



Sino Land Company Limited

# ANNUAL REPORT 2015



MAYFAIR BY THE SEA



## SINO LAND COMPANY LIMITED • ANNUAL REPORT 2015

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](http://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](mailto:sinoland83-ecom@hk.tricorglobal.com).





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## 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\*  
 Wong Cho Bau, JP\* (appointed on 20th January, 2015)  
 Daryl Ng Win Kong, JP  
 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, JP

**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** 20th to 23rd October, 2015 (both dates inclusive)

**Annual General Meeting** 23rd October, 2015

**Closure of Register of Members for dividend entitlement** 29th to 30th October, 2015 (both dates inclusive)

**Record Date for final dividend entitlement** 30th October, 2015

**Last Date for lodging form of election for scrip dividend** 20th November, 2015 4:30 p.m.

**Interim Dividend Paid** HK12 cents per share 9th April, 2015

**Final Dividend Payable** HK38 cents per share 2nd December, 2015

**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  
 China Construction Bank (Asia) Corporation Limited  
 The Bank of East Asia, Limited  
 Chong Hing Bank Limited  
 Wing Lung Bank Limited  
 Industrial and Commercial Bank of China (Asia) Limited  
 Bangkok Bank Public Company Limited  
 Hang Seng Bank Limited  
 Bank of Communications, Hong Kong Branch

**INVESTOR RELATIONS CONTACT**

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

**REGISTERED OFFICE**

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

**SHARE REGISTRARS**

Tricor Standard Limited  
 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 Level One (OTC)  
 Depository Bank The Bank of New York  
 101 Barclay Street,  
 22nd Floor – West,  
 New York, NY 10286,  
 U.S.A.

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders of **Sino Land Company Limited** (“Company”) will be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon, on Friday, the 23rd day of October, 2015 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, 2015.
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, 2016.
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 buy back 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 bought back 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 are 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 bought back 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.”

By Order of the Board  
**Velencia Lee**  
*Company Secretary*

Hong Kong, 18th September, 2015

**NOTICE OF ANNUAL GENERAL MEETING** *(Continued)*

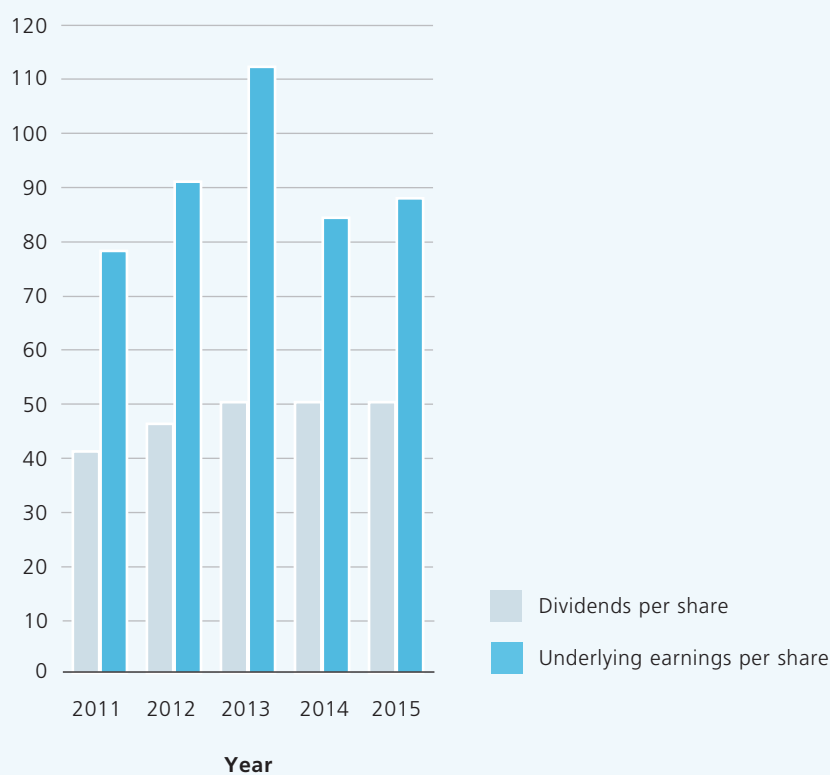
## Notes:

- (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 shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to exercise all or any of his rights to attend and vote instead of him, provided that the proxy is appointed to represent respectively the number of shares held by the shareholder as specified in the relevant instrument of appointment. A proxy need not be a shareholder 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 (excluding any part of a day that is a public holiday) before the time appointed for holding the meeting.
- (d) For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 23rd October, 2015, the register of members of the Company will be closed from Tuesday, 20th October, 2015 to Friday, 23rd October, 2015, 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, 19th October, 2015.
- (e) The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Friday, 30th October, 2015. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 29th October, 2015 to Friday, 30th October, 2015, 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 Wednesday, 28th October, 2015.

## GROUP FINANCIAL SUMMARY

	2011 HK\$	2012 HK\$	2013 HK\$	2014 HK\$	2015 HK\$
Turnover	<u>5,944,151,294</u>	<u>8,395,820,908</u>	<u>7,818,585,463</u>	<u>7,450,911,679</u>	<u>21,838,516,109</u>
Underlying net profit from operations	<u>4,401,442,725</u>	<u>5,310,690,106</u>	<u>6,635,850,519</u>	<u>5,021,827,916</u>	<u>5,301,493,751</u>
Profit attributable to the Company's shareholders	<u>11,400,065,035</u>	<u>10,672,548,906</u>	<u>11,687,131,302</u>	<u>8,921,483,066</u>	<u>9,371,985,144</u>
Underlying earnings per share (cents)	77.93	90.71	111.92	84.05	<b>87.64</b>
Reported earnings per share (cents)	201.86	182.28	197.11	149.32	<b>154.94</b>
Dividends per share (cents)	40.9	46.0	50.0	50.0	<b>50.0</b>

