,342,191)	(36,342,191)
Final dividend - 2013	-	-	-	-	-	(2,260,173,263)	(2,260,173,263)	-	(2,260,173,263)
Interim dividend - 2014	-	-	-	-	-	(717,743,259)	(717,743,259)	-	(717,743,259)
At 30th June, 2014	36,767,987,593	-	-	333,007,808	2,366,899,338	72,197,478,728	111,665,373,467	1,284,068,613	112,949,442,080

Note: At 30th June, 2014, retained profits of the Group include a sum of Nil (2013: HK\$1,530,308,013) relating to certain associates attributable to the Group which are distributable by the associates by way of dividend subject to the prior consent of their bankers. During the year ended 30th June, 2014, the restrictions were removed upon the repayment by the associates of the related bank borrowings.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June, 2014

	2014	2013
	HK\$	HK\$
		(Restated)
OPERATING ACTIVITIES		
Profit before taxation	10,324,368,703	12,503,412,423
Adjustments for:		
Finance costs	232,843,578	226,470,687
Depreciation of property, plant and equipment and hotel properties	77,808,909	78,308,406
Release of prepaid lease payments	20,248,714	19,435,965
Loss (gain) on disposal of property, plant and equipment	928,583	(73,772)
Adjustments to construction costs of investment properties	10,865,375	16,955,015
Cost of property, plant and equipment written off	–	274,506
(Reversal) recognition of impairment loss on trade receivables	(3,555,898)	693,549
Share of results of associates	(1,429,548,748)	(4,701,812,188)
Share of results of joint ventures	(208,307,744)	(271,456,303)
Increase in fair value of investment properties	(3,290,416,953)	(3,918,639,739)
Finance income	(368,177,912)	(464,150,795)
Gain arising from change in fair value of trading securities	(128,217,989)	(85,346,045)
Gain on disposal of investment properties	(1,267,546,033)	(622,377,866)
Interest income from loans receivable	(1,724,641)	(899,728)
Dividend income from listed investments	(82,431,877)	(39,372,025)
Dividend income from unlisted investments	(23,091,994)	(22,410,000)
Operating cash flows before movements in working capital	3,864,044,073	2,719,012,090
(Increase) decrease in long-term loans receivable	(11,872,029)	7,657,129
Increase in properties under development	(3,302,533,917)	(4,956,644,778)
Decrease in stocks of completed properties	185,481,633	2,139,873,080
(Increase) decrease in hotel inventories	(1,004,904)	9,633,421
(Increase) decrease in trading securities	(64,277)	229,702,687
(Increase) decrease in accounts and other receivables	(278,254,762)	1,693,648,857
Increase in accounts and other payables and deposits received on sales of properties	1,804,772,487	199,789,003
Cash generated from operations	2,260,568,304	2,042,671,489
Hong Kong Profits Tax paid	(658,617,290)	(453,304,856)
Taxation in other jurisdictions paid	(164,213,808)	(44,000,944)
Interest received from loans receivable	1,724,641	899,728
Dividends received from listed investments	82,431,877	39,372,025
Dividends received from unlisted investments	23,091,994	22,410,000
NET CASH FROM OPERATING ACTIVITIES	1,544,985,718	1,608,047,442

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2014

	NOTE	2014 HK\$	2013 HK\$ (Restated)
INVESTING ACTIVITIES			
Repayments from associates		1,891,387,248	4,597,217,442
Repayments from joint ventures		949,919,748	–
Dividends received from associates		225,755,300	138,715,175
Dividends received from joint ventures		90,000,000	23,500,000
Placement of restricted bank deposits		(323,025,170)	(230,985,820)
Withdrawal of restricted bank deposits		233,674,318	587,013,379
Interest received		235,719,499	177,775,427
Proceeds from disposal of investment properties		3,255,702,481	2,143,514,358
Proceeds from disposal of property, plant and equipment		65,279	679,490
(Advances to) repayments from investee company		(847,823)	130,106
Advances to associates		(865,808,037)	(3,353,558,119)
Repayment from non-controlling interests		21,882,715	15,245,586
Advances to joint ventures		(13,298,861)	(220,703,402)
Additions to investment properties		(308,660,436)	(120,030,812)
Additions to hotel properties		(31,187,555)	(155,649,528)
Additions to property, plant and equipment		(61,268,232)	(48,547,201)
Additions to prepaid lease payments		(26,701,709)	(5,800,014)
Additions to available-for-sale investments		(18,786,736)	(13,503,682)
Acquisition of assets and liabilities through acquisition of subsidiaries	47	–	(5,113,261)
Acquisition of additional interest in a joint venture		(18,513,790)	–
Acquisition of additional interests in associates		(210,998,957)	(281)
NET CASH FROM INVESTING ACTIVITIES		5,025,009,282	3,529,898,843
FINANCING ACTIVITIES			
New bank and other loans		2,901,000,000	4,326,250,000
Repayments of bank loans		(5,094,831,481)	(3,852,872,392)
Advances from associates		432,777,014	2,801,697,711
Advances from non-controlling interests		169,391,272	973,159,944
Dividends paid		(2,239,948,612)	(2,307,307,470)
Repayments to associates		(129,897,202)	(247,811,113)
Interest paid		(196,428,843)	(196,211,955)
Repurchase of own shares		(4,220,820)	(46,890,040)
Additional interest in non-controlling interests		2	–
Dividends paid to non-controlling interests		(36,342,191)	(33,500,000)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		(4,198,500,861)	1,416,514,685
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,371,494,139	6,554,460,970
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		11,619,643,905	5,042,418,096
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		8,284,465	22,764,839
CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash		13,999,422,509	11,619,643,905

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2014

1. GENERAL

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

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 49.

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

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

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

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

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated Financial Statements", HKFRS 11 "Joint Arrangements", HKFRS 12 "Disclosure of Interests in Other Entities", HKAS 27 (as revised in 2011) "Separate Financial Statements" and HKAS 28 (as revised in 2011) "Investments in Associates and Joint Ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) IN THE CURRENT YEAR (Continued)**New and revised Standards on consolidation, joint arrangements, associates and disclosures** (Continued)

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10 “Consolidated Financial Statements”

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 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) it has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee.

The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1st July, 2013. Accordingly, the directors of the Company (the “Directors”) concluded that the application of HKFRS 10 has had no material impact on the consolidated financial statements in accordance with the new definition of control and the related guidance set out in HKFRS 10.

HKFRS 11 “Joint Arrangements”

HKFRS 11 replaces HKAS 31 “Interests in Joint Ventures”, and the guidance contained in a related interpretation, HK(SIC) – Int 13 “Jointly Controlled Entities – Non-Monetary Contributions by Venturers”, has been incorporated in HKAS 28 (as revised in 2011) “Investments in Associates and Joint Ventures”. HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements taking into account the structure, the legal form of the joint arrangements, the contractual terms agreed by the parties to the joint arrangements, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

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

HKFRS 11 “Joint Arrangements” *(Continued)*

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has considered those joint arrangements previously classified as jointly controlled operations would be renamed as joint operations without any change in accounting treatment while certain investments previously classified as interests in associates were to be reclassified as interests in joint ventures and these investments continue to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

Impact of the application of HKFRS 12 “Disclosure of Interests in Other Entities”

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 “Fair Value Measurement”

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply 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 for share based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are within the scope of HKAS 17 “Leases”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application from 1st July, 2013 for the Group. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the standard in comparative information provided for periods before the initial application of the standard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") IN THE CURRENT YEAR (Continued)**HKFRS 13 "Fair Value Measurement"** (Continued)

In accordance with these transitional provisions, the Group has not made any new disclosures required by HKFRS 13 for the 2013 comparative period (see Notes 6 and 19 for the 2014 disclosures). Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

The effect of the changes in the Group's accounting policies described above on the results for the current and preceding years by line items presented in the consolidated statement of profit or loss is as follows:

	2014	2013
	HK\$	HK\$
Consolidated statement of profit or loss		
Decrease in share of results of associates	(246,992,246)	(271,456,303)
Increase in share of results of joint ventures	246,992,246	271,456,303
	As originally stated	As restated
	<i>HK\$</i>	<i>HK\$</i>
	Adjustments	
	<i>HK\$</i>	

Consolidated statement of profit or loss for the year ended 30th June, 2013

Share of results of associates	4,973,268,491	(271,456,303)	4,701,812,188
Share of results of joint ventures	–	271,456,303	271,456,303

The effect of the changes in the Group's accounting policies described above on the financial position of the Group as at the beginning of the comparative period, i.e. 1st July, 2012, is as follows:

	As originally stated	Adjustments	As restated
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Consolidated statement of financial position as at 1st July, 2012			
Interests in associates	12,763,227,707	(1,445,884,552)	11,317,343,155
Interests in joint ventures	101,760,704	1,445,884,552	1,547,645,256
Advances to associates	8,490,423,817	(263,222,521)	8,227,201,296
Advances to joint ventures	2,014,774,277	263,222,521	2,277,996,798

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

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

The effect of the changes in the Group’s accounting policies described above on the financial position of the Group as at the end of the immediately preceding financial year, i.e. 30th June, 2013, is as follows:

	As originally stated HK\$	Adjustments HK\$	As restated HK\$
Consolidated statement of financial position as at 30th June, 2013			
Interests in associates	17,813,387,442	(1,934,617,131)	15,878,770,311
Interests in joint ventures	92,175,631	1,934,617,131	2,026,792,762
Advances to associates	9,549,972,398	(351,153,238)	9,198,819,160
Advances to joint ventures	2,144,398,579	351,153,238	2,495,551,817

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

Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ⁴
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ¹
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ⁵
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ⁵
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ⁵
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
HKFRS 9	Financial Instruments ³
HKFRS 14	Regulatory Deferral Accounts ⁷
HKFRS 15	Revenue from Contracts with Customers ⁶
HK(IFRIC) – Int 21	Levies ¹

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

² Effective for annual periods beginning on or after 1st July, 2014

³ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised

⁴ Effective for annual periods beginning on or after 1st July, 2014, with limited exceptions

⁵ Effective for annual periods beginning on or after 1st January, 2016

⁶ Effective for annual periods beginning on or after 1st January, 2017

⁷ Effective for first and HKFRS financial statements, beginning on or after 1st January, 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

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

In addition, the annual report requirements of Part 9 “Accounts and Audit” of the new Companies Ordinance (Cap. 622) come into operation as from the company’s first financial year commencing on or after 3rd March, 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

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:

- All recognised financial assets that are within the scope of HKAS 39 “Financial Instruments: Recognition and Measurement” to be subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires 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 change 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 30th June, 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

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

HKFRS 15 “Revenue from Contracts with Customers”

HKFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It supersedes current revenue recognition guidance including HKAS 11 “Construction Contracts”, HKAS 18 “Revenue”, HK(IFRIC) – Int 13 “Customer Loyalty Programmes”, HK(IFRIC) – Int 15 “Agreements for the Construction of Real Estate”, HK(IFRIC) – Int 18 “Transfers of Assets from Customers”, and HK(SIC) – Int 31 “Revenue-Barter Transactions Involving Advertising Services”. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise. The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. HKFRS 15 is to be applied on an individual contract basis. However, a portfolio approach is permitted provided it is reasonably expected that the impact on the financial statements will not be materially different from applying HKFRS 15 on an individual contract basis. The steps to be applied in the new revenue model are as follows:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

In addition, HKFRS 15 also includes requirements for accounting for some costs that are related to a contract with a customer. With respect to disclosure, HKFRS 15 requires an entity to disclose certain quantitative and/or qualitative information so as to help investors better understand the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

HKFRS 15 is effective for the Group’s financial year beginning on 1st July, 2017 with early application permitted. It applies to new contracts created on or after the effective date and to existing contracts that are not yet complete as of the effective date. The Group can choose to apply HKFRS 15 retrospectively or to use a modified transition approach. The management anticipates that HKFRS 15 will be adopted in the Group’s consolidated financial statements for the annual period beginning 1st July, 2017. The application of this standard may have significant impact on amounts reported in the Group’s consolidated financial statements. However, the management is in the process of ascertaining the financial impact on application of this standard.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Companies Ordinance (Cap. 622), *"Accounts and Audit"*, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The significant accounting policies adopted are as follows:

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Allocation of total comprehensive income and expense to non-controlling interests

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Changes in the Group's ownership interests in existing subsidiaries**

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

Investments in subsidiaries

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

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in associates and joint ventures *(Continued)*

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Investments in associates and joint ventures** *(Continued)*

Interests in associates are included in the Company's statement of financial position at cost less any impairment losses. The results of associates are accounted for by the Company on the basis of dividend received or receivable during the year.

Goodwill arising on acquisitions prior to 1st January, 2005

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

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

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

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

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the HKFRSs applicable to the particular assets, liabilities, revenues and expenses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interests in joint operations *(Continued)*

When a group entity sells or contributes assets to a joint operation in which a group entity is a joint operator, the Group is considered to be selling or contributing assets to the other parties to the joint operation, and gains and losses resulting from the sale or contribution are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity purchases assets from a joint operation in which a group entity is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Investment properties

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

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

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

For a transfer from investment property carried at fair value to owner-occupied property or inventories, the property's deemed cost for subsequent accounting shall be its fair value at the date of change in use.

Hotel properties and property, plant and equipment

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment losses on tangible assets

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

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

Properties under development

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

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

Stocks of completed properties

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

Hotel inventories

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

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 in accordance with the fair value model in HKAS 40 "Investment Property" are measured at fair value at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

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

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

Leasing

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

The Group as lessor

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

The Group as lessee

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

Leasehold land and building

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Financial instruments**

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

Financial assets

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

Effective interest method

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

Interest income is recognised by applying an effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Loans and receivables

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

Available-for-sale financial assets

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

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment of financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

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

Impairment of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)***Financial instruments** *(Continued)*Financial assets *(Continued)*Impairment of financial assets *(Continued)*

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

Interest expense is recognised by applying an effective interest rate, except for short-term receivables where the recognition of interest would be immediate.

Financial liabilities

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

Financial guarantee contracts

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Financial instruments** (Continued)Derecognition

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

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

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

Revenue recognition

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

- (d) Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (e) Dividend income from investments including financial assets at fair value through profit or loss and available-for-sale equity instruments is recognised when the shareholders' rights to receive payment have been established.
- (f) Hotel income is recognised when the hotel services are rendered.

Taxation

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

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

Deferred taxation assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred taxation liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred taxation liabilities or deferred taxation assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred taxation liabilities and deferred taxation assets for such investment properties are measured in accordance with the above general principles set out in HKAS 12 (i.e. based on the expected manner as to how the properties will be recovered).