**Underlying Earnings & Dividends Per Share (HK cents)**

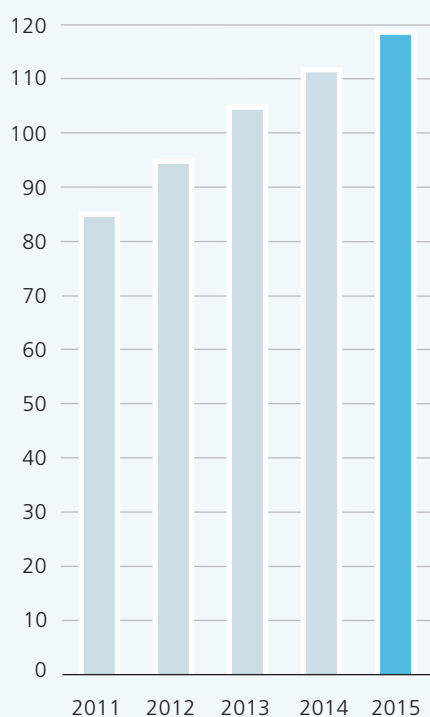




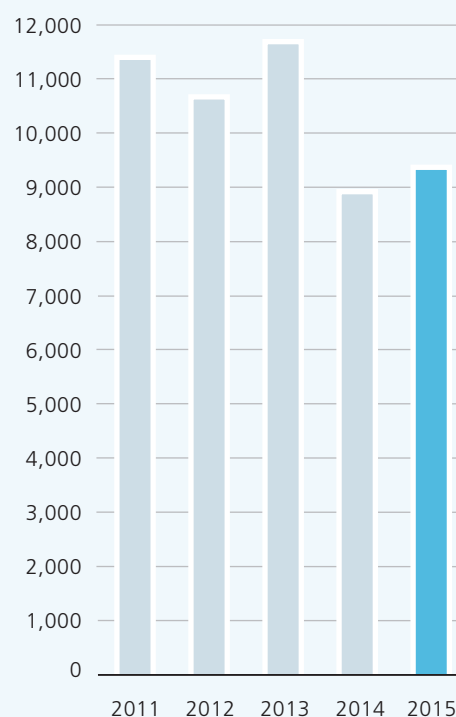
## GROUP FINANCIAL SUMMARY (Continued)

	2011 HK\$	2012 HK\$	2013 HK\$	2014 HK\$	2015 HK\$
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Non-current assets	75,624,987,056	78,924,736,271	88,487,464,480	90,181,434,914	<b>90,598,939,732</b>
Current assets	34,302,808,283	35,347,667,593	40,775,748,820	46,747,199,797	<b>51,203,621,770</b>
Current liabilities	(8,148,865,562)	(7,312,394,045)	(12,986,780,314)	(11,098,434,981)	<b>(12,842,536,270)</b>
	<u>101,778,929,777</u>	<u>106,960,009,819</u>	<u>116,276,432,986</u>	<u>125,830,199,730</u>	<u><b>128,960,025,232</b></u>
Share capital	5,279,040,969	5,911,789,367	5,947,824,375	36,767,987,593	<b>37,667,764,680</b>
Reserves	<u>79,710,680,068</u>	<u>88,874,512,102</u>	<u>98,858,390,237</u>	<u>74,897,385,874</u>	<u><b>80,890,246,091</b></u>
Shareholders' funds	84,989,721,037	94,786,301,469	104,806,214,612	111,665,373,467	<b>118,558,010,771</b>
Non-controlling interests	790,121,136	821,879,024	1,178,920,912	1,284,068,613	<b>467,571,196</b>
Non-current liabilities	<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><b>9,934,443,265</b></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>	<u><b>128,960,025,232</b></u>
Shareholders' funds at book value per share	<u>16.10</u>	<u>16.03</u>	<u>17.62</u>	<u>18.56</u>	<u><b>19.48</b></u>

Shareholders' Funds (HK\$ Billion)



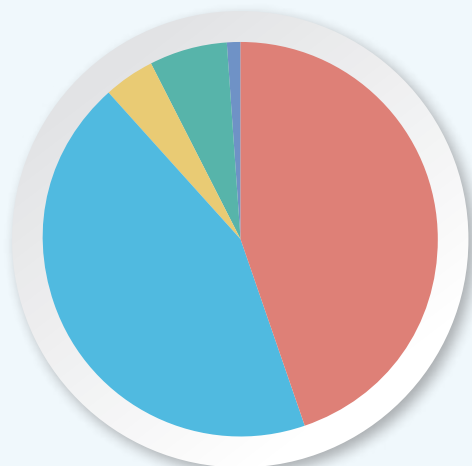
Profit Attributable to the Company's Shareholders (HK\$ Million)



# GROUP FINANCIAL SUMMARY *(Continued)*

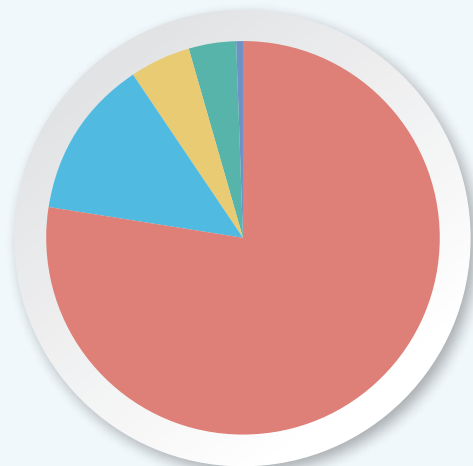
## The Company and its subsidiaries (the "Group")

**Breakdown of Segment Results**  
for the year ended 30th June, 2015



- Property sales **44.8%**
- Property rental **43.7%**
- Property management and other services **4.2%**
- Hotel operations **6.2%**
- Investments in securities and financing **1.1%**