Current and deferred taxation are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred taxation are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

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

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

Retirement benefit costs

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

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**Critical judgment in applying accounting policies**

The following is the critical judgment, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred taxation liabilities or deferred taxation assets arising from investment properties that are measured using the fair value model, the Directors have reviewed investment property portfolios of the subsidiaries, associates and joint ventures of the Group and concluded that the investment properties held by the subsidiaries, associates and joint ventures of the Group in Hong Kong, the People's Republic of China (the "PRC") and Singapore 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. Therefore, in measuring the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties held by the subsidiaries, associates and joint ventures of the Group in Hong Kong and Singapore for those investment properties which are not subject to any income taxes on changes to the fair value of the investment properties upon their sales. However, for those investment properties in the PRC, the deferred taxes on changes in fair value of investment properties are recognised taking into account the Land Appreciation Tax ("LAT") and Enterprise Income Tax payable upon sales of those investment properties in the PRC.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Estimated net realisable value on properties under development

In determining whether allowances should be made for the Group's properties under development, the Group takes into consideration the current market environment and the estimated market value (i.e. the estimated selling price less estimated costs of selling expenses) less estimated costs to completion of the properties. An allowance is made if the estimated market value or the actual net realisable value on properties under development is less than expected as a result of change in market condition and/or significant variation in the budgeted development cost, material provision for impairment losses may result. The carrying amount of the properties under development is HK\$27,884,031,411 (2013: HK\$25,407,957,851).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Allowance for stocks of completed properties

Management exercises its judgment in making allowance for stocks of completed properties with reference to the existing market environment, the sales performance in previous years and estimated market value of the properties, i.e. the estimated selling price less estimated costs of selling expenses. A specific allowance for stocks of completed properties is made if the estimated market value of the property is lower than its carrying amount. If the actual net realisable values of the stocks of completed properties are less than expected as a result of change in market condition, material provision for impairment losses may result. The carrying amount of the stocks of completed properties is HK\$1,617,543,658 (2013: HK\$965,950,674).

Depreciation on hotel properties

In determining the estimated useful lives of the hotel properties, the management makes reference to the relevant terms of leases of the hotel properties, which are 53 to 96 years. Any changes to the estimated useful lives of the hotel properties may cause a material adjustment to the carrying amount and the depreciation charge within the next financial year.

At 30th June, 2014, the carrying amount of the hotel properties is HK\$1,891,263,436 net of accumulated depreciation of HK\$207,551,524 (2013: HK\$1,744,677,191 net of accumulated depreciation of HK\$177,584,332). Details of the movements of the hotel properties are disclosed in Note 20.

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 30th June, 2014 at their fair value of HK\$56,281,352,385 (2013: HK\$54,610,734,765). The fair value was based on a valuation on these properties conducted by an independent firm of professional valuers using property valuation techniques which involve certain assumptions of market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss.

Estimate of the PRC LAT

The PRC LAT is levied at progressive rates ranging from 40% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible allowance and expenditures including sales charges, borrowing costs and all property development expenditures.

The Group is subject to the LAT in the PRC. However, the implementation and settlement of the tax varies amongst different tax jurisdictions in various cities of the PRC and the Group has not yet reached the stage to finalise its LAT calculation and payments with any local tax bureaux in the PRC in accordance with the relevant local tax regulations. Accordingly, significant judgements are required in determining the amount of land appreciation and its related income tax provisions. The Group recognises these liabilities based on the management's best estimates according to the understanding of the tax rules. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax expenses and the related income tax provisions in the periods in which such taxes are finalised with local tax authorities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

5. CAPITAL RISK MANAGEMENT

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

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

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

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

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

	THE COMPANY		THE GROUP	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
Financial assets				
Trading securities (fair value through profit or loss)	554,800,591	426,518,325	554,800,591	426,518,325
Available-for-sale investments	925,510,895	986,370,674	1,008,794,665	1,055,153,634
Loans and receivables (including cash and cash equivalents)	<u>51,184,447,014</u>	<u>48,615,713,557</u>	<u>26,196,459,844</u>	<u>25,203,254,606</u>
Financial liabilities				
Amortised cost	508,930,116	449,637,411	17,299,645,331	19,040,546,612
Financial guarantee contracts	<u>789,351</u>	<u>800,351</u>	<u>-</u>	<u>-</u>

Financial risk management objectives and policies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

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

Market risk

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

Currency risk

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

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

The carrying amounts of the Group's foreign currency denominated monetary assets (excluding available-for-sale investments) and monetary liabilities at the end of the respective reporting periods are as follows:

	THE GROUP	
	2014	2013
	HK\$	HK\$
Assets		
Renminbi ("RMB")	1,990,184,632	1,300,203,687
United States Dollars ("USD")	18,747,414	19,675,778
Liabilities		
RMB	561,121,251	518,547,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

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

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

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

	THE GROUP	
	2014	2013
	HK\$	HK\$
RMB	71,446,124	23,278,657

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments amounted to HK\$331,456,984 (2013: HK\$401,003,772) as at 30th June, 2014, an increase/a decrease in 5% of Singaporean dollar against the functional currency of the relevant group entities would result in an increase/a decrease of HK\$16,572,850 (2013: HK\$20,050,189) in the Group's investment revaluation reserve.

Interest rate risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk (Continued)

Interest rate sensitivity analysis

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

At the end of the respective reporting periods, if interest rates had increased/decreased by 50 basis points and all other variables were held constant, the Group's profit for the year would have decreased/increased by HK\$12,276,358 (2013: HK\$15,143,261). The Company has no other significant interest rate risk.

Other price risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

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

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

	THE COMPANY		THE GROUP	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments				
Increase (decrease) in investment revaluation reserve				
– as a result of increase in equity price	45,263,080	48,306,068	48,879,809	51,197,757
– as a result of decrease in equity price	(45,263,080)	(48,306,068)	(48,879,809)	(51,197,757)
Trading securities				
Increase (decrease) in profit for the year				
– as a result of increase in equity price	23,162,924	17,807,140	23,162,924	17,807,140
– as a result of decrease in equity price	(23,162,924)	(17,807,140)	(23,162,924)	(17,807,140)

Credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk in the event of the counterparties failure to discharge their obligations are in relation to each class of recognised financial assets as stated in the Group's and the Company's statements of financial position and the amount of contingent liabilities as disclosed in Note 43. In order to minimise the credit risk of trade and other receivables, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

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

Other than concentration of credit risk on advances to associates/joint ventures/non-controlling interests/ investee company and amounts due from subsidiaries/associates, the Group and the Company do not have any other significant concentration of credit risk. Trade receivables and long-term loans receivable consist of a large number of customers and borrowers.

Liquidity risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

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

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1 – 3 months HK\$	3 months to 1 year HK\$	1 – 2 years HK\$	2 – 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2014								
Accounts and other payables	N/A	5,766,894	-	-	-	-	5,766,894	5,766,894
Other non-interest bearing liabilities	N/A	503,163,222	-	-	-	-	503,163,222	503,163,222
Financial guarantee contracts	N/A	-	-	142,400,000	1,254,603,500	11,294,333,832	12,691,337,332	789,351
		<u>508,930,116</u>	<u>-</u>	<u>142,400,000</u>	<u>1,254,603,500</u>	<u>11,294,333,832</u>	<u>13,200,267,448</u>	<u>509,719,467</u>
2013								
Accounts and other payables	N/A	7,300,656	-	-	-	-	7,300,656	7,300,656
Other non-interest bearing liabilities	N/A	442,336,755	-	-	-	-	442,336,755	442,336,755
Financial guarantee contracts	N/A	-	785,350,000	7,040,683,832	2,516,000,000	8,225,480,250	18,567,514,082	800,351
		<u>449,637,411</u>	<u>785,350,000</u>	<u>7,040,683,832</u>	<u>2,516,000,000</u>	<u>8,225,480,250</u>	<u>19,017,151,493</u>	<u>450,437,762</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

THE GROUP

	Weighted average effective interest rate %	Repayable on demand or less than 1 month HK\$	1 – 3 months HK\$	3 months to 1 year HK\$	1 – 2 years HK\$	2 – 5 years HK\$	Over 5 years HK\$	Total undiscounted cash flows HK\$	Carrying amount HK\$
2014									
Accounts and other payables									
– non-interest bearing	N/A	575,645,150	146,141,581	217,528,555	208,207,341	1,028,231,481	–	2,175,754,108	2,175,754,108
Other liabilities									
– non-interest bearing	2.25	3,836,204,380	–	–	2,708,833,784	544,287,784	–	7,089,325,948	7,054,770,485
– fixed rate	4.47	97,526	195,052	877,734	28,955,238	–	–	30,125,550	28,955,238
Borrowings									
– variable rate	2.25	96,544,876	16,894,955	63,890,024	1,312,722,410	2,837,420,271	–	4,327,472,536	4,189,039,114
– fixed rate	3.25	10,723,827	21,447,655	96,514,446	128,685,928	4,027,383,582	–	4,284,755,438	3,851,126,386
Financial guarantee contracts	N/A	402,205,650	–	–	–	4,719,383,832	–	5,121,589,482	–
		<u>4,921,421,409</u>	<u>184,679,243</u>	<u>378,810,759</u>	<u>4,387,404,701</u>	<u>13,156,706,950</u>	<u>–</u>	<u>23,029,023,062</u>	<u>17,299,645,331</u>
2013									
Accounts and other payables									
– non-interest bearing	N/A	718,534,632	48,335,502	307,223,906	170,241,350	1,003,804,356	1,119,762	2,249,259,508	2,249,259,508
– variable rate	5.00	1,804,065	–	–	–	–	–	1,804,065	1,804,065
Other liabilities									
– non-interest bearing	1.84	3,455,225,003	–	–	3,043,777,538	–	–	6,499,002,541	6,470,657,249
– variable rate	2.81	–	–	–	98,599,267	–	–	98,599,267	97,439,734
– fixed rate	4.54	97,984	195,968	881,856	28,476,174	–	–	29,651,982	28,476,174
Borrowings									
– variable rate	2.81	1,076,238,208	11,476,418	3,510,320,782	36,505,252	1,817,803,351	–	6,452,344,011	6,349,982,039
– fixed rate	3.25	10,723,827	21,447,655	96,514,446	128,685,928	4,156,069,510	–	4,413,441,366	3,842,927,843
Financial guarantee contracts	N/A	34,836,483	–	1,151,183,832	2,500,000,000	2,560,000,000	–	6,246,020,315	–
		<u>5,297,460,202</u>	<u>81,455,543</u>	<u>5,066,124,822</u>	<u>6,006,285,509</u>	<u>9,537,677,217</u>	<u>1,119,762</u>	<u>25,990,123,055</u>	<u>19,040,546,612</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

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

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Directors have to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified valuers to perform the valuation. The Directors work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

6. FINANCIAL INSTRUMENTS (Continued)**Fair value measurements (Continued)**

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

THE COMPANY

	2014		2013	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	905,261,590	905,261,590	966,121,369	966,121,369
Trading securities:				
Equity securities listed in Hong Kong	554,501,407	554,501,407	426,212,699	426,212,699
Equity securities listed elsewhere	299,184	299,184	305,626	305,626
Total	1,460,062,181	1,460,062,181	1,392,639,694	1,392,639,694

THE GROUP

	2014		2013	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	977,596,175	977,596,175	1,023,955,144	1,023,955,144
Trading securities:				
Equity securities listed in Hong Kong	554,501,407	554,501,407	426,212,699	426,212,699
Equity securities listed elsewhere	299,184	299,184	305,626	305,626
Total	1,532,396,766	1,532,396,766	1,450,473,469	1,450,473,469

Fair values of financial instruments

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

- the fair values of the Level 1 financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices in an active market.
- the fair value of financial guarantee contracts is determined using option pricing models where the main parameters are the estimation of market value of the underlying properties pledged, the amount of principal of the loan facility, the volatility, the remaining life of the loan and the risk-free rate.
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Directors consider that the carrying amounts of financial assets and liabilities classified as current assets or liabilities and recorded at amortised costs in the consolidated financial statements approximate their fair values as these financial instruments are short-term in nature. For non-current financial assets and liabilities which are interest-free, the Directors consider that their carrying amounts approximate their fair values as their carrying amounts are discounted using the relevant effective interest rates which approximated to the prevailing borrowing rates. For non-current financial assets and liabilities which bear interest at fixed interest rates, these rates approximated to the prevailing borrowing rates of the respective group entities and accordingly, the Directors consider that their carrying amounts approximate their fair values.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

7. TURNOVER

	2014 HK\$	2013 HK\$
Sales of properties held for sale	2,740,878,101	3,359,231,812
Gross rental income from properties	2,757,480,972	2,568,789,128
Property management and service fee income	982,273,045	980,364,474
Hotel operations	863,031,049	847,518,296
Interest income from loans receivable	1,724,641	899,728
Dividend income		
listed investments	82,431,877	39,372,025
unlisted investments	23,091,994	22,410,000
	7,450,911,679	7,818,585,463

8. OPERATING SEGMENTS

The Group's operating segments are reported by five operating divisions – property, property management and other services, hotel operations, investments in securities and financing. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

Segment Results

For the year ended 30th June, 2014

	The Company and its subsidiaries		Associates		Joint ventures		Total	
	External revenue	Results	Share of revenue	Share of results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Property								
Property sales	2,740,878,101	1,404,469,559	1,903,836,698	450,101,886	-	-	4,644,714,799	1,854,571,445
Property rental	2,757,480,972	2,392,549,882	606,891,811	556,587,111	110,385,892	105,400,531	3,474,758,675	3,054,537,524
	5,498,359,073	3,797,019,441	2,510,728,509	1,006,688,997	110,385,892	105,400,531	8,119,473,474	4,909,108,969
Property management and other services	982,273,045	214,402,925	57,871,970	14,853,632	24,856,107	1,139,429	1,065,001,122	230,395,986
Hotel operations	863,031,049	363,316,051	240,810,300	132,096,000	-	-	1,103,841,349	495,412,051
Investments in securities	105,523,871	105,523,871	3,900	3,900	-	-	105,527,771	105,527,771
Financing	1,724,641	1,724,641	977,423	977,423	-	-	2,702,064	2,702,064
	7,450,911,679	4,481,986,929	2,810,392,102	1,154,619,952	135,241,999	106,539,960	10,396,545,780	5,743,146,841

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)

Segment Assets

As at 30th June, 2014

	The Company and its subsidiaries HK\$	Associates HK\$	Joint ventures HK\$	Total HK\$
Property				
Property sales	29,707,363,901	7,059,070,026	65,059,405	36,831,493,332
Property rental	56,975,580,188	9,563,701,965	2,177,294,518	68,716,576,671
	86,682,944,089	16,622,771,991	2,242,353,923	105,548,070,003
Property management and other services	208,829,389	55,849,801	–	264,679,190
Hotel operations	3,385,798,840	728,680,529	–	4,114,479,369
Investments in securities	1,606,384,608	64,696,954	–	1,671,081,562
Financing	10,766,298,205	3,906,196	–	10,770,204,401
Segment assets	<u>102,650,255,131</u>	<u>17,475,905,471</u>	<u>2,242,353,923</u>	122,368,514,525
Restricted bank deposits, time deposits, bank balances and cash				14,412,406,464
Taxation recoverable				<u>147,713,722</u>
Total assets				<u>136,928,634,711</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)**Other Information**