**Breakdown of Segment Revenue**  
for the year ended 30th June, 2015

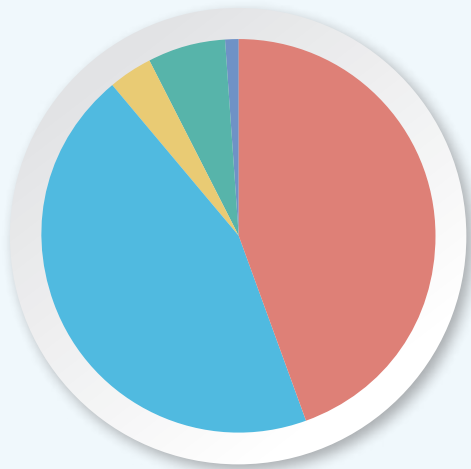


- Property sales **77.6%**
- Property rental **13.1%**
- Property management and other services **4.9%**
- Hotel operations **4.1%**
- Investments in securities and financing **0.3%**

## The Group and attributable share from associates and joint ventures

### Breakdown of Segment Results

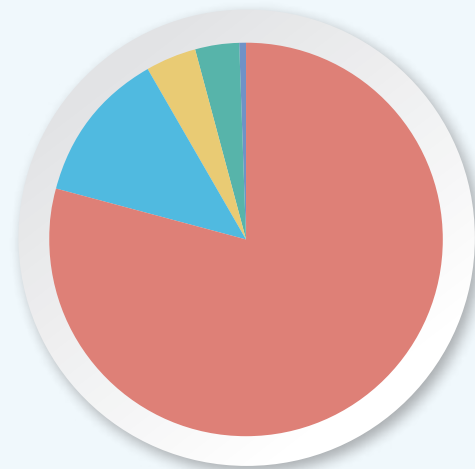
for the year ended 30th June, 2015



- Property sales **44.5%**
- Property rental **44.5%**
- Property management and other services **3.6%**
- Hotel operations **6.5%**
- Investments in securities and financing **0.9%**

### Breakdown of Segment Revenue

for the year ended 30th June, 2015



- Property sales **79.3%**
- Property rental **12.6%**
- Property management and other services **4.0%**
- Hotel operations **3.8%**
- Investments in securities and financing **0.3%**

## CHAIRMAN'S STATEMENT



I am pleased to present the 2014/2015 Annual Report to shareholders.

### FINAL RESULTS

For the financial year ended 30th June, 2015, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK\$5,301.5 million (2013/2014: HK\$5,021.8 million). Underlying earnings per share was HK\$0.876 (2013/2014: HK\$0.841).

The Group's reported net profit attributable to shareholders was HK\$9,371.9 million (2013/2014: HK\$8,921.4 million). Earnings per share was HK\$1.549 (2013/2014: HK\$1.493). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK\$4,070.4 million (2013/2014: HK\$3,899.6 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, 2015 to shareholders whose names appear on the Register of Members of the Company on 30th October, 2015. Together with the interim dividend of 12 cents per share, the total dividend for the financial year ended 30th June, 2015 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, 2015; 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, 2015. 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, 2015.



## BUSINESS REVIEW

### (1) Sales Activities

Total revenue from property sales recognised for financial year ended 30th June, 2015, including property sales of associates and joint ventures recognised by the Group, was HK\$23,098.6 million (2013/2014: HK\$4,644.7 million).

Total revenue from property sales comprises mainly the sales of residential units in The Avenue Phase 2 in Wan Chai, Mayfair By The Sea I and II in Pak Shek Kok, Park Metropolitan in Kwun Tong and Park Ivy in Tai Kok Tsui completed during the financial year ended 30th June, 2015 as well as projects completed in previous financial years. To date, approximately 95% of the units in The Avenue Phase 2, 92% of the units in Mayfair By The Sea I, 84% of the units in Mayfair By The Sea II, 99% of the units in Park Metropolitan and all the units in Park Ivy have been sold. In respect of sales derived from projects completed in previous financial years, these mainly included Botanica Bay in Lantau Island, The Avenue Phase 1 in Wan Chai, The Graces • Providence Bay and Providence Peak in Pak Shek Kok and to date, approximately 38%, 99%, 92% and 91% 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 2014/2015, the Group launched Corinthia By The Sea in Tseung Kwan O and Dragons Range in Kau To for sale and to date, approximately 97% and 81% of the units in the respective projects have been sold.

In China, 576 residential units in The Palazzo in Chengdu, 516 residential units in The Coronation in Chongqing and 544 residential units in Dynasty Park in Zhangzhou were launched for sale during the financial year 2014/2015. To date, a total of 1,542 residential units in The Palazzo, 1,036 residential units in The Coronation and 1,146 residential units in Dynasty Park have been launched for sale and approximately 79%, 80% and 89% of the units in the respective projects have been sold. Further, the Group launched Mayfair By The Lake in Xiamen for sale in June 2015 and to date, approximately 32% of all the units have been sold.

### (2) Land Bank

As at 30th June, 2015, the Group has a land bank of approximately 37.8 million square feet of attributable floor area in Hong Kong, China and Singapore which comprises a balanced portfolio of properties of which 61.9% is residential; 24.7% commercial; 6.0% industrial; 4.0% car parks and 3.4% hotels. In terms of breakdown of the land bank by status, 24.1 million square feet were properties under development, 11.5 million square feet of properties for investment and hotels, together with 2.2 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.



#### **Botanica Bay**

Situated by the scenic Cheung Sha Beach in Southern Lantau, Botanica Bay commands stunning panoramic view of the South China Sea. Nestled against the Lantau Peak, the high-privacy development features lush gardens and designer landscapes and offers 16 houses crafted to the finest details.



Rendering

#### **Corinthia By The Sea**

Waterfront residences situated at the centre of South Tseung Kwan O overlooking the expansive coast, Corinthia By The Sea provides 536 residential units. Being in proximity to Tseung Kwan O Station, residents can enjoy the convenience of living with easy access to shopping malls.