For the year ended 30th June, 2014

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
- Property, plant and equipment	4,607,354	3,950,346	10,841,829	41,868,703	-	-	61,268,232
- Investment properties	-	308,660,436	-	-	-	-	308,660,436
- Hotel properties	-	-	-	31,187,555	-	-	31,187,555
Amount regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Change in fair value of investment properties	-	3,290,416,953	-	-	-	-	3,290,416,953

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)

Segment Results

For the year ended 30th June, 2013

	The Company and its subsidiaries		Associates		Joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$ (Restated)	Share of results HK\$ (Restated)	Share of revenue HK\$ (Restated)	Share of results HK\$ (Restated)	Segment revenue HK\$	Segment results HK\$
Property								
Property sales	3,359,231,812	426,456,472	10,768,950,648	4,084,877,788	-	-	14,128,182,460	4,511,334,260
Property rental	2,568,789,128	2,209,666,098	539,394,577	491,227,776	96,232,863	89,626,144	3,204,416,568	2,790,520,018
	5,928,020,940	2,636,122,570	11,308,345,225	4,576,105,564	96,232,863	89,626,144	17,332,599,028	7,301,854,278
Property management and other services	980,364,474	207,564,582	53,240,443	12,599,949	22,977,185	1,532,108	1,056,582,102	221,696,639
Hotel operations	847,518,296	359,529,829	230,418,600	131,036,100	-	-	1,077,936,896	490,565,929
Investments in securities	61,782,025	61,024,827	453,900	453,900	-	-	62,235,925	61,478,727
Financing	899,728	899,728	656,173	656,173	-	-	1,555,901	1,555,901
	7,818,585,463	3,265,141,536	11,593,114,341	4,720,851,686	119,210,048	91,158,252	19,530,909,852	8,077,151,474

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)**Segment Assets**

As at 30th June, 2013

	The Company and its subsidiaries HK\$	Associates HK\$ (Restated)	Joint ventures HK\$ (Restated)	Total HK\$
Property				
Property sales	26,488,772,773	6,486,056,290	92,175,631	33,067,004,694
Property rental	55,330,408,742	8,591,358,453	1,934,617,131	65,856,384,326
	81,819,181,515	15,077,414,743	2,026,792,762	98,923,389,020
Property management and other services	229,022,901	7,851,137	–	236,874,038
Hotel operations	3,100,042,188	747,563,471	–	3,847,605,659
Investments in securities	1,504,229,931	44,486,148	–	1,548,716,079
Financing	12,713,683,671	1,454,812	–	12,715,138,483
Segment assets	<u>99,366,160,206</u>	<u>15,878,770,311</u>	<u>2,026,792,762</u>	117,271,723,279
Restricted bank deposits, time deposits, bank balances and cash				11,943,277,008
Taxation recoverable				<u>48,213,013</u>
Total assets				<u>129,263,213,300</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)**Other Information**

For the year ended 30th June, 2013

	Property sales HK\$	Property rental HK\$	Property management and other services HK\$	Hotel operations HK\$	Investments in securities HK\$	Financing HK\$	Consolidated HK\$
Amounts included in the measure of segment assets:							
Capital additions							
- Property, plant and equipment	4,254,269	1,016,864	12,546,541	30,729,527	-	-	48,547,201
- Investment properties	-	120,030,812	-	-	-	-	120,030,812
- Hotel properties	-	-	-	155,649,528	-	-	155,649,528
Amount regularly reviewed by the chief operating decision makers but not included in the measure of segment profit or loss:							
Change in fair value of investment properties	-	3,918,639,739	-	-	-	-	3,918,639,739

Measurement

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

Segment results represent the profit earned by each segment without allocation of certain other income and other gains or losses, certain administrative expenses and other operating expenses, changes in fair value of investment properties and trading securities, gain on disposal of investment properties and certain finance income net of finance costs. The profit earned by each segment also includes the share of results from the Group's associates and joint ventures without allocation of the associates' and joint ventures' 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)**Reconciliation of profit before taxation**

	2014	2013
	HK\$	HK\$
		(Restated)
Segment profit	5,743,146,841	8,077,151,474
Other income and other gains or losses	88,745,154	84,688,824
Change in fair value of investment properties	3,290,416,953	3,918,639,739
Gain arising from change in fair value of trading securities	128,217,989	85,346,045
Gain on disposal of investment properties	1,267,546,033	622,377,866
Administrative expenses and other operating expenses	(705,517,545)	(683,464,919)
Finance income, net	135,116,698	237,414,841
Results shared from associates		
– Other income and other gains or losses	22,103,803	36,408,894
– Change in fair value of investment properties	667,210,959	1,228,252,378
– Administrative expenses and other operating expenses	(115,190,153)	(174,381,324)
– Finance costs, net	(110,325,531)	(284,643,242)
– Income tax expense	(188,870,282)	(824,676,204)
	274,928,796	(19,039,498)
Results shared from joint ventures		
– Other income and other gains or losses	4,266,430	1,805,079
– Change in fair value of investment properties	162,126,601	219,979,000
– Administrative expenses and other operating expenses	(50,209,220)	(20,130,004)
– Finance costs, net	(5,312,312)	(8,693,629)
– Income tax expense	(9,103,715)	(12,662,395)
	101,767,784	180,298,051
Profit before taxation	10,324,368,703	12,503,412,423

During the year ended 30th June, 2014, inter-segment sales of HK\$34,137,154 (2013: HK\$40,892,101) were not included in 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.

Revenue from major products and services

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

8. OPERATING SEGMENTS (Continued)

Geographical information

The Group operates in three principal geographical areas – Hong Kong, the PRC and Singapore.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets, excluding financial instruments, are detailed below:

	Revenue from external customers		Non-current assets	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Hong Kong	4,344,729,732	6,522,122,716	70,672,368,944	68,759,593,805
The PRC	2,111,926,092	317,719,645	4,042,561,422	2,298,330,957
Singapore	994,255,855	978,743,102	4,608,446,931	4,508,499,702
	<u>7,450,911,679</u>	<u>7,818,585,463</u>	<u>79,323,377,297</u>	<u>75,566,424,464</u>

Information about major customers

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

9. FINANCE INCOME

	2014 HK\$	2013 HK\$
Interest income on:		
advances to associates and joint ventures	64,124,337	78,579,534
advance to an investee company	847,823	826,144
bank deposits	170,747,339	98,369,749
Imputed interest income on non-current interest-free advances to		
associates and joint ventures	132,458,413	286,374,481
Financial guarantee income	–	887
	<u>368,177,912</u>	<u>464,150,795</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

10. FINANCE COSTS

	2014 HK\$	2013 HK\$
Interest and other finance costs on:		
bank loans wholly repayable within five years	87,775,053	133,929,876
other loans wholly repayable within five years	130,800,617	104,712,613
Imputed interest expense on non-current interest-free advances from associates	34,555,463	28,345,292
	253,131,133	266,987,781
Less: Amounts capitalised to properties under development	(20,287,555)	(40,517,094)
	232,843,578	226,470,687

11. SHARE OF RESULTS OF ASSOCIATES

	2014 HK\$	2013 HK\$ (Restated)
Share of results of associates comprises:		
Share of profits of associates	1,618,419,030	5,526,488,392
Share of taxation of associates	(188,870,282)	(824,676,204)
	1,429,548,748	4,701,812,188

The Group's share of results of associates included the Group's share of change in fair value of investment properties of the associates, net of deferred taxation, of HK\$663,910,959 (2013: HK\$1,154,602,410) recognised in the statement of profit or loss of the associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

12. SHARE OF RESULTS OF JOINT VENTURES

	2014 HK\$	2013 HK\$ (Restated)
Share of results of joint ventures comprises:		
Share of profits of joint ventures	217,411,459	281,553,188
Share of taxation of joint ventures	<u>(9,103,715)</u>	<u>(10,096,885)</u>
	<u>208,307,744</u>	<u>271,456,303</u>

The Group's share of results of joint ventures included the Group's share of change in fair value of investment properties of the joint ventures of HK\$162,126,601 (2013: HK\$219,979,000) recognised in the statement of profit or loss of the joint ventures.

13. PROFIT BEFORE TAXATION

	2014 HK\$	2013 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	1,304,045,670	1,209,132,637
Retirement benefit scheme contributions	<u>56,836,916</u>	<u>51,979,151</u>
Total staff costs	<u>1,360,882,586</u>	<u>1,261,111,788</u>
Release of prepaid lease payments (included in other operating expenses)	20,248,714	19,435,965
Auditor's remuneration		
– audit services		
– current year provision	4,035,879	4,346,030
– overprovision of previous years	(47,152)	(489,231)
– non-audit services	1,542,198	1,498,500
Cost of hotel inventories consumed (included in direct expenses)	101,228,096	106,424,464
Cost of properties sold	1,046,622,645	2,658,285,013
Depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	77,808,909	78,308,406
Loss (gain) on disposal of property, plant and equipment	928,583	(73,772)
Cost of property, plant and equipment written off	–	274,506
(Reversal) recognition of impairment loss on trade receivables	(3,555,898)	693,549
Net exchange gain (include in other income and other gains or losses)	<u>(4,355,987)</u>	<u>(10,619,596)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

14. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS

The emoluments paid or payable to each of the ten (2013: eleven) directors, which include the Chairman, were disclosed pursuant to section 78 of Schedule 11 to the Companies Ordinance (Cap. 622), which requires compliance with section 161 of the predecessor Companies Ordinance (Cap. 32) as follows:

2014

	Mr. Robert Ng Chee Siong HK\$ (Note ii)	Mr. Daryl Ng Win Kong HK\$ (Note vii)	Mr. Ringo Chan Wing Kwong HK\$ (Note vii)	Ms. Alice Ip Mo Lin HK\$	Mr. Gordon Lee Ching Keung HK\$ (Note vii)	The Honourable Ronald Joseph Arculli HK\$ (Note iii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Mr. Steven Wong Cho Bau HK\$ (Note vi)	Mr. Steven Ong Kay Eng HK\$	Total HK\$
Fees	40,000	30,000	29,180	40,000	20,000	80,000	220,000	220,000	66,670	210,000	955,850
Other emoluments											
Salaries and other benefits	1,226,760	795,700	3,526,793	3,991,045	4,498,670	-	-	-	-	-	14,038,968
Retirement benefit scheme contributions	15,250	15,250	39,250	21,250	21,250	-	-	-	-	-	112,250
Discretionary bonus (Note i)	-	692,100	908,860	1,288,600	1,094,495	-	-	-	-	-	3,984,055
Total emoluments	1,282,010	1,533,050	4,504,083	5,340,895	5,634,415	80,000	220,000	220,000	66,670	210,000	19,091,123

2013

	Mr. Robert Ng Chee Siong HK\$ (Note ii)	Mr. Yu Wai Wai HK\$ (Note iv)	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	Ms. Alice Ip Mo Lin HK\$	Mr. Gordon Lee Ching Keung HK\$ (Note v)	The Honourable Ronald Joseph Arculli HK\$ (Note iii)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Mr. Steven Wong Cho Bau HK\$	Mr. Steven Ong Kay Eng HK\$	Total HK\$
Fees	40,000	6,670	30,000	25,000	40,000	10,000	60,000	200,000	200,000	180,000	190,000	981,670
Other emoluments												
Salaries and other benefits	1,226,760	1,881,122	793,930	3,415,797	3,723,780	2,087,611	-	-	-	-	-	13,129,000
Retirement benefit scheme contributions	15,000	13,000	15,000	39,000	21,000	10,500	-	-	-	-	-	113,500
Discretionary bonus (Note i)	-	-	171,490	863,960	1,132,800	-	-	-	-	-	-	2,168,250
Total emoluments	1,281,760	1,900,792	1,010,420	4,343,757	4,917,580	2,108,111	60,000	200,000	200,000	180,000	190,000	16,392,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

14. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS (Continued)

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

Note ii: Mr. Robert Ng Chee Siong is also the Chairman of the Company and his emoluments disclosed above include those for services rendered by him as the Chairman. Mr. Ng is also a substantial shareholder of the Company through his trustee interest in shares in the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong.

Note iii: A consultancy fee of HK\$1,666,664 (2013: HK\$1,666,664) was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note iv: Mr. Yu Wai Wai resigned as an Executive Director of the Company on 31st October, 2012.

Note v: Mr. Gordon Lee Ching Keung was appointed as an Executive Director of the Company on 3rd January, 2013.

Note vi: Mr. Wong Cho Bau retired as an Independent Non-Executive Director of the Company on 23rd October, 2013.

Note vii: Mr. Daryl Ng Win Kong, Mr. Ringo Chan Wing Kwong and Mr. Gordon Lee Ching Keung retired by rotation and were re-appointed as Executive Directors of the Company on 23rd October, 2013.

15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2013: two) are Directors of the Company whose emoluments are included in Note 14 above. The emoluments of the remaining two (2013: three) individuals disclosed pursuant to the Listing Rules are as follows:

	2014 HK\$	2013 HK\$
Salaries and other emoluments (including basic salaries, housing allowances, other allowances and benefits in kind)	8,253,763	11,323,488
Retirement benefit scheme contributions	42,500	57,000
Discretionary bonus	1,856,090	2,517,840
	10,152,353	13,898,328

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

15. EMPLOYEES' EMOLUMENTS (Continued)

The emoluments of the remaining two (2013: three) individuals were within the following bands:

	Number of individuals	
	2014	2013
HK\$		
4,500,001 – 5,000,000	1	3
5,000,001 – 6,000,000	1	–

For the years ended 30th June, 2014 and 2013, no emoluments were paid by the Group to these five highest paid individuals and the Directors, as an inducement to join or upon joining the Group or as compensation for loss of office. In addition, no Director waived any emoluments.

16. INCOME TAX EXPENSE

	2014	2013
	HK\$	HK\$
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2013: 16.5%)	307,324,303	364,111,359
Overprovision in previous years	(25,564,531)	(1,524,037)
	281,759,772	362,587,322
Taxation in other jurisdictions		
Provision for the year	273,381,728	97,108,400
Overprovision in previous years	(848,334)	–
Land Appreciation Tax	525,952,331	–
	798,485,725	97,108,400
	1,080,245,497	459,695,722
Deferred taxation (Note 38)		
Current year	200,824,231	200,866,049
	1,281,069,728	660,561,771

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

16. INCOME TAX EXPENSE (Continued)

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

	2014 HK\$	2013 HK\$
Profit before taxation	10,324,368,703	12,503,412,423
Tax charge at Hong Kong Profits Tax rate of 16.5% (2013: 16.5%)	1,703,520,836	2,063,063,050
Tax effect of share of results of associates and joint ventures	(270,246,321)	(820,589,301)
Tax effect of expenses not deductible for tax purpose	20,551,651	10,745,703
Tax effect of income not taxable for tax purpose	(841,376,099)	(773,585,989)
Overprovision in previous years	(26,412,865)	(1,524,037)
Tax effect of tax losses not recognised	16,491,239	90,415,636
Tax effect of deferred taxation assets not recognised	56,688,159	40,608,385
Utilisation of tax losses previously not recognised	(10,144,978)	(35,227,238)
Utilisation of deferred taxation assets previously not recognised	(30,571,641)	(34,158,441)
Effect of different tax rates of subsidiaries operating in other jurisdictions	136,617,416	120,814,003
Land Appreciation Tax	525,952,331	–
Tax charge for the year	1,281,069,728	660,561,771

17. DIVIDENDS

	2014 HK\$	2013 HK\$
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2013: HK38 cents (2013: HK36 cents for the year ended 30th June, 2012) per share	2,260,173,263	2,128,157,772
Interim dividend for the year ended 30th June, 2014: HK12 cents (2013: HK12 cents for the year ended 30th June, 2013) per share	717,743,259	712,825,987
	2,977,916,522	2,840,983,759

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

17. DIVIDENDS (Continued)

During the year, scrip dividends were offered in respect of the 2013 final and 2014 interim dividends. These scrip alternatives were accepted by the majority of shareholders, as follows:

	2014	2013
	Interim dividend	Final dividend
	HK\$	HK\$
Dividends:		
Cash	341,507,137	1,898,441,475
Scrip alternatives	376,236,122	361,731,788
	717,743,259	2,260,173,263

A final dividend of HK38 cents (2013: HK38 cents) per share for the year ended 30th June, 2014, totalling to HK\$2,286,260,513 based on 6,016,475,033 shares (2013: HK\$2,260,173,263 based on 5,947,824,375 shares), has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting.

On 2nd December, 2013 and 16th April, 2014, the Company issued and allotted a total of 33,781,452 (2013: 28,667,191) ordinary shares and 35,467,206 (2013: 11,217,817) ordinary shares of HK\$1.00 each at an issue price of HK\$10.708 (2013: HK\$13.512) and HK\$10.608 (2013: HK\$13.044) per share in the Company in lieu of cash for the 2013 final and 2014 interim dividends (2013: 2012 final and 2013 interim dividends) respectively.

18. 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:

	2014	2013
	HK\$	HK\$
Earnings for the purpose of basic earnings per share	8,921,483,066	11,687,131,302
	Number	Number
	of shares	of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,974,541,378	5,929,327,704

No diluted earnings per share has been presented for the years ended 30th June, 2014 and 2013 as there were no potential ordinary shares outstanding during the current and prior years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

18. 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\$5,021,827,916 (2013: HK\$6,635,850,519) is also presented, excluding the net effect of changes in fair value of the Group's, associates' and joint ventures' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	2014 HK\$	2013 <i>HK\$</i> (Restated)
Earnings for the purpose of basic earnings per share	8,921,483,066	11,687,131,302
Change in fair value of investment properties	3,290,416,953	3,918,639,739
Effect of corresponding deferred taxation charges	(134,865,999)	(123,220,192)
Share of results of associates		
– Change in fair value of investment properties	667,210,959	1,228,252,378
– Effect of corresponding deferred taxation charges	(3,300,000)	(73,649,968)
Share of results of joint ventures		
– Change in fair value of investment properties	162,126,601	219,979,000
	3,981,588,514	5,170,000,957
Non-controlling interests	(81,933,364)	(118,720,174)
	3,899,655,150	5,051,280,783
Net effect of changes in fair value of investment properties	3,899,655,150	5,051,280,783
Underlying profit attributable to the Company's shareholders	5,021,827,916	6,635,850,519
Underlying earnings per share	0.841	1.119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

19. INVESTMENT PROPERTIES

	Investment properties in Hong Kong held under long leases HK\$	Investment properties in Hong Kong held under medium- term leases HK\$	Investment properties in the PRC held under medium- term lease HK\$	Investment properties under redevelopment in Hong Kong HK\$	Investment properties in Singapore held under a long lease HK\$	Total HK\$
THE GROUP						
FAIR VALUE						
At 1st July, 2012	2,733,000,000	45,134,182,925	1,323,202,378	1,036,000,000	1,417,334,100	51,643,719,403
Exchange realignment	-	-	30,792,276	-	4,042,600	34,834,876
Additions	-	21,251,936	-	68,686,816	30,092,060	120,030,812
Acquisition of subsidiaries (Note 47)	-	605,100,000	-	-	-	605,100,000
Transfer to properties under development	-	-	-	(217,381,619)	-	(217,381,619)
Transfer to assets classified as held for sale	-	(170,000,000)	-	-	-	(170,000,000)
Transfer from properties under development	-	205,109,889	8,773,172	-	-	213,883,061
Disposals	-	(1,521,136,492)	-	-	-	(1,521,136,492)
Adjustments to construction costs	-	(8,567,935)	-	-	(8,387,080)	(16,955,015)
Increase in fair value	<u>330,000,000</u>	<u>3,345,327,946</u>	<u>131,174,835</u>	<u>57,851,638</u>	<u>54,285,320</u>	<u>3,918,639,739</u>
At 30th June, 2013	3,063,000,000	47,611,268,269	1,493,942,661	945,156,835	1,497,367,000	54,610,734,765
Exchange realignment	-	-	4,594,546	-	19,765,249	24,359,795
Additions	-	178,479,739	10,752,925	119,424,064	3,708	308,660,436
Transfer from properties under development	-	74,036,670	12,285,589	-	-	86,322,259
Transfer from investment properties under redevelopment upon completion	-	634,965,648	-	(634,965,648)	-	-
Transfer to hotel properties	-	-	-	-	(117,232,122)	(117,232,122)
Transfer to prepaid lease payments	-	-	-	-	(92,887,878)	(92,887,878)
Disposals	-	(1,818,156,448)	-	-	-	(1,818,156,448)
Adjustments to construction costs	-	(10,865,375)	-	-	-	(10,865,375)
Increase (decrease) in fair value	<u>203,000,000</u>	<u>2,948,087,407</u>	<u>156,408,505</u>	<u>(35,615,252)</u>	<u>18,536,293</u>	<u>3,290,416,953</u>
At 30th June, 2014	<u>3,266,000,000</u>	<u>49,617,815,910</u>	<u>1,677,984,226</u>	<u>393,999,999</u>	<u>1,325,552,250</u>	<u>56,281,352,385</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

19. INVESTMENT PROPERTIES (Continued)**Fair value measurement of investment properties***Fair value hierarchy*

The fair value of the Group's investment properties is measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, "Fair Value Measurement".

All of the Group's investment properties measured at fair value are categorised as Level 3 valuation.

During the years ended 30th June, 2014 and 2013, there were no transfers between Level 1 and Level 2 or transfers into or out of Level 3.

Valuation process and methodologies

The fair values of the Group's investment properties at 30th June, 2014 and 2013 have been arrived at on the basis of valuations carried out as at those dates by Knight Frank Petty Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd., firms of independent qualified professional valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. In estimating the fair value of the properties, the highest and the best use of the properties is their current use.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

19. INVESTMENT PROPERTIES (Continued)**Fair value measurement of investment properties** (Continued)Level 3 valuation methodologies

Below is a table which presents the significant unobservable input:

Investment properties	Range of capitalisation rates
In Hong Kong	
– Office/Industrial	3% – 6%
– Residential	2% – 5%
– Retail	3% – 6%
Outside Hong Kong	
– Office	6% – 8%

The fair value measurement of investment properties is negatively correlated to the capitalisation rate, which is applied to the prevailing market rent. A slight increase/decrease in the capitalisation rate would result in a significant decrease/increase in fair value and vice versa.

Estimated costs to completion, developer's profit and risk margins required are estimated by valuers based on market conditions at 30th June, 2014 for investment properties under redevelopment. The estimates are largely consistent with the budgets developed internally by the Group based on management's experience and knowledge of market conditions. A slight increase/decrease in costs and margins would result in a significant decrease/increase in fair value and vice versa.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

20. HOTEL PROPERTIES

**Hotel properties
in Singapore held
under a long lease**
HK\$

THE GROUP

COST

At 1st July, 2012	1,761,502,843
Exchange realignment	5,109,152
Additions	155,649,528
At 30th June, 2013	1,922,261,523
Exchange realignment	28,133,760
Transfer from investment properties	117,232,122
Additions	31,187,555
At 30th June, 2014	2,098,814,960

DEPRECIATION

At 1st July, 2012	151,826,267
Exchange realignment	456,849
Provided for the year	25,301,216
At 30th June, 2013	177,584,332
Exchange realignment	2,693,993
Provided for the year	27,273,199
At 30th June, 2014	207,551,524

CARRYING VALUES

At 30th June, 2014	1,891,263,436
At 30th June, 2013	1,744,677,191

The hotel properties are depreciated on a straight-line basis over the relevant terms of the leases of 53 to 96 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

21. PROPERTY, PLANT AND EQUIPMENT

	Computer systems HK\$	Furniture, fixtures, equipment and hotel operating equipment HK\$	Leasehold improvements HK\$	Motor vehicles HK\$	Plant and machinery HK\$	Total HK\$
THE GROUP						
COST						
At 1st July, 2012	76,704,112	278,817,978	41,086,712	25,313,532	7,276,788	429,199,122
Exchange realignment	143,288	818,852	20,967	78,757	249	1,062,113
Additions	6,223,068	34,243,048	3,209,476	2,207,273	2,664,336	48,547,201
Write off	–	(785,690)	–	–	–	(785,690)
Disposals	(1,254,526)	(2,621,035)	(67,843)	(1,929,529)	(574,753)	(6,447,686)
At 30th June, 2013	81,815,942	310,473,153	44,249,312	25,670,033	9,366,620	471,575,060
Exchange realignment	399,522	3,951,722	3,449	136,518	99	4,491,310
Additions	8,668,184	46,068,905	3,290,579	2,075,909	1,164,655	61,268,232
Write off	(5,839)	(244,398)	–	–	–	(250,237)
Disposals	(803,048)	(3,558,626)	(1,760,689)	(209,028)	(772,302)	(7,103,693)
At 30th June, 2014	90,074,761	356,690,756	45,782,651	27,673,432	9,759,072	529,980,672
DEPRECIATION						
At 1st July, 2012	62,039,824	186,938,016	34,785,255	17,234,839	4,929,293	305,927,227
Exchange realignment	97,489	545,160	18,206	58,932	2	719,789
Provided for the year	8,850,057	36,875,888	2,795,239	2,667,167	1,818,839	53,007,190
Write off	–	(511,184)	–	–	–	(511,184)
Eliminated on disposals	(1,241,346)	(2,406,709)	(56,689)	(1,572,048)	(565,176)	(5,841,968)
At 30th June, 2013	69,746,024	221,441,171	37,542,011	18,388,890	6,182,958	353,301,054
Exchange realignment	390,952	2,786,095	3,366	113,581	(11)	3,293,983
Provided for the year	6,687,895	36,334,194	3,037,376	2,851,050	1,625,195	50,535,710
Write off	(5,839)	(244,398)	–	–	–	(250,237)
Eliminated on disposals	(772,519)	(3,132,415)	(1,243,119)	(209,028)	(752,750)	(6,109,831)
At 30th June, 2014	76,046,513	257,184,647	39,339,634	21,144,493	7,055,392	400,770,679
CARRYING VALUES						
At 30th June, 2014	14,028,248	99,506,109	6,443,017	6,528,939	2,703,680	129,209,993
At 30th June, 2013	12,069,918	89,031,982	6,707,301	7,281,143	3,183,662	118,274,006

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

21. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

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

Included in furniture, fixtures, equipment and hotel operating equipment, the carrying value of HK\$82,661,939 (2013: HK\$74,477,411) as at 30th June, 2014 represents furniture, fixtures and equipment relating to the hotel operations of the Group.

22. PREPAID LEASE PAYMENTS

	THE GROUP	
	2014	2013
	HK\$	HK\$
The Group's prepaid lease payments comprise:		
Leasehold land for hotel properties outside Hong Kong – long lease	1,323,682,512	1,206,638,353
Analysed for reporting purposes as:		
Current assets	20,390,423	19,462,924
Non-current assets	1,303,292,089	1,187,175,429
	1,323,682,512	1,206,638,353

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

23. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM/TO SUBSIDIARIES

	THE COMPANY	
	2014	2013
	HK\$	HK\$
Investments in subsidiaries:		
Unlisted shares, at cost	493,392,813	493,520,816
Less: impairment losses recognised	(44,950,822)	(44,950,822)
	448,441,991	448,569,994

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

Particulars of the Company's principal subsidiaries at 30th June, 2014 and 2013 are set out in Note 49.

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

	THE COMPANY		THE GROUP	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
				(Restated)
Interests in associates:				
Unlisted shares, at cost	515,829,723	515,829,723	3,495,961,679	3,284,351,912
Share of post-acquisition profits, net of dividends received	–	–	13,979,943,792	12,594,418,399
	515,829,723	515,829,723	17,475,905,471	15,878,770,311
Advances to associates	–	–	9,564,137,535	10,630,954,636
Less: allowance	–	–	(1,432,135,476)	(1,432,135,476)
	–	–	8,132,002,059	9,198,819,160

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

24. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES (Continued)**Movements in the allowance**

	THE GROUP	
	2014	2013
	HK\$	HK\$
Balance at the beginning of the year	1,432,135,476	1,577,809,246
Reversal of impairment loss	–	(145,673,770)
	<u>1,432,135,476</u>	<u>1,432,135,476</u>
Balance at the end of the year	1,432,135,476	1,432,135,476

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2013: HK\$142,498,716) arising on acquisitions of associates in prior years.

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 30th June, 2014, out of the Group's advances to associates net of allowance, HK\$3,432,536,081 (2013: HK\$3,702,909,560) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$4,699,465,978 (2013: HK\$5,495,909,600) is interest-free. The effective interest rate for imputed interest income for the interest-free loan is determined based on the cost-of-funds of the borrower per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

As at 30 June, 2014, the Directors reviewed the carrying amounts of the advances to associates. The recoverable amounts of these advances to associates are determined with reference to the Directors' estimate of discounted future cash flows and financial position of these associates as at the end of the reporting period. Accordingly, no impairment loss (2013: HK\$145,673,770 was reversed) was recognised by considering the improvement in financial position of the respective associates.

The amounts due from associates of the Group grouped under current assets are unsecured, interest-free and are expected to be repaid within one year.