## CHAIRMAN'S STATEMENT (Continued)

## BUSINESS REVIEW

(Continued)

## (2) Land Bank (Continued)

During the financial year 2014/2015, the Group was awarded the development rights of Kwun Tong Town Centre Development Areas 2 and 3 from Urban Renewal Authority of Hong Kong and acquired 3 sites from the HKSAR Government with a total attributable floor area of approximately 1.7 million square feet. Details of the projects are as follows:

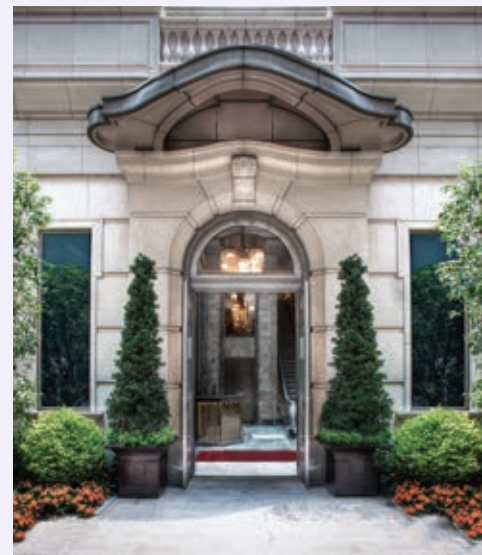
<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. NKIL 6514 Kwun Tong Town Centre Development Areas 2 and 3, Kwun Tong, Kowloon, Hong Kong	Residential	Joint Venture	1,346,383
2. FSSTL 255 Junction of Luen Hing St., Wo Fung St. and Luen Shing St., Luen Wo Hui, Fanling, New Territories, Hong Kong	Residential/ Commercial/ Car Park	100%	209,907
3. NKIL 6313 Junction of Cheung Yip St., Sheung Yee Rd. and Wai Yip St., Kowloon Bay, Kowloon, Hong Kong	Commercial	30%	147,058
4. Lot 1181 in DD 215 Hong Kin Road, Tui Min Hoi, Sai Kung, New Territories, Hong Kong	Residential	100%	51,592
			1,754,940



Rendering

**Mayfair By The Sea I & Mayfair By The Sea II**

The latest premium projects on the picturesque waterfront of Pak Shek Kok that continue the tradition of The Mayfair on the Mid-Levels and One Mayfair in Kowloon Tong, Mayfair By The Sea I and Mayfair By The Sea II provide a total of 1,091 residential units, including 12 houses. The shopping arcade within the development provides convenience for residents.

**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)



Sino Land Company Limited was voted the 'Best Developer Overall in Hong Kong' in addition to being named the 'Best Residential Developer in Hong Kong', 'Best Retail Developer in Hong Kong', 'Best Office/Business Developer in Hong Kong', 'Best Leisure/Hotel Developer in Hong Kong', 'Best Mixed Developer in Hong Kong', 'Best Industrial/Warehouse developer in Hong Kong', 'Best Advisors & Consultants Overall' and 'Best Advisors & Consultants for Agency/Letting in Hong Kong' at the Euromoney Real Estate Awards 2015.



**One Mayfair**  
Occupying a coveted address in Kowloon Tong amid lush green, One Mayfair comprises 120 elegantly appointed residences crafted to the finest details and offers exclusive privacy. Residents can enjoy a panoramic view of the Kowloon Peninsula.

## BUSINESS REVIEW

(Continued)

## (3) Property Development

During the financial year 2014/2015, the Group obtained Occupation Permits for the following projects in Hong Kong with a total attributable floor area of approximately 2.4 million 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. Mayfair By The Sea II 21 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong	Residential/ Commercial	100%	720,757
2. Mayfair By The Sea I 23 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong	Residential/ Commercial	85%	612,643
3. Dragons Range 33 Lai Ping Road, Kau To, New Territories, Hong Kong	Residential	40%	412,588
4. The Avenue Phase 2 200 Queen's Road East, Wan Chai, Hong Kong	Residential/ Commercial	Joint Venture	352,653
5. Park Metropolitan 8 Yuet Wah Street, Kwun Tong, Kowloon, Hong Kong	Residential	Joint Venture	232,825

## CHAIRMAN'S STATEMENT (Continued)

## BUSINESS REVIEW

(Continued)

## (3) Property Development (Continued)

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
6. The Fairmont 53 Conduit Road, Hong Kong Island, Hong Kong	Residential	100%	60,421
7. Park Ivy 8 Ivy Street, Tai Kok Tsui, Kowloon, Hong Kong	Residential/ Commercial	Joint Venture	54,251
			2,446,138

**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 premium 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.

In China, the Group completed Phase I of The Palazzo in Chengdu and part of Phase I of The Coronation in Chongqing with a total attributable floor area of approximately 1.8 million square feet during the financial year ended 30th June, 2015. 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. The Palazzo No. 9 The Second Yufeng Road, Chenghua District (Intersection of Yinghui Road and Tashan Road), Chengdu, PRC	Residential	100%	1,605,769
2. The Coronation No. 288, Beibing Road, Jiang Bei District, Chongqing, PRC	Residential/ Commercial	50%	252,566
			1,858,335

**BUSINESS REVIEW***(Continued)***(4) Rental Activities**

For the financial year ended 30th June, 2015, the Group's gross rental revenue, including attributable share from associates and joint ventures, increased 6.7% to HK\$3,684.4 million (2013/2014: HK\$3,450.7 million) and net rental income increased 7.3% to HK\$3,252.2 million (2013/2014: HK\$3,030.6 million). The increase in rental revenue was mainly due to higher rental rates on renewals and an improvement in occupancy rate in office properties. Overall occupancy of the Group's investment property portfolio was at approximately 98% (2013/2014: 97%) for the financial year 2014/2015.