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

Particulars of the principal associates at 30th June, 2014 and 2013 are set out in Note 50. The associates are accounted for using the equity method in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

24. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES (Continued)**Summarised financial information of material associate**

Summarised financial information of the Group's material associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs.

Teamer International Limited

Teamer International Limited is incorporated by the Group and other property developers and operates in Hong Kong. The associate is mainly engaged in a luxury residential development project in Hong Kong.

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Current assets	6,038,746,834	6,826,757,981
Current liabilities	182,083,552	1,390,286,834

	Year ended 30th June,	
	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Turnover	727,223,802	1,887,001,502
Profit and total comprehensive income for the year	420,192,135	648,558,505

Reconciliation of the above summarised financial information to the carrying amount of the interest in Teamer International Limited recognised in the consolidated financial statements:

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Net assets of Teamer International Limited	5,856,663,282	5,436,471,147
Proportion of the Group's ownership interest in Teamer International Limited	35%	35%
Carrying amount of the Group's interest in Teamer International Limited	2,049,832,149	1,902,764,901

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

24. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES (Continued)**Summarised financial information of material associate** (Continued)*Aggregate information of associates that are not individually material*

	2014	2013
	HK\$	HK\$
The Group's share of profit and total comprehensive income	<u>1,282,481,501</u>	<u>4,474,816,711</u>
Aggregate carrying amount of the Group's interests in these associates	<u>15,426,073,322</u>	<u>13,976,005,410</u>

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES

	THE GROUP	
	2014	2013
	HK\$	HK\$
		(Restated)
Interests in joint ventures:		
Unlisted shares	129,409,450	105,691,193
Share of post-acquisition profits, net of dividends received	<u>2,112,944,473</u>	<u>1,921,101,569</u>
	<u>2,242,353,923</u>	<u>2,026,792,762</u>
Advances to joint ventures	<u>1,553,726,462</u>	<u>2,495,551,817</u>

The advances to joint ventures of the Group are unsecured, interest-free and have no fixed repayment terms. The effective interest rate for imputed interest income is determined based on the cost-of-fund of the borrowers. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES (Continued)

Particulars of the joint ventures at 30th June, 2014 and 2013 are set out as below. The joint ventures are accounted for using the equity method in these consolidated financial statements.

Name of joint venture	Place of incorporation/ operation	Class of shares held	Issued share capital	Proportion of nominal value of issued share capital held by the Company		Principal activities
				2014	2013	
				%	%	
Direct:						
Rich Century Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	50	50	Property investment
Indirect:						
Famous Empire Properties Limited	Hong Kong	Ordinary	HK\$10,000	50	–	Property trading and investment
Empire Funds Limited	Hong Kong	Ordinary	HK\$2	50	50	Property trading
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development

Summarised financial information of material joint venture

Summarised financial information of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs.

Rich Century Investment Limited

Rich Century Investment Limited is incorporated by the Group and another property developer and operates in Hong Kong. The joint venture is mainly engaged in property investment in Hong Kong.

	2014 HK\$	2013 HK\$
Current assets	<u>84,617,522</u>	<u>87,583,405</u>
Non-current assets	<u>4,670,435,223</u>	<u>4,330,559,193</u>
Current liabilities	<u>101,500,282</u>	<u>87,932,124</u>
Non-current liabilities	<u>483,521,396</u>	<u>473,399,156</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES (Continued)

Summarised financial information of material joint venture (Continued)

Rich Century Investment Limited (Continued)

	Year ended 30th June,	
	2014 HK\$	2013 HK\$
Turnover	233,415,296	205,119,705
Profit and total comprehensive income for the year	473,219,749	549,209,393
Dividend paid	160,000,000	7,000,000

Reconciliation of the above summarised financial information to the carrying amount of the interest in Rich Century Investment Limited recognised in the consolidated financial statements:

	2014 HK\$	2013 HK\$
Net assets of Rich Century Investment Limited	4,170,031,067	3,856,811,318
Proportion of the Group's ownership interest in Rich Century Investment Limited	50%	50%
Consolidation adjustment at Group level	29,000	29,000
Carrying amount of the Group's interest in Rich Century Investment Limited	2,085,044,534	1,928,434,659

Aggregate information of joint ventures that are not individually material

	2014 HK\$	2013 HK\$
The Group's share of (loss) profit and total comprehensive (expense) income	(28,302,131)	3,148,394
Aggregate carrying amount of the Group's interests in these joint ventures	157,309,389	98,358,103

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

26. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	THE COMPANY		THE GROUP	
	2014 HK\$	2013 HK\$	2014 HK\$	2013 HK\$
Listed investments:				
Equity securities listed in				
Hong Kong	568,649,335	559,938,649	616,946,160	593,000,047
Singapore	336,612,255	406,182,720	360,650,015	430,955,097
	905,261,590	966,121,369	977,596,175	1,023,955,144
Unlisted securities:				
Equity securities	19,949,305	19,949,305	30,898,490	30,898,490
Club debenture	300,000	300,000	300,000	300,000
	20,249,305	20,249,305	31,198,490	31,198,490
Total	925,510,895	986,370,674	1,008,794,665	1,055,153,634

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

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

27. ADVANCE TO NON-CONTROLLING INTERESTS**THE GROUP**

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

28. ADVANCE TO AN INVESTEE COMPANY**THE GROUP**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

29. LONG-TERM LOANS RECEIVABLE

	THE GROUP	
	2014	2013
	HK\$	HK\$
Total long-term variable-rate loans receivable	53,629,549	41,757,520
Less: Current portion shown under current assets	(3,794,836)	(4,976,725)
	49,834,713	36,780,795

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

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

The carrying amount of loans receivable at 30th June, 2014 is HK\$53,629,549 net of accumulated impairment loss of HK\$12,646,510 (2013: carrying amount of HK\$41,757,520 net of accumulated impairment loss of HK\$12,646,510).

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

	2014	2013
	HK\$	HK\$
Variable-rate loans receivable:		
Within one year	3,794,836	4,976,725
In more than one year but not more than five years	14,117,744	14,965,944
In more than five years	35,716,969	21,814,851
	53,629,549	41,757,520

The Group's long-term loans receivable are denominated in HK\$ and carry interest rates (which are the contractual interest rates) at prime rate or prime rate plus a margin per annum and are secured by second mortgages over the properties acquired by the purchasers. The maturity dates of the balances are ranging from 2 to 19 years (2013: ranging from 3 to 19 years).

There were no movements in the allowance for doubtful debts for both years.

At 30th June, 2014 and 2013, no balance has been past due but not impaired. The Group has assessed the creditworthiness, past payment history and subsequent settlement, and considered that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Loans receivable which are neither overdue nor impaired are in good quality. The allowance for doubtful debts made for loans receivable are individually impaired in accordance with the credit policy of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

30. TRADING SECURITIES

Trading securities comprise:

	THE COMPANY		THE GROUP	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
Listed investments:				
Equity securities listed in Hong Kong	554,501,407	426,212,699	554,501,407	426,212,699
Equity securities listed elsewhere	299,184	305,626	299,184	305,626
Total	554,800,591	426,518,325	554,800,591	426,518,325

31. ACCOUNTS AND OTHER RECEIVABLES

At 30th June, 2014, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$375,864,549 (2013: HK\$362,424,466), of which HK\$60,295,975 (2013: HK\$164,298,159) are to be settled based on the terms of sales 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 GROUP	
	2014	2013
	HK\$	HK\$
Trade receivables	397,618,876	387,734,691
Less: Allowance for doubtful debts	(21,754,327)	(25,310,225)
Other receivables	375,864,549	362,424,466
	741,415,785	473,045,208
	1,117,280,334	835,469,674

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

31. ACCOUNTS AND OTHER RECEIVABLES (Continued)

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period. The amounts not yet due represent considerations receivable in respect of sold properties payable by the purchasers. The amounts overdue represent rental receivables billed on a monthly basis and payable by the tenants in advance of the rental periods:

	THE GROUP	
	2014	2013
	HK\$	HK\$
Not yet due	60,295,975	164,298,159
Overdue:		
1 – 30 days	233,209,186	105,466,415
31 – 60 days	30,476,437	39,401,129
61 – 90 days	8,811,895	9,229,212
Over 90 days	43,071,056	44,029,551
	375,864,549	362,424,466

Movements in the allowance for doubtful debts

	2014	2013
	HK\$	HK\$
Balance at the beginning of the year	25,310,225	24,616,676
(Reversal) recognition of impairment loss on trade receivables	(3,555,898)	693,549
Balance at the end of the year	21,754,327	25,310,225

The allowance for doubtful debts made for trade receivables are individually impaired in accordance with the credit policy of the Group.

Ageing of trade receivables which are past due but not impaired

	2014	2013
	HK\$	HK\$
Overdue within 30 days	233,209,186	105,466,415
Overdue between 31 days to 60 days	30,476,437	39,401,129
Overdue between 61 days to 90 days	8,811,895	9,229,212
Overdue more than 90 days	43,071,056	44,029,551
	315,568,574	198,126,307

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2014

31. ACCOUNTS AND OTHER RECEIVABLES *(Continued)*

For those past due but not impaired receivables, although no collateral is held, the Group has assessed the creditworthiness, past payment history and subsequent settlement, and considers that the amounts are still recoverable and no further credit provision is required in excess of allowance for doubtful debts. Trade receivables overdue more than 90 days amounting to HK\$43,071,056 (2013: HK\$44,029,551) are sufficiently covered by rental deposits received from the respective tenants and no allowance is required for these receivables under the Group's allowance policy.

Trade receivables as at 30th June, 2014 and 2013 which are neither overdue nor impaired are in good quality.

Other receivables mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$116,000,000 (2013: HK\$107,000,000), prepayments for operating expenses of approximately HK\$32,000,000 (2013: HK\$61,000,000) and interest receivables of approximately HK\$30,000,000 (2013: HK\$20,000,000).

32. RESTRICTED BANK DEPOSITS/TIME DEPOSITS, BANK BALANCES AND CASH**THE GROUP AND THE COMPANY**

Included in restricted bank deposits amounted to HK\$412,381,566 (2013: HK\$242,583,335) in total were the proceeds received from sale of properties of certain property projects deposited into designated bank accounts of the Group which were limited to be used for settlement of construction costs of these property projects, interest payment and principal repayment of the corresponding secured bank loans. The remaining balances represent rental income received from certain properties and the usage of which are restricted for settlement of property expenses, interest payment and principal repayment of the corresponding secured bank loans.

The restricted bank deposits, bank balances and time deposits carry floating interest rates, ranging from 0.001% to 1.85% (2013: 0.001% to 1.6%) per annum.

33. ASSETS CLASSIFIED AS HELD FOR SALE**THE GROUP**

Assets classified as held for sale represented the investment properties located on 25th Floor of Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon (the "Disposal Properties") which were disposed of within twelve months subsequent to 30th June, 2013.

On 24th May, 2013, 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\$290,700,000. 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 June, 2013 and the disposal was completed on 30th September, 2013. The gain from the Disposal Properties was amounted to approximately HK\$120,700,000, which was recognised in the consolidated statement of profit or loss in the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

34. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2014, included in accounts and other payables of the Group are trade payables of HK\$192,731,526 (2013: HK\$274,851,308).

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

	THE GROUP	
	2014	2013
	HK\$	HK\$
0 – 30 days	166,847,013	98,507,733
31 – 60 days	15,228,033	158,219,704
61 – 90 days	1,058,678	1,468,457
Over 90 days	9,597,802	16,655,414
	192,731,526	274,851,308

At 30th June, 2013, out of the other payables, HK\$1,804,065 were unsecured, repayable on demand and bore interest at prime rate plus a margin per annum which represented 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. As at 30th June, 2014, the other payables comprise mainly construction cost payable of approximately HK\$1,099,000,000 (2013: HK\$1,058,000,000), rental and utilities deposits received of approximately HK\$694,000,000 (2013: HK\$655,000,000) and rental receipt in advance of approximately HK\$145,000,000 (2013: HK\$133,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

35. BANK AND OTHER BORROWINGS

	THE GROUP	
	2014	2013
	HK\$	HK\$
Short-term bank loans – secured	92,000,000	4,538,130,944
Long-term unsecured other borrowing		
More than three years but not exceeding four years	3,851,126,386	–
More than four years but not exceeding five years	–	3,842,927,843
Long-term secured bank borrowings		
Within one year	28,548,714	14,586,873
More than one year but not exceeding two years	1,257,916,990	14,587,946
More than two years but not exceeding three years	1,709,573,410	1,782,676,276
More than three years but not exceeding four years	1,101,000,000	–
	4,097,039,114	1,811,851,095
Less: Current portion shown under current liabilities	(28,548,714)	(14,586,873)
	4,068,490,400	1,797,264,222
Total bank and other borrowings – due after one year	7,919,616,786	5,640,192,065
Total bank and other borrowings	8,040,165,500	10,192,909,882

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

All of the Group's bank borrowings carry contracted interest rates (which are also the effective interest rates) at HIBOR/SIBOR plus a margin per annum.

On 21st September, 2012, the Company through a wholly-owned subsidiary, Sino (MTN) Limited 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 Programme was increased to US\$2,000,000,000 in April 2013). 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

36. SHARE CAPITAL

	2014		2013	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Authorised (Note i):				
Ordinary shares of HK\$1.00 each (Note ii)	–	–	8,000,000,000	8,000,000,000
Ordinary shares issued and fully paid:				
At 1st July – ordinary shares of HK\$1.00 each	5,947,824,375	5,947,824,375	5,911,789,367	5,911,789,367
Issue of shares in lieu of cash dividends	69,248,658	410,017,574	39,885,008	39,885,008
Transition to no-par value regime on 3rd March, 2014 under the Companies Ordinance (Cap. 622) (Note iii)	–	30,410,557,644	–	–
Cancellation upon repurchase of own shares	(412,000)	(412,000)	(3,850,000)	(3,850,000)
At 30th June – ordinary shares with no par value (2013: par value of HK\$1.00 each)	<u>6,016,661,033</u>	<u>36,767,987,593</u>	<u>5,947,824,375</u>	<u>5,947,824,375</u>

Note i: Under the Companies Ordinance (Cap. 622), which became effective on 3rd March, 2014, the concept of authorised share capital no longer exists.

Note ii: In accordance with section 135 of the Companies Ordinance (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3rd March, 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

Note iii: In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Companies Ordinance (Cap. 622), on 3rd March, 2014, any amount standing to the credit of the share premium account and capital redemption reserve has become part of the Company's share capital. Accordingly, on 3rd March, 2014, share premium and capital redemption reserve amounted to HK\$29,886,561,644 and HK\$523,996,000 respectively, were transferred to share capital. The use of share capital as from 3rd March, 2014 is governed by section 149 of the Companies Ordinance (Cap. 622).