The Group's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate at approximately 98% for the financial year 2014/2015 (2013/2014: 98%) as the Group's flagship shopping malls, namely Tuen Mun Town Plaza Phase I, Olympian City 1, 2 and 3 showed steady leasing performance. In addition, the Group completed during the financial year 2014/2015 the retail malls in The Avenue Phase 2 in Wan Chai and Mayfair By The Sea I and II in Pak Shek Kok with total attributable floor area of approximately 127,196 square feet. These new retail malls are expected to open in the coming financial year and will enhance the Group's rental revenue from the sector.

The leasing performance of the Group's office portfolio saw stable rental growth while overall occupancy rate was at approximately 98% (2013/2014: 96%) for the financial year 2014/2015. The leasing performance of the Group's industrial portfolio was steady with occupancy rate at approximately 97% (2013/2014: 98%).

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.

**The Camphora**

*An exquisite serviced apartment situated in Haiphong Road, Tsim Sha Tsui, one of Hong Kong's most vibrant retail and commercial precincts, The Camphora delivers a combination of modern style and rich heritage. The nine-storey building delivers 24 immaculately-appointed studio residences and a clubhouse. Residents can enjoy attentive services and amenities provided by Sino Homes.*



## BUSINESS REVIEW

(Continued)

### (4) Rental Activities (Continued)

As at 30th June, 2015, the Group has approximately 11.5 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 63.6%, industrial 15.2%, car parks 12.7%, hotels 6.6%, and residential 1.9%.

### (5) Hotels

Overall business performance of the Group's hotels, namely The Fullerton Hotel, The Fullerton Bay Hotel and Conrad Hong Kong was slightly affected by soft demand and competitive business environment during the financial year 2014/2015. 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

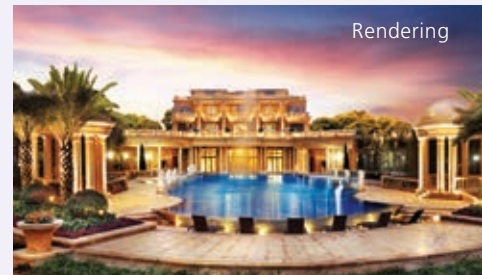
The economic and social reforms in China have been progressing well. Liberalisation of the financial market is underway with fiscal policy and public finance reviewed and improved to cater to the needs of the local governments. Capital controls have also been relaxed. Reforms on household-registration system and social services are being studied to reduce inequalities both between cities and between urban and rural areas. Environmental protection initiatives have been addressed. The Central Government has taken steps to roll out various policies to integrate its economy with the rest of the world and China is increasingly taking a bigger role in the world economy while pursuing a more balanced and high quality economic growth. All the policies combined will make China a more resilient economy resulting in an improvement in the livelihoods of people.

During the financial year 2014/2015, the property market in China turned active with improvement in sales volume, pricing and lower inventory levels mainly due to relaxation of home purchase restrictions in most cities in China and monetary easing which included reduction of interest rates, abolishment of loan-to-deposit ratio for banks and an increase in the availability of mortgage loans for home purchasers which is favourable for the property market.



#### 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 26,000-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 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 mall, serviced apartments and residences, covering a total gross floor area of over 13 million sq. ft. Phase two of the project offers more than 3,200 residential units, from two-bedroom apartments to four-bedroom duplexes.

**BUSINESS REVIEW***(Continued)***(6) China Business** *(Continued)*

The Group has four projects in China mainly for residential developments with a total of approximately 21.2 million square feet of attributable plot ratio area. These projects are situated in cities with good economic and demographic fundamentals. The Group's property developments in China, namely The Palazzo in Chengdu, The Coronation in Chongqing, Dynasty Park in Zhangzhou and Mayfair By The Lake in Xiamen will be sold and completed in 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, 2014.

**FINANCE**

As at 30th June, 2015, the Group had cash and bank deposits of HK\$19,698.0 million. After netting off total borrowings of HK\$6,039.6 million, the Group had net cash of HK\$13,658.4 million as at 30th June, 2015. Of the total borrowings, 13.3% was repayable within one year and 86.7% 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\$141,802.5 million and HK\$118,558.0 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 2014/2015. The majority of the Group's cash are denominated in Hong Kong dollars with a portion of Renminbi, Australian dollars and New Zealand dollars 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.

## CHAIRMAN'S STATEMENT *(Continued)*

### 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, heritage conservation, 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.

During the financial year 2014/2015, the Group published its 2014 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 fourth 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 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.*

## CORPORATE SOCIAL RESPONSIBILITY (Continued)



*The Group launched 'Sino Art in Community' in 2013 to bring art to the community. Working with local artists and organisations, 'Sino Art in Community' has completed five murals for hospital, kindergartens, schools and children's homes.*

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. The Group is dedicated to playing a part in building a better community through participating in voluntary services and charity events, with a strong emphasis on children and youth development. The Group appreciates the importance of providing guidance to the young generation in their learning stage, and collaborates with various community partners to provide learning opportunities for children and teenagers from underprivileged families through different programmes.

Dedicated to promoting arts and culture to enrich the everyday lives of Hong Kong people, the Group initiated 'Sino Art' 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. With the launch of 'Sino Art in Community' in 2013, the Group has extended its reach into community facilities such as hospitals, kindergartens and children's homes, where local artists create community art together with the underprivileged, children and educators.

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 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"). HCF revitalised and converted 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'. HCF is an award winner at UNESCO Asia-Pacific 2013 Awards for Cultural Heritage Conservation. In November 2014, HCF has been honoured by the American Institute of Architects Hong Kong Chapter with a Citation Award, in recognition of its contributions to heritage conservation in Hong Kong.

## PROSPECTS

The US economy continues to be on the path of recovery with improvement in GDP, consumer sentiment, personal consumption expenditure and housing sector activity as well as lower level of unemployment. In the Euro zone, the economic situation has been improving, helped by the decrease in oil price and depreciation of Euro as well as the quantitative-easing programme by the European Central Bank rolled out in March this year.

In China, the Central Government published in March 2015 its first edition of written framework of Silk Road Economic Belt and the 21st-Century Maritime Silk Road also known as "One Belt One Road". One Belt One Road will foster economic ties spanning different regions in Asia, Europe and Africa. It will promote co-development and multilateral co-operation in the areas of economic, finance, transport, environmental protection, tourism, technology and education as well as bring in prosperity to the nations along the regions. The economic development along One Belt One Road will provide entrepreneurs, professionals and skillful workers in Hong Kong the opportunity to offer their services in the regions.

Over the past year, Central Government has continued its efforts to open up its economy and prepare itself for globalization. In October 2014, China spearheaded the launch of the Asian Infrastructure Investment Bank with the objective to finance the development of infrastructure and other productive sectors in Asia. In November 2014, the trading through Shanghai-Hong Kong Stock Connect commenced which should help expand and integrate the financial and capital markets in China and Hong Kong. In April 2015, China opened three more Free Trade Zones in Guangdong, Fujian and Tianjin in addition to the Shanghai Pilot Free Trade Zone. The Free Trade Zone in Guangdong covers areas in Guangzhou, Zhuhai, Qianhai and Shekou which will benefit trade and finance in Hong Kong as a whole.

The Hong Kong property market has been going through a period of change as a result of economic and property-related policies. During the financial year 2014/2015, buying sentiment improved and primary transaction volume saw favourable growth. The growth was predominantly driven by good demand and availability of new project launches. The Long-term Housing Strategy Committee released on 15th December, 2014 a comprehensive plan for housing supply in the next ten years to balance housing demand and supply and is conducive to maintaining stability of the Hong Kong property market. The Group, with a good mix of residential projects to be launched for sale in the next 12 months, will benefit from the prevailing market conditions. Further, the Group's resilient recurrent businesses, which comprise property leasing, hospitality and property management services, continue to contribute stable stream of income. With a good financial position, the Group is well-positioned to respond to challenges ahead.



## CHAIRMAN'S STATEMENT *(Continued)*

### **PROSPECTS** *(Continued)*

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, 26th August, 2015

## BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

### (I) EXECUTIVE DIRECTORS

**Mr. Robert Ng Chee Siong<sup>N+</sup>**, aged 63, 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 39 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. 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<sup>R</sup>**, JP, aged 37, an Executive Director since April 2005, holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York and an Honorary Doctor of Humane Letters degree from Savannah College of Art and Design. 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 The Bank of East Asia, 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 Executive Committee of Hong Kong Sheng Kung Hui Welfare Council Limited and a member of Friends of Hong Kong Association Limited. Mr. Ng's major public service appointments include being a member of the Social Welfare Advisory Committee of the Government of Hong Kong Special Administrative Region ("HKSAR"), a co-opted member of the Community Care Fund Task Force of Commission on Poverty of HKSAR, a member of the Council for Sustainable Development of HKSAR, a member of the Court of the Hong Kong University of Science and Technology and a member of the Steering Committee on the Promotion of Electric Vehicles of HKSAR. 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 Siong and the eldest grandson of the late substantial shareholder Mr. Ng Teng Fong.

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

**Mr. Ringo Chan Wing Kwong**, aged 55, 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 31 years of experience in accounting and finance.

**Ms. Alice Ip Mo Lin**, aged 59, 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 55, 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 76, 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, Vice-Chair of the Trustees and Director of IFRS Foundation. He is a Board Member and the Vice-Chairman of the Board 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, 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 Hutchison Harbour Ring Limited (now known as China Oceanwide Holdings Limited) and an Independent Non-Executive Director of SCMP Group Limited.

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

**Dr. Allan Zeman<sup>A N R</sup>**, GBM, GBS, JP, aged 67, 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, Global Brands Group Holding Limited and Television Broadcasts 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 45 years, Dr. Zeman has been very involved in Government services as well as community activities. Dr. Zeman serves as a representative of Hong Kong China to the APEC Business Advisory Council, a member of the Board of West Kowloon Cultural District Authority, and is the Chairman of its Performing Arts Committee. He is also a member of the Board of The Airport Authority Hong Kong, 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 &amp; SENIOR MANAGEMENT (Continued)

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

**Mr. Adrian David Li Man-kiu<sup>A+ N R</sup>**, JP, aged 42, 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 and a member of the MPF Industry Schemes Committee of the MPFA. He is also a Trustee of The University of Hong Kong's occupational retirement schemes, 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. He also sits on the Judging Panel of the 2015 BAI-Infosys Finacle Global Banking Innovation Awards. Mr. Li is currently an Independent Non-Executive Director of China State Construction International Holdings Limited and COSCO Pacific Limited, both companies listed in Hong Kong. In addition, he is a Non-Executive Director of The Berkeley Group Holdings plc, which is listed on the London Stock Exchange. He is also a member of the International Advisory Board of Abertis Infraestructuras, S.A., a company listed in Spain. He was previously an Alternate Director of AFFIN Holdings Berhad, which is listed on the Bursa Malaysia, an Alternate Independent Non-Executive Director of San Miguel Brewery Hong Kong Limited, a company listed on the Hong Kong Stock Exchange, and 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. 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 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<sup>A R+</sup>**, aged 69, 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.