On 2nd December, 2013 and 16th April, 2014, the Company issued and allotted a total of 33,781,452 (2013: 28,667,191) ordinary shares and 35,467,206 (2013: 11,217,817) ordinary shares of HK\$1.00 each at an issue price of HK\$10.708 (2013: HK\$13.512) and HK\$10.608 (2013: HK\$13.044) per ordinary share, to the shareholders in lieu of cash for the 2013 final and 2014 interim dividends (2013: 2012 final and 2013 interim dividends) respectively.

During the year, 412,000 (2013: 3,850,000) ordinary shares repurchased on the Stock Exchange were cancelled. The nominal value of HK\$412,000 (2013: HK\$3,850,000) of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$4,220,820 (2013: HK\$46,890,040) was paid out from the Company's retained profits.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

37. RESERVES

	Share premium HK\$	Investment revaluation reserve HK\$	Capital redemption reserve HK\$	Retained profits HK\$	Total HK\$
THE COMPANY					
At 1st July, 2012	29,064,820,027	112,464,903	519,734,000	13,342,681,980	43,039,700,910
Profit for the year	–	–	–	3,675,955,327	3,675,955,327
Gain on fair value change of available-for-sale investments	–	247,479,596	–	–	247,479,596
Total comprehensive income for the year	–	247,479,596	–	3,675,955,327	3,923,434,923
Issue of shares in lieu of cash dividends	493,791,281	–	–	–	493,791,281
Cancellation upon repurchase of own shares	–	–	3,850,000	(46,890,040)	(43,040,040)
Final dividend – 2012	–	–	–	(2,128,157,772)	(2,128,157,772)
Interim dividend – 2013	–	–	–	(712,825,987)	(712,825,987)
At 30th June, 2013	29,558,611,308	359,944,499	523,584,000	14,130,763,508	44,572,903,315
Profit for the year	–	–	–	4,935,890,048	4,935,890,048
Loss on fair value change of available-for-sale investments	–	(79,646,515)	–	–	(79,646,515)
Total comprehensive (expense) income for the year	–	(79,646,515)	–	4,935,890,048	4,856,243,533
Issue of shares in lieu of cash dividends	327,950,336	–	–	–	327,950,336
Cancellation upon repurchase of own shares	–	–	412,000	(4,220,820)	(3,808,820)
Transition to no-par value regime on 3rd March, 2014 under the Companies Ordinance (Cap. 622)	(29,886,561,644)	–	(523,996,000)	–	(30,410,557,644)
Final dividend – 2013	–	–	–	(2,260,173,263)	(2,260,173,263)
Interim dividend – 2014	–	–	–	(717,743,259)	(717,743,259)
At 30th June, 2014	–	280,297,984	–	16,084,516,214	16,364,814,198

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

38. DEFERRED TAXATION**THE GROUP**

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

	Accelerated tax depreciation	Revaluation of investment properties	Undistributed profits of associates	Tax losses	Others	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
At 1st July, 2012	589,446,302	649,817,854	32,514,830	(80,593,025)	16,922,717	1,208,108,678
Exchange realignment	–	–	830,584	–	22,636,922	23,467,506
Acquisition of subsidiaries (Note 47)	274,594	77,096,628	–	(56,212)	–	77,315,010
Charged (credited) to profit or loss for the year	<u>43,401,682</u>	<u>122,980,992</u>	<u>10,872,935</u>	<u>28,242,441</u>	<u>(4,632,001)</u>	<u>200,866,049</u>
At 30th June, 2013	633,122,578	849,895,474	44,218,349	(52,406,796)	34,927,638	1,509,757,243
Exchange realignment	–	–	157,599	–	2,880,448	3,038,047
Charged (credited) to profit or loss for the year	<u>37,728,368</u>	<u>134,932,176</u>	<u>(1,456,443)</u>	<u>(3,156,411)</u>	<u>32,776,541</u>	<u>200,824,231</u>
At 30th June, 2014	<u>670,850,946</u>	<u>984,827,650</u>	<u>42,919,505</u>	<u>(55,563,207)</u>	<u>70,584,627</u>	<u>1,713,619,521</u>

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

At 30th June, 2014, the Group had unused tax losses of HK\$1,167,304,073 (2013: HK\$1,109,712,121) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$336,746,709 (2013: HK\$317,616,945) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$830,557,364 (2013: HK\$792,095,176) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2014, the Group had deductible temporary differences of HK\$411,558,904 (2013: HK\$253,276,977). No deferred taxation asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred taxation liabilities have not been recognised was HK\$588,433,525 (2013: HK\$505,466,569). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

39. ADVANCES FROM ASSOCIATES**THE GROUP**

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 and the advances are therefore shown as non-current. At 30th June, 2014, none (2013: HK\$97,439,734) of the advances bear interest at effective rate determined based on the cost-of-funds of the Group plus a margin per annum and the entire balance (2013: HK\$1,598,352,668) 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.

40. ADVANCES FROM NON-CONTROLLING INTERESTS**THE GROUP**

The advances from non-controlling interests of the Group amounted to HK\$28,955,238 (2013: HK\$28,476,174) are unsecured, bear interest ranging from 1% to 6.25% (2013: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$1,566,317,805 (2013: HK\$1,417,079,578) is unsecured and interest-free. The non-controlling interests agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The principal advances from non-controlling interests of the Group amounted to HK\$1,511,539,521 (2013: HK\$1,422,248,825) had been initially reduced to its present value of HK\$1,491,865,540 (2013: HK\$1,380,006,260) based on management's estimates of future cash payments with a corresponding adjustment of HK\$19,673,981 (2013: HK\$42,242,565) which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2014. The effective interest rate adopted for measurement at fair value at initial recognition of the advances from non-controlling interests of a subsidiary in respect of the year is determined based on the cost-of-funds of the Group per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

41. JOINT OPERATIONS

THE GROUP

The Group has entered into joint venture agreements ("Agreements") in the form of joint operations to engage in residential/commercial property development, sales and investment in Hong Kong. Under the Agreements, the Group is mainly responsible for the development of the projects.

At 30th June, 2014 and 2013, the aggregate amount of assets, liabilities, income and expenses recognised in the consolidated financial statements in relation to interests in joint operations attributable to the Group are as follows:

	2014 HK\$	2013 HK\$
Investment properties	10,036,286,070	10,046,521,764
Other non-current assets	240,698	269,495
Current assets	<u>3,290,721,795</u>	<u>2,908,356,284</u>
	<u>13,327,248,563</u>	<u>12,955,147,543</u>
Non-current liabilities	149,898,605	141,082,212
Current liabilities	<u>2,848,126,723</u>	<u>1,700,312,123</u>
	<u>2,998,025,328</u>	<u>1,841,394,335</u>
Income	<u>2,332,152,724</u>	<u>3,371,309,531</u>
Expenses	<u>837,292,319</u>	<u>2,015,915,423</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

42. PLEDGE OF ASSETS**THE GROUP**

- (a) At 30th June, 2014, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$5,627,204,000 (2013: HK\$9,977,239,000) were secured by certain of the Group's properties, accounts and other receivables, restricted bank deposits and floating charges on bank balances amounting to a total of HK\$9,387,816,802 (2013: HK\$18,265,075,513). At that date, the facilities were utilised by the Group to the extent of approximately HK\$4,200,204,000 (2013: HK\$6,360,230,000).

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

	2014	2013
	HK\$	HK\$
Investment properties	4,793,371,875	4,782,640,875
Hotel properties	920,261,326	787,686,873
Prepaid lease payments	851,071,544	734,947,435
Property, plant and equipment	44,594	43,681
Properties under development	2,570,599,556	11,732,275,424
Accounts and other receivables	3,873,674	6,963,268
Bank balances	142,513,077	89,718,099
Others	106,081,156	130,799,858
	9,387,816,802	18,265,075,513

- (b) At 30th June, 2014, investments in certain associates in aggregate amounting to approximately HK\$10,000 (2013: HK\$2,000) and advances to certain associates in aggregate amounting to approximately HK\$3,916,628,000 (2013: HK\$4,178,871,000) and certain assets of the associates were pledged to or assigned to secure loan facilities made available by banks to such associates. The Group's attributable portion of these facilities amounted to approximately HK\$4,719,384,000 (2013: HK\$6,211,184,000), of which approximately HK\$2,716,184,000 (2013: HK\$3,883,384,000) was utilised by the associates and guaranteed by the Company. Details of the relevant guarantees granted are set out in Note 43.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

43. CONTINGENT LIABILITIES

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

	THE COMPANY		THE GROUP	
	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$
Guarantees given to banks in respect of:				
Banking facilities of:				
Subsidiaries				
– Utilised	7,104,553,500	9,305,680,250	–	–
– Unutilised	867,400,000	3,050,650,000	–	–
	7,971,953,500	12,356,330,250	–	–
Associates and joint ventures				
– Utilised	2,716,183,832	3,883,383,832	2,716,183,832	3,883,383,832
– Unutilised	2,003,200,000	2,327,800,000	2,003,200,000	2,327,800,000
	4,719,383,832	6,211,183,832	4,719,383,832	6,211,183,832
Mortgage loans granted to property purchasers	–	–	402,205,650	34,836,483

At 30th June, 2014 and 2013, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates and joint ventures. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees.

At 30th June, 2014 and 2013, the Company issued corporate financial guarantees to banks in respect of banking facilities granted to subsidiaries, associates and joint ventures. At the end of the reporting period, the amounts of HK\$789,351 (2013: HK\$800,351), Nil (2013: Nil) and Nil (2013: Nil), respectively, have been recognised in the Company's statement of financial position as liabilities.

Guarantees are given to banks with respect to loans procured by the purchasers of the Group's properties. Such guarantees will be released by banks upon completion of the relevant mortgage properties registration. In the opinion of the Directors, the fair values of these financial guarantee contracts of the Group are insignificant at initial recognition and the Directors consider that the possibility of default of the parties involved is remote; accordingly, no value has been recognised at the inception of these guarantee contracts and at the end of the each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

44. OPERATING LEASE ARRANGEMENTS**The Group as lessor**

Property rental income earned during the year, net of outgoings of HK\$364,931,090 (2013: HK\$359,123,031), was HK\$2,392,549,882 (2013: HK\$2,209,666,097). Most of the properties held have committed tenants with fixed rental for an average term of two years.

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

	2014	2013
	HK\$	HK\$
Within one year	2,114,892,649	1,901,654,425
In the second to fifth year inclusive	2,868,956,247	2,455,395,522
After five years	55,034,855	167,902,097
	<u>5,038,883,751</u>	<u>4,524,952,044</u>

The Group as lessee

Minimum lease payments paid under operating leases during the year was HK\$69,895,065 (2013: HK\$52,883,527).

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

	2014	2013
	HK\$	HK\$
Within one year	17,082,266	41,483,723
In the second to fifth year inclusive	279,329	18,307,049
	<u>17,361,595</u>	<u>59,790,772</u>

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

45. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualifying employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect to MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group is also required to make contributions to state pension scheme, the Central Provident Fund, based on certain percentages of the monthly salaries of the employees of the Company's subsidiaries operating in Singapore. The Group has no other obligations under this state pension scheme other than the contribution payments.

The eligible employees of the Company's subsidiaries in the PRC are members of pension schemes operated by the Chinese local government. The subsidiaries are required to contribute a certain percentage of the relevant cost of the basic payroll of these employees to the pension schemes to fund the benefits. The Group has no other obligations under this state pension scheme other than the contribution payments.

46. PROPERTIES UNDER DEVELOPMENT

At the end of the reporting period, properties under development amounting to approximately HK\$5,632,838,000 (2013: HK\$22,251,963,000) were not expected to be realised within twelve months from the end of the reporting period.

47. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES

During the year ended 30th June, 2013, the Group acquired additional 2.63% and 0.48% equity interest of Cavalcade Holdings Limited ("Cavalcade") and Win Chanford Enterprises Limited ("Win Chanford"), respectively, for a total consideration of HK\$11,797,967. Prior to the acquisition, Win Chanford was a non-wholly owned subsidiary of Cavalcade and the Group held 50% interest in Cavalcade and Win Chanford and these companies had been accounted for as interests in associates. These companies then became subsidiaries subsequent to the acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

47. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF SUBSIDIARIES (Continued)

The net assets acquired in the transaction were as follows:

	Win Chanford	Cavalcade	
	Acquiree's carrying amount before combination and fair value	Acquiree's carrying amount before combination and fair value	Total
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Net assets acquired:			
Investment properties	605,100,000	–	605,100,000
Accounts and other receivables	9,884,421	–	9,884,421
Bank balances	6,684,706	–	6,684,706
Accounts and other payables	(8,181,162)	(1,925,306)	(10,106,468)
Amounts due to shareholders	–	(392,628)	(392,628)
Taxation payable	(862,325)	–	(862,325)
Advance from a related company	(59,827,776)	–	(59,827,776)
Advance from a shareholder	(54,280,399)	–	(54,280,399)
Unsecured loan	(6,016,810)	–	(6,016,810)
Deferred taxation	(77,315,010)	–	(77,315,010)
	<u>415,185,645</u>	<u>(2,317,934)</u>	<u>412,867,711</u>
Interests in associates held prior to the acquisition	<u>(208,298,405)</u>	<u>(191,366)</u>	<u>(208,489,771)</u>
	<u>206,887,240</u>	<u>(2,509,300)</u>	<u>204,377,940</u>
Total cash consideration paid for acquisition of assets and liabilities through acquisition of subsidiaries			11,797,967
Plus: non-controlling interests			<u>192,579,973</u>
			<u>204,377,940</u>
Net cash outflow arising on acquisition:			
Cash consideration paid			(11,797,967)
Bank balances acquired			<u>6,684,706</u>
			<u>(5,113,261)</u>

The companies acquired contributed HK\$5,938,940 to the Group's profit for the period between the date of acquisition and the end of prior reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

48. RELATED PARTY DISCLOSURES

The Group had the following transactions with related parties:

(a) Related companies

	2014 HK\$	2013 HK\$
Service fees received (Note i)	149,838,957	155,544,805
Rental paid (Notes i & iii)	37,145,030	35,409,364
Consultancy fee paid (Note ii)	1,666,664	1,666,664

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

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

Note iii: The Group had commitments for future minimum lease payments under non-cancellable operating leases to its related companies. The details of such commitments are set out in Note 44.

(b) Associates and joint ventures

	2014 HK\$	2013 HK\$
Service fees paid	25,157,514	23,230,073
Administrative fees received	38,198,349	28,057,997
Interest income received	64,124,337	78,579,534
Interest expenses paid	–	2,740,842
Imputed interest income on non-current interest-free advances to associates and a joint venture	132,458,413	286,374,481
Imputed interest expense on non-current interest-free advances from associates	34,555,463	28,345,292

Certain of the above related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed on pages 58 to 65 in the Directors' report.