**Mr. Wong Cho Bau, JP**, aged 56, an Independent Non-Executive Director since January 2015. He is also an Independent Non-Executive Director of Sino Hotels (Holdings) Limited. He is an Honorary Fellow of City University of Hong Kong and currently serves as Chairman of East Pacific (Holdings) Ltd., Shenzhen East Pacific Group Ltd., Donghai Airlines Co., Ltd., Donghai Jet Co., Ltd., and the major shareholder of Digital Broadcasting Corporation Hong Kong Ltd.. Mr. Wong has more than 30 years of business experience and is one of the pioneers on the establishment of Shenzhen Special Economic Zone. His business interests have expanded from property development to industrial, hotel, aviation, tourism and recently extended to media. Mr. Wong is a National Committee Member of the 10th, the 11th and the 12th Chinese People's Political Consultative Conference, an Executive Councilor of the 4th Council of China Overseas Friendship Association and a Committee Adviser of Hong Kong Association for The Promotion of Peaceful Reunification of China. He was formerly a Councilor of the 1st and the 2nd Council and an Executive Councilor of the 3rd Council of China Overseas Friendship Association. He is also a Director of Hong Kong Chiu Chow Chamber of Commerce.

### (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, 2015 with explanation of the deviation are set out in this report.

## CORPORATE GOVERNANCE PRACTICES

### DIRECTORS

#### Corporate Governance Principle

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

#### Board Composition

The current Board has 10 Directors composing of five Executive Directors including the Chairman of the Board, one Non-Executive Director and four Independent Non-Executive Directors. During the year ended 30th June, 2015 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 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 appointments 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 REPORT *(Continued)*

## 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 four Independent Non-Executive Directors have contributed valuable views and proposals for the board's deliberation and decisions. The Board will review the management structure regularly to ensure that it continues to meet these objectives and is in line with the industry practices.

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 committee (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, 2015, the Board had held four meetings. The attendance records of the Directors to these board meetings are set out below:

<b>Directors</b>	<b>Meeting(s) Attended/Held</b>
<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	3/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	4/4
Mr. Adrian David Li Man-kiu	4/4
Mr. Steven Ong Kay Eng	4/4
Mr. Wong Cho Bau	1/2
<i>(appointed on 20th January, 2015)</i>	

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 REPORT *(Continued)*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 meetings. 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 PRACTICES** (Continued)**DIRECTORS** (Continued)**Directors' Appointment,  
Re-election and Removal**  
(Continued)

The Directors who are subject to retirement and re-election at the 2015 annual general meeting are set out on page 53 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.

During the year, the Nomination Committee recommended and the Board approved the appointment of Mr. Wong Cho Bau as a new Independent Non-Executive Director with effect from 20th January, 2015, who is subject to retirement and re-election at the 2015 annual general meeting.

**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 <sup>(Note)</sup>
<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, d
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
Mr. Wong Cho Bau (appointed on 20th January, 2015)	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 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](http://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:

<b>Committee members</b>	<b>Meeting(s) Attended/Held</b>
Mr. Steven Ong Kay Eng* (Committee Chairman)	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](http://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 recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendations 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:

- recommended the appointment of Mr. Wong Cho Bau as an Independent Non-Executive Director;
- reviewed the current structure, size and composition of the Board;
- assessed the independence of Independent Non-Executive Directors and their annual confirmations on independence; and
- reviewed time commitment of directors.

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

<b>Committee members</b>	<b>Meeting(s) Attended/Held</b>
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, 2015 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 its 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 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 its 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](http://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 2014 annual report and audited financial statements and the 2014/2015 interim report and unaudited interim financial statements, 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 its training programmes and budget;
- internal audit plan 2015/2016;
- usage of annual caps on continuing connected transactions of the Company;
- re-appointment of the Company's auditor before submitting to the Board;
- the new Articles of Association of the Company;
- amendments to the terms of reference of the Audit Committee to take effect on 1st January, 2016; and
- amendments to the Corporate Governance Code of the Company to take effect on 1st January, 2016.

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:

<b>Committee members</b>	<b>Meeting(s) Attended/Held</b>
Mr. Adrian David Li Man-kiu <i>(Committee Chairman)</i>	4/4
Dr. Allan Zeman	4/4
Mr. Steven Ong Kay Eng	4/4



# CORPORATE GOVERNANCE REPORT *(Continued)*

## CORPORATE GOVERNANCE PRACTICES *(Continued)*

### ACCOUNTABILITY AND AUDIT *(Continued)*

#### **Codes for Dealing in the Company's Securities**

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules ("Model Code"). The Company has made specific enquiries of all Directors who held such offices during the 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, 2015. 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.

#### **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, 2015 amounted to HK\$4,524,353 and HK\$890,000 respectively. The non-audit services mainly consist of review, consultancy and taxation services.

## CORPORATE GOVERNANCE FUNCTIONS

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

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

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

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

- reviewed the usage of annual caps on continuing connected transactions of the Company;
- reviewed the compliance with the Code through the Compliance Committee;
- reviewed the effectiveness of the internal controls and risk management systems of the Company through the Internal Audit Department and the Audit Committee;
- reviewed the new Articles of Association of the Company;
- approved the revised terms of reference of the Audit Committee to take effect on 1st January, 2016; and
- approved the revised Corporate Governance Code of the Company to take effect on 1st January, 2016.

**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.

**CORPORATE GOVERNANCE PRACTICES** (Continued)**COMMUNICATION WITH SHAREHOLDERS**

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

**Communication Strategies***Principles*

The Board is dedicated to maintain an on-going dialogue with the shareholders of the Company and the investment community. Information is communicated to the shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and regular meetings with research analysts and fund managers, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company's website. Investor/analyst 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.

*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.

## CORPORATE GOVERNANCE REPORT (Continued)

## CORPORATE GOVERNANCE PRACTICES (Continued)

## COMMUNICATION WITH SHAREHOLDERS (Continued)

## Communication Strategies (Continued)

Shareholders' Meetings  
(Continued)

The last annual general meeting of the Company is the 2014 annual general meeting ("2014 AGM") which was held on 23rd October, 2014 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 2014 AGM. The attendance records of the then Directors to the 2014 AGM are set out below:

**Meeting(s) Attended/Held***Executive Directors*

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

*Non-Executive Director*

The Honourable Ronald Joseph Arculli	1/1
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*Independent Non-Executive Directors*

Dr. Allan Zeman	0/1
Mr. Adrian David Li Man-kiu	1/1
Mr. Steven Ong Kay Eng	1/1

The Company's notice to shareholders for the 2014 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 2014 AGM were contained in the circular of the Company to its shareholders, which was dispatched together with the 2014 annual report, and were further explained at the 2014 AGM prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the 2014 AGM.