Included in the advances to associates, amounts due to associates, advances from associates and advances to joint ventures HK\$4,879,798,981 (2013: HK\$5,248,242,682), HK\$1,725,563 (2013: HK\$4,037,831), HK\$1,572,005,359 (2013: HK\$1,669,204,924) and HK\$400,198,088 (2013: HK\$351,153,238) represent the balances respectively with the associates and joint ventures in which Mr. Robert Ng Chee Siong, Director and the controlling shareholder of the Company, has controlling interests and directorships. Other than the aforesaid, details of the outstanding balances with subsidiaries, associates, joint ventures, non-controlling interests and a related company at the end of the reporting period are set out in the Group's and the Company's statements of financial position and in Notes 23, 24, 25, 27, 34, 39 and 40.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

48. RELATED PARTY DISCLOSURES (Continued)

In addition, as set out in Notes 42 and 43, the Company and the Group have granted guarantees and pledged certain assets to banks for facilities granted to the group entities, associates and a joint venture.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2014	2013
	HK\$	HK\$
Short-term benefits	18,978,873	16,278,920
Retirement benefit scheme contributions	112,250	113,500
	19,091,123	16,392,420

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

49. PRINCIPAL SUBSIDIARIES

The Directors are of the opinion that a complete list of all subsidiaries will be of excessive length and therefore the following list contains only the particulars of subsidiaries at 30th June, 2014 and 2013 which materially affected the results or assets and liabilities of the Group.

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

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
Direct:						
Best Result Environmental Services Limited	Hong Kong	Ordinary	HK\$2	100	100	Cleaning services
Fu King Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Investment holding
Glorypark Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Direct: (Continued)</i>						
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Serenity Park Building Management Limited	Hong Kong	Ordinary	HK\$10	100	100	Building management
Sharp Rise Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Sing-Ho Finance Company Limited	Hong Kong	Ordinary	HK\$30,000,000	100	100	Financing
Sino (MTN) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Notes issuer
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$6,500,000	100	100	Building management
Sino Estates Services Limited	Hong Kong	Ordinary	HK\$20	100	100	Building management
Sino Land (Fuzhou) Co., Ltd. (Note i)	PRC	Registered	HK\$50,000,000	100	100	Property investment
Sino Security Services Limited	Hong Kong	Ordinary	HK\$2	100	100	Security services
World Ace Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect:</i>						
Ackerley Estates Limited	Hong Kong	Ordinary	HK\$20,000,000	100	100	Property investment
Active Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Alfaso Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Allways Success Finance Limited	Hong Kong	Ordinary	HK\$10	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Apex Speed Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Beauty Plaza Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Benefit Bright Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Best Origin Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Bestone Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Brighton Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Capital Faith (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Central Wisdom Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Century Link (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Century Profit Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Champion Top Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Cheer Asia Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property investment
Cheer Result Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Citywalk Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Citywalk 2 Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Falcon City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Falcon Land Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Famous General Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Far Gain Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property investment
Firm Wise Investment Limited	Hong Kong	Ordinary	HK\$10	70	70	Property investment
Forlink Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Fortune Garden Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment
Fortune Glory Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Free Champion Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Full Fair Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	Ordinary	S\$10,000	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	Ordinary	HK\$1,000,000	100	100	Building construction
Global Honest Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Golden Leaf Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Good Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Grace Rays Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$10	60	60	Investment holding
Grand Creator Investment Limited	Hong Kong	Ordinary	HK\$2	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Grand Rise Investments Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Grandeal Limited	Hong Kong/PRC	Ordinary	HK\$2	100	100	Property trading
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	Ordinary	HK\$2	60	60	Project management
Harvest Sun Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Hickson Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment
High Elite Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Mortgage loan financing
High Elite Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Bird Development Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Property trading and investment
Jade Line Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Jet Fame (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Jet Rise Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment and development
Joint Prospect Limited	Hong Kong	Ordinary	HK\$1	52.63	–	Property investment
Joint Rise Development Limited	Hong Kong	Ordinary	HK\$1	100	–	Property development
King Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
King Regent Limited	Hong Kong	Ordinary	HK\$1	85	85	Property development
Kingdom Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Property investment
Land Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Lucky Fortress Inc.	Republic of Liberia/ Hong Kong	Registered/ Bearer	US\$1	100	100	Share investment
Masswell International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Mega Sino Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Morbest Profits Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Multipurpose Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property trading and investment
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ocean Treasure (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Olympian City 2 Finance Company Limited	Hong Kong	Ordinary	HK\$1,000	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	100	100	Project management
Orient Field Holdings Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Orient Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Pacific Talent Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Financing
Park Summit Commercial Management Company Limited	Hong Kong	Ordinary	HK\$1	100	–	Building Management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Precious Land Pte. Limited	Singapore	Ordinary	S\$2	100	100	Property investment
Precious Quay Pte. Ltd	Singapore	Ordinary	S\$10,000	100	100	Hotel operation, property investment and development
Precious Treasure Pte Ltd	Singapore	Ordinary	S\$20,000,000	100	100	Hotel operation and property investment
Premium Living Limited	Hong Kong	Ordinary	HK\$2	100	100	Premium living services
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Prime Harvest (Administration Services) Limited	Hong Kong	Ordinary	HK\$2	100	100	Consultant services provider
Prime Harvest Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Primewin Properties Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Rankchief Company Limited	Hong Kong	Ordinary	HK\$200	100	100	Property trading
Real Maker Development Limited	Hong Kong	Ordinary	HK\$200,000	90	90	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Regent Profit Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Region One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Residence Oasis Finance Company Limited	Hong Kong	Ordinary	HK\$2	60	60	Mortgage loan financing
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Rich Treasure Investments Limited	Hong Kong	Ordinary	HK\$1	100	100	Mortgage loan financing
Rickson Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	Ordinary	HK\$100,000	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Shine Harvest International Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	PRC	Registered	HK\$290,000,000	100	100	Property development, trading and investment
Sino Land Finance Limited	Hong Kong	Ordinary	HK\$2	100	100	Deposit placing
Sino Land (Guangzhou) Company Limited (Note i)	PRC	Registered	US\$3,200,000	100	100	Property investment
Sino Land (Zhangzhou) Company Limited (Note i)	PRC	Registered	HK\$374,150,000	100	100	Property development
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	100	100	Investment holding
Sky Target (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Sky Vision Development Limited	Hong Kong	Ordinary	HK\$1	52.63	–	Property investment
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Share investment
Star Talent Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Success One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Success United Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Sunfairs International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Sunny Force Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Sunrise Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Super One Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Thousand Growth Development Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Top Gallant Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Top Route Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Trans China Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Triumph One Limited	Hong Kong	Ordinary	HK\$10,000	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Union Century (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Union Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Union Rich Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Union Top Properties Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Union Treasure Limited	Hong Kong	Ordinary	HK\$2	100	100	Financing
Union Vision Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
United Link Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$100	85	85	Investment holding
Vasilon Pte Ltd	Singapore	Ordinary	S\$2	100	100	Investment holding
Victory Top Properties Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Vista Commercial Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Property management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
Weiland Development Company Limited	Hong Kong	Ordinary	HK\$33,140,000	100	100	Property investment
Well Growth International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Well Victory Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wellord Investments Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wendia Limited	Hong Kong	Ordinary	HK\$20	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
Win Chanford Enterprises Limited	Hong Kong	Ordinary	HK\$1,000,000	52.63	52.63	Property investment
Win Harvest (HK) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winchamp Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Winning Limited	Hong Kong	Ordinary	HK\$1	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Investment holding
Wise Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Wise Grand Limited	Hong Kong	Ordinary	HK\$1	52.63	–	Property investment
Wise Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

49. PRINCIPAL SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation/ establishment/ operation	Class of shares held	Issued share/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activities
				2014 %	2013 %	
<i>Indirect: (Continued)</i>						
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
World Talent (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	100	–	Property development
信和置業(成都)有限公司 (Note i)	PRC	Registered	HK\$5,118,000,000	100	100	Property development

Notes:

- (i) Wholly foreign owned enterprises established in the PRC.
- (ii) Other than guarantee notes issued by Sino (MTN) Limited as disclosed in Note 35, none of the subsidiaries had issued any debt securities at 30th June, 2014 and 2013.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

50. PRINCIPAL ASSOCIATES

The Directors are of the opinion that a complete list of all associates will be of excessive length and therefore the following list contains only the particulars of associates at 30th June, 2014 and 2013 which materially affected the results of the year or form a substantial portion of the net assets of the Group.

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

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			Principal activities	
			2014		Total %	2013 Total %	
			Directly %	Indirectly %			
Ace Glory Limited	Hong Kong	Ordinary	–	25	25	25	Property trading
Astoria Estate Management Company Limited	Hong Kong	Ordinary	–	50	50	50	Building management
Best Profit Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Beverhill Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	–	50	50	50	Property trading
Century Rise Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Cheer City Properties Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Chongqing Sino Land Company Limited	PRC	Registered	–	50	50	50	Property development
C.H.K.C. Building Management Limited	Hong Kong	Ordinary	–	25	25	25	Building management
Cosmos Door Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Credit World Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Direct Win Development Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

50. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			Principal activities	
			2014		2013 Total %		
			Directly %	Indirectly %			Total %
Dramstar Company Limited	Hong Kong	Ordinary	–	22	22	22	Property trading
Enterprico Investment Limited	Hong Kong	Ordinary	–	50	50	50	Loan financing
Eternal Honest Finance Company Limited	Hong Kong	Ordinary	–	50	50	50	Mortgage loan financing
Famous Empire Finance Limited	Hong Kong	Ordinary	–	40	40	40	Mortgage loan financing
Famous Empire Properties Limited	Hong Kong	Ordinary	–	–	–	40	Property trading and investment
Finedale Industries Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property investment
Full Raise International Limited	British Virgin Islands/ Hong Kong	Ordinary	–	25	25	25	Investment holding
Gloryland Limited	Hong Kong	Ordinary	–	33.3	33.3	33.3	Property investment
Golden Famous International Limited	Hong Kong	Ordinary	–	25	25	25	Property development
Grace Sign Limited	Hong Kong	Ordinary	–	30	30	30	Property trading
Grand Palisades Finance Company Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing
Greenroll Limited	Hong Kong	Ordinary	–	30	30	30	Hotel operation
Hua Qing Holdings Pte Ltd	Singapore	Ordinary	–	23.5	23.5	23.5	Investment holding
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	–	45	45	45	Building management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

50. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			Principal activities	
			2014		2013 Total %		
			Directly %	Indirectly %			Total %
Lead Bright Finance Limited	Hong Kong	Ordinary	–	20	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	Ordinary	–	20	20	20	Property trading
Million Success Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
More Treasure Company Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Murdoch Investments Inc.	Republic of Panama/ Hong Kong	Ordinary	–	45	45	45	Property investment
Nimble Limited	British Virgin Islands/ Hong Kong	Ordinary	–	45	45	45	Investment holding
Pacific Bond Limited	Hong Kong	Ordinary	–	35	35	35	Property trading
Pembroke Development Investments Limited	British Virgin Islands/ Hong Kong	Ordinary and non-voting deferred	–	40	40	40	Property development
Providence Bay Finance Company Limited	Hong Kong	Ordinary	–	35	35	35	Mortgage loan financing
Pui Hay Enterprises Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Sea Dragon Limited	Hong Kong	Ordinary	–	30	30	–	Property investment
Silver Link Investment Limited	Hong Kong	Ordinary	–	45	45	45	Property trading and investment
Sino Parking Services Limited	Hong Kong	Ordinary	50	–	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	Ordinary	50	–	50	50	Real estate agency

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2014

50. PRINCIPAL ASSOCIATES (Continued)

Name of associate	Place of incorporation/ establishment/ operation	Class of shares held	Proportion of nominal value of issued share capital/registered capital held by the Company			Principal activities	
			2014		2013 Total %		
			Directly %	Indirectly %			Total %
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	–	25	25	Building construction
Teamer International Limited	Hong Kong	Ordinary	–	35	35	35	Property development
The Coronation Estates Management Limited	Hong Kong	Ordinary	–	45	45	45	Building management
The Graces – Providence Bay Finance Company Limited	Hong Kong	Ordinary	–	50	50	–	Mortgage loan financing
The Graces – Providence Bay Property Management Company Limited	Hong Kong	Ordinary	–	50	50	50	Building management
The Hermitage Estates Management Limited	Hong Kong	Ordinary	–	50	50	50	Building management
Union King (Hong Kong) Limited	Hong Kong	Ordinary	–	45	45	45	Property development
Victory World Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	Ordinary	–	25	25	25	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	–	50	50	50	Investment holding
中海信和(成都)物業發展有限公司	PRC	Registered	–	20	20	20	Property development and trading

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

In accordance with Rule 13.22 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies as at the end of the most recent financial period. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2014 HK\$	At 30th June, 2013 <i>HK\$</i>
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	2,904,417,044	4,084,675,788
Advances from the Group	16,360,343,155	14,627,903,577
	<u>19,264,760,199</u>	<u>18,712,579,365</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 joint ventures of the Group.

MAJOR PROPERTIES HELD BY THE GROUP

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	100.0%	–	7,800	R	Completed	Existing
2. 38 Repulse Bay Road Hong Kong	2084	100.0%	16,176	12,126	R	Completed	Existing
3. 148 Electric Road North Point, Hong Kong	2047	100.0%	13,160	197,400	C	Completed	Existing
4. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	10.0%	77,824	140,000	C	Completed	Existing
5. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	70.0%	17,061	179,138	C	Completed	Existing
6. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	30.0%	–	165,506	H	Completed	Existing
7. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	16.7%	32,626	40,167	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
8. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	100.0%	4,791	71,862	C	Completed	Existing
9. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	52.6%	6,706	49,527	C	Completed	Existing
10. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	45.0%	275,470	85,136 <u>60,302*</u> <u>145,438</u>	C P	Completed	Existing
* 540 carparks							
11. The Johnston Suites 74-80 Johnston Road, Wan Chai, Hong Kong	2047	100.0%	5,353	46,331 <u>11,777</u> <u>58,108</u>	R C	Completed	Existing
12. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	100.0%	7,818	119,298	C	Completed	Existing
13. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	100.0%	5,315	73,443	C	Completed	Existing
14. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	20.0%	165,550	93,550	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
15. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	100.0%	9,450	164,460	C	Completed	Existing
16. 25/F United Centre Queensway, Hong Kong	2128	50.0%	–	10,225	C	Completed	Existing
KOWLOON							
17. No. 1 Hung To Road Kwun Tong, Kowloon	2047	33.3%	60,970	177,337	I	Completed	Existing
18. The Astrid 180 Argyle Street, Kowloon	2047	100.0%	61,118	9,852	R	Completed	Existing
19. The Avery 12, 16 and 18 Hau Wong Road, Kowloon	2047	100.0%	3,967	10,455	C	Completed	Existing
20. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	100.0%	5,413	65,550	C	Completed	Existing
21. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	25.0%	165,334	359,433	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
22. Coronation Circle 1 Yau Cheung Road, South West Kowloon, Kowloon	2057	45.0%	86,758	39,041	C	Completed	Existing
23. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	100.0%	21,745	155,910	I	Completed	Existing
24. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	100.0%	50,752	259,503	C	Completed	Existing
25. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,394	114,334	I	Completed	Existing
26. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	100.0%	18,783	225,396	C	Completed	Existing
27. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	100.0%	18,028	232,606	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
28. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	31,018	130,728 <u>198,758*</u> <u>329,486</u>	C P	Completed	Existing
				* 474 carparks			
29. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	25,995	192,694*	P	Completed	Existing
				* 366 carparks			
30. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	100.0%	4,490	6,873	C	Completed	Existing
31. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 [†]	C	Completed	Existing
32. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 [†]	C	Completed	Existing
33. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	50.0%	146,131	59,423	C	Completed	Existing
34. Omega Plaza 32 Dundas Street, Kowloon	2047	100.0%	5,385	80,775	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
35. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	12,800	C	Completed	Existing
36. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	9,621	C	Completed	Existing
37. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	68,456 <u>43,759</u> <u>112,215</u>	C H	Completed	Existing
38. Park Summit Shopping Arcade, 88 Beech Street, Kowloon	2058	Joint Venture	25,058	37,588 [†]	C	Completed	Existing
39. Parmanand House 51-52 Haiphong Road, Kowloon	2863	100.0%	1,800	18,043	C	Completed	Existing
40. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,370	114,103	I	Completed	Existing
41. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	50.0%	68,986	413,915	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
42. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	100.0%	26,598	58,887	C	Completed	Existing
43. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	45.0%	42,835	231,309	C	Completed	Existing
44. Vista Shopping Arcade, 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 [†]	C	Completed	Existing
45. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	21,110	238,187	I/O	Completed	Existing
46. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	90.0%	100,580	464,627	I	Completed	Existing
NEW TERRITORIES							
47. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	100.0%	145,649	101,980	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
48. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 [†]	C	Completed	Existing
49. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 [†]	C	Completed	Existing
50. Corporation Park 11 On Lai Street, Shatin, New Territories	2047	30.0%	43,056	122,708	I	Completed	Existing
51. Golden Plaza 28 Shui Che Kwun Street, Yuen Long, New Territories	2047	100.0%	21,420	32,178 <u>173,571*</u> <u>205,749</u>	C P	Completed	Existing
* 438 carparks							
52. The Graces • Providence Bay Shopping Arcade, 9 Fo Chun Road, Tai Po, New Territories	2057	50.0%	107,941	10,791	C	Completed	Existing
53. Grand Regentville Shopping Arcade, 9 Wo Mun Street, Fanling, New Territories	2049	100.0%	131,448	71,462 <u>148,292*</u> <u>219,754</u>	C P	Completed	Existing
* 415 carparks							

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
54. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 [†]	C	Completed	Existing
55. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	100.0%	52,582	111,253	I	Completed	Existing
56. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	100.0%	65,552	29,082	C	Completed	Existing
57. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 [†]	C	Completed	Existing
58. Parklane Centre 25 Kin Wing Street, Tuen Mun, New Territories	2047	100.0%	26,522	84,988 <u>166,976*</u> <u>251,964</u>	I P	Completed	Existing

* 116 carparks

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
59. Ping Wui Centre 13-17 Ping Wui Street, Yuen Long, New Territories	2047	100.0%	20,376	20,401 <u>173,267*</u> <u>193,668</u>	C P	Completed	Existing
				* 450 carparks			
60. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	100.0%	29,956	35,213	C	Completed	Existing
61. Shatin Galleria 18-24 Shan Mei Street, Fo Tan, Shatin, New Territories	2047	100.0%	38,234	268,798 <u>93,691*</u> <u>362,489</u>	C P	Completed	Existing
				* 268 carparks			
62. Springdale Villas Shopping Arcade, 80 Ma Tin Road, Yuen Long, New Territories	2047	100.0%	45,273	39,668 <u>87,102*</u> <u>126,770</u>	C P	Completed	Existing
				* 261 carparks			
63. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	100.0%	17,362	170,570	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
64. Tuen Mun Town Plaza, Phase I 1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories	2047	100.0%	262,715	853,553 <u>157,335*</u> <u>1,010,888</u>	C P	Completed	Existing
				* 525 carparks			
65. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	50.0%	69,428	28,285	C	Completed	Existing
MAINLAND CHINA							
66. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2045	100.0%	1,004,199	25,654	C	Completed	Existing
67. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	100.0%	53,131	14,931 <u>12,861*</u> <u>27,792</u>	C P	Completed	Existing
				*52 carparks			
68. Le Sommet 279 Jiahe Road, Xiamen	2041	100.0%	33,188	15,973	C	Completed	Existing
69. Park Place 130 Jiahe Road, Xiamen	2039	100.0%	44,118	10,689	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
MAINLAND CHINA							
70. Raffles City Shanghai Plot 105 A&B, 228 Xizang Road Central, Huangpu District, Shanghai	2044 2046	22.4%	163,624	301,145	C	Completed	Existing
71. Sino International Plaza 137 Wusi Road, Fuzhou	2059	100.0%	58,126	499,158	C	Completed	Existing
OVERSEAS – SINGAPORE							
72. Clifford Pier 80 Collyer Quay, Singapore	2067	100.0%	70,397	13,731	C	Completed	Existing
73. Customs House 70 Collyer Quay, Singapore	2067	100.0%	44,348	14,822	C	Completed	Existing
74. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	100.0%	139,469	466,423	H	Completed	Existing
75. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	100.0%	38,965	79,087	H	Completed	Existing
76. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	100.0%	16,921	21,743	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
OVERSEAS – SINGAPORE							
77. One Fullerton 1 Fullerton Road, Singapore	2096	100.0%	92,646	80,433	C	Completed	Existing
Completed properties for sale							
HONG KONG							
1. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	19.1%	34,595	9,869	C	Completed	Existing
2. Marinella 9 Welfare Road, Aberdeen, Hong Kong	2057	35.0%	68,922	13,610 [#]	R	Completed	Existing
KOWLOON							
3. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	33.3%	44,350	11,484	C	Completed	Existing
4. Hewlett Centre 54 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	38,000	15,099	I	Completed	Existing
5. Kowloon Plaza 485 Castle Peak Road, Cheung Sha Wan, Kowloon	2047	100.0%	19,375	25,702	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
KOWLOON							
6. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	100.0%	27,125	18,395	I	Completed	Existing
7. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	5,760	66,512	I	Completed	Existing
8. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	50.0%	17,280	103,576	I	Completed	Existing
NEW TERRITORIES							
9. The Balmoral 1 Ma Shing Path, Tai Po, New Territories	2055	100.0%	63,603	15,178#	R	Completed	Existing
10. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	100.0%	–	174,358	I	Completed	Existing
11. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	100.0%	21,163	61,144	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area <i>(sq.ft.)</i>	Approx. floor area attributable to the Group <i>(sq.ft.)</i>	Type	Stage of completion	Estimated completion date
Completed properties for sale							
NEW TERRITORIES							
12. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	100.0%	18,191	10,430	I	Completed	Existing
13. Providence Bay 5 Fo Chun Road, Tai Po, New Territories	2057	35.0%	238,164	91,760 [#]	R	Completed	Existing
14. Providence Peak 8 Fo Chun Road, Tai Po, New Territories	2057	25.0%	214,225	41,075 [#]	R	Completed	Existing
15. The Graces • Providence Bay 9 Fo Chun Road, Tai Po, New Territories	2057	50.0%	107,941	50,987 [#]	R	Completed	Existing
16. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	100.0%	10,194	8,386	I	Completed	Existing
17. Sea Crest Terrace Mui Wo, Lantau Island, New Territories	2047	100.0%	7,976	800 <u>7,498</u> <u>8,298</u>	R C	Completed	Existing
18. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	100.0%	20,000	15,468	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
MAINLAND CHINA							
19. Central Park, Xiamen 178,180,182 and 184 Jiahe Road, Siming District, Xiamen, Fujian Province	2068	100.0%	113,904	61,955	R	Completed	Existing
20. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	20.0%	14,253,628	1,589 <u>25,679</u> <u>27,268</u>	R C	Completed	Existing
21. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2075	100.0%	1,004,199	50,470	R	Completed	Existing
Properties under development							
HONG KONG							
1. The Avenue, 200 Queen's Road East/ 33 Tai Yuen Street, Wan Chai, Hong Kong Inland Lot No. 9018	2060	Joint Venture	88,652	731,393 <u>87,720</u> <u>819,113[†]</u>	R C	Superstructure works in progress	November 2014
2. 53 Conduit Road, Hong Kong The Remaining Portion of Inland Lot No. 2138 and Inland Lot No. 2613	2065	100.0%	24,930	60,421	R	Superstructure works in progress	December 2014

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
HONG KONG							
3. 22 Staunton Street, Hong Kong Inland Lot No.118 Section A Remaining Portion and Inland Lot No.119 Section M, Section L and Remaining Portion (*)	2844	100.0%	4,482	28,181 <u>9,633</u> <u>37,814</u>	R C	Foundation works in progress	April 2016
4. Sik On Street, Wan Chai, Hong Kong Inland Lot No. 9049	2063	100.0%	2,239	11,195	R	Ground investigation works completed	November 2016
KOWLOON							
5. Park Metropolitan 8 Yuet Wah Street, Kwun Tong, Kowloon New Kowloon Inland Lot No. 6499	2059	Joint Venture	46,565	232,825 [†]	R	Superstructure works in progress	July 2014
6. Park Ivy 8 Ivy Street, Mong Kok District, Kowloon Kowloon Inland Lot No. 11200	2061	Joint Venture	6,032	45,209 <u>9,042</u> <u>54,251[†]</u>	R C	Superstructure works in progress	July 2014

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
NEW TERRITORIES							
7. Mui Wo, New Territories Lot No.726 in Demarcation District No. 4	2062	100.0%	24,327	32,400	R	Superstructure	December
				<u>17,007</u>	C	works in	2014
				<u>49,407</u>		progress	
8. Mayfair By The Sea I 23 Fo Chun Road, Tai Po, New Territories Tai Po Town Lot No. 201	2059	85.0%	225,237	574,354	R	Superstructure	January
				<u>38,289</u>	C	works in	2015
				<u>612,643</u>		progress	
9. Mayfair By The Sea II 21 Fo Chun Road, Tai Po, New Territories Tai Po Town Lot No. 200	2059	100.0%	225,237	675,710	R	Superstructure	January
				<u>45,047</u>	C	works in	2015
				<u>720,757</u>		progress	
10. Dragons Range Kau To (Site A), Shatin Area 56A, New Territories Shatin Town Lot No. 525	2061	40.0%	248,175	412,588	R	Foundation	April 2015
						works in	
						progress	
11. Peng Lei Road, Peng Chau, New Territories Lot No.676 in Demarcation District	2062	100.0%	49,127	36,845	R	Foundation	July 2015
						works in	
						progress	

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq. ft.)	Approx. floor area attributable to the Group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
NEW TERRITORIES							
12. Area 66 C2, Tseung Kwan O, New Territories Tseung Kwan O Town Lot No. 117	2062	60.0%	139,016	250,228	R	Superstructure	January
				41,708	C	works in	2016
				<u>291,936</u>		progress	
13. Peng Lei Road, Peng Chau, New Territories Lot No. 674 in Demarcation District	2062	100.0%	19,163	14,372	R	Site formation works in progress	July 2016
14. Sha Kok Mei Sai Kung, New Territories Lot No. 1949 in Demarcation District No. 221	2063	100.0%	166,089	249,133	R	Site formation works in progress	July 2017
15. Hong Tsuen Road Sai Kung Tuk, Sai Kung, New Territories Lot No. 1180 in Demarcation District No. 215	2063	100.0%	86,898	173,796	R	Site formation works in progress	October 2017
16. West Rail Long Ping Station (North) Property Development, Yuen Long, New Territories Yuen Long Town Lot No. 513	2063	Joint Venture	106,564	523,938 [†]	R	Foundation works in progress	March 2018

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2014

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the Group (sq.ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
MAINLAND CHINA							
17. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2044	20.0%	14,253,628	39,317	C	Superstructure works in progress	June 2015
18. Regency Park, Xiamen North Hubin Road, Xiamen Lot No. 88-C5	2066 2046	100.0%	64,904	488,485 <u>19,037</u> <u>507,522</u>	R C	Foundation works in progress	December 2016
19. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2075 2045	100.0%	1,004,199	3,672,091 <u>165,872</u> <u>3,837,963</u>	R C	Foundation works in progress	June 2020
20. The Coronation, Chongqing 288 Beibing Road, Chongqing	2058 2048	50.0%	1,993,549	4,617,535 <u>728,922</u> <u>5,346,457</u>	R C	Foundation works in progress	April 2021
21. The Palazzo, Chengdu 9 The Second Yufeng Road, Chenghua District, East Chengdu	2078 2048	100.0%	2,630,284	12,162,590 673,499 <u>531,539</u> <u>13,367,628</u>	R C H	Foundation works in progress	April 2022

Note: C: Commercial

R: Residential

I: Industrial

I/O: Industrial/Office

H: Hotel

P: Multi-storey carpark

(*): Property under redevelopment

†: it represents the total approximate floor area of the property

#: it represents the saleable floor area

Sino Land Company Limited

Proxy Form for use at the Annual General Meeting

(or at any adjournment thereof)

I/We ^(Note 1) _____
of _____
being the registered holder(s) of ^(Note 2) _____
ordinary shares of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or ^(Note 3)
of _____
as my/our proxy to act for me/us at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on Thursday, the 23rd day of October, 2014 at 9:30 a.m. and at such Meeting (or at any adjournment thereof) and in the event of a poll to vote for me/us and in my/our name(s) as indicated below or if no such indication is given, as my/our proxy thinks fit.

	For ^(Note 4)	Against ^(Note 4)
1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2014.		
2. To declare a final dividend of HK\$0.38 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect Mr. Robert Ng Chee Siong as Director.		
(ii) To re-elect Mr. Adrian David Li Man-kiu as Director.		
(iii) To re-elect Ms. Alice Ip Mo Lin as Director.		
(iv) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2015.		
4. To re-appoint Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorise the Board to fix their remuneration.		
5. (i) To approve share repurchase mandate (Ordinary Resolution on item 5(i) of the Notice of Annual General Meeting).		
(ii) To approve share issue mandate (Ordinary Resolution on item 5(ii) of the Notice of Annual General Meeting).		
(iii) To approve extension of share issue mandate (Ordinary Resolution on item 5(iii) of the Notice of Annual General Meeting).		
6. To adopt the new Articles of Association of the Company (Special Resolution on item 6 of the Notice of Annual General Meeting).		

Dated _____ Signature ^(Note 5) _____

Notes:

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