## CORPORATE GOVERNANCE REPORT (Continued)

## CORPORATE GOVERNANCE PRACTICES (Continued)

## COMMUNICATION WITH SHAREHOLDERS (Continued)

## Communication Strategies (Continued)

Shareholders' Meetings  
(Continued)

Separate resolutions were proposed at the 2014 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, 2014 are set out below:

Resolutions proposed at the 2014 AGM		Percentage of Votes
<b>Ordinary Resolutions</b>		
1	Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2014	100%
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. Robert Ng Chee Siong as Director	97.57%
3(ii)	Re-election of Mr. Adrian David Li Man-kiu as Director	84.20%
3(iii)	Re-election of Ms. Alice Ip Mo Lin as Director	85.50%
3(iv)	Authorization of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2015	100%
4	Re-appointment of Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorise the Board to fix their remuneration	99.88%
5(i)	Share repurchase mandate up to 10% of the Company's issued shares	99.99%
5(ii)	Share issue mandate up to 20% of the Company's issued shares	83.81%
5(iii)	Extension of share issue mandate to the shares repurchased under the share repurchase mandate	84.57%
<b>Special Resolution</b>		
6	Adoption of the new Articles of Association of the Company	83.90%

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

All resolutions put to shareholders at the 2014 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 Articles of Association of the Company as adopted by Special Resolution passed at the 2014 AGM is available at the Company's website [www.sino.com](http://www.sino.com) and the Stock Exchange's website. No further changes have been made to the Company's Articles of Association during the year.

*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](http://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)**Shareholder's Rights**

Pursuant to Section 566 of the Companies Ordinance, 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 practising the above shareholders' communication policy to handle enquiries 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.

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

## CORPORATE SOCIAL RESPONSIBILITIES

**Sustainability and Environmental Policy**

The Company is committed to the sustainable development of the environment and our society. In recognition of the potential climate impact due to building development and operation, the Company strives to enhance the environmental performance of its properties development and management through eco-friendly building design and operational measures as well as supporting a number of external charters with regard to energy efficiency and carbon reduction. The Company has launched various relevant programmes and initiatives under its Corporate Social Responsibility pillars, namely Sino Art, Sino Green, Sino Care and Sino Heritage. Further information of its sustainability and environmental policies, performance, programmes and initiatives can be found in the Company's annual Sustainability Review available on the Group's corporate website [www.sino.com/sustainability-report](http://www.sino.com/sustainability-report).

**Relationships with Stakeholders**

The Company recognizes that our employees, customers and business associates are keys to our sustainability journey. We strive to achieve corporate sustainability through engaging our employees, providing quality services for our customers, collaborating with business partners and supporting our community.

The Company places significant emphasis on human capital. The Company provides a fair workplace, promoting non-discrimination and diversity to our staff, together with competitive remuneration and benefits, as well as a range of opportunities for career advancement based on employees' merits and performance. Through the establishment of the Employee Safety and Health Committee, the Company administers its employee health and safety management system and ensures the adoption of the principles across the Group. The Company provides regular trainings for staff to keep them abreast of the latest developments in the market and industry, in the form of both internal trainings and trainings provided by experts from external organizations.

To enhance customer satisfaction and promote a customer-oriented culture within the Company, we take 'Customer First' as one of our Core Values and declare it in our Service Pledge. We value the feedback from customers through daily communication, regular inspections, mystery shopper studies and customer satisfaction surveys. We have also established the mechanism about customer service, support and complaints in compliance with customer satisfaction standard ISO 10002. When dealing with a customer complaint, we treat it as an opportunity to improve our relationship with the customer, addressing the concern in a timely manner and in accordance with international standards.

## CORPORATE GOVERNANCE REPORT *(Continued)*

### CORPORATE GOVERNANCE PRACTICES *(Continued)*

### CORPORATE SOCIAL RESPONSIBILITIES *(Continued)*

#### **Relationships with Stakeholders** *(Continued)*

We believe that our suppliers (including contractors) are equally important in driving quality delivery of our project developments. We proactively collaborate with our business partners (including suppliers and contractors) to deliver quality sustainable products and services. To communicate with contractors on sustainability issues, we have developed the 'Supplier Code of Conduct' and included the associated requirements in our standard tender documents. These requirements include regulatory compliance, labour practices, anti-corruption, environmental measures, green procurement, occupational safety and health and other business ethics. We assure the performance of our suppliers through supplier approval process and by conducting factory audits/site visits, laboratory tests by an accredited laboratory in Hong Kong on the delivered goods, and spot checks on the delivered goods at site during the contractual periods.

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2015.

**PRINCIPAL ACTIVITIES**

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 50 to the consolidated financial statements.

**BUSINESS REVIEW**

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 10 to 22 of this Annual Report. Description of possible risks and uncertainties that the Group may be facing can be found in the Chairman's Statement on pages 10 to 22. Also, the financial risk management objectives and policies of the Group can be found in Note 6 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 30th June, 2015 are provided in Note 48 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Group Financial Summary on pages 6 to 9 of this Annual Report. In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the Chairman's Statement, the Corporate Governance Report and this Directors' Report on pages 10 to 22, pages 29 to 50 and pages 51 to 67 respectively and in the Sustainability Review available on the Group's corporate website.

**RESULTS AND APPROPRIATIONS**

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 144.

An interim dividend of HK12 cents per share amounting to HK\$727,687,094, including HK\$441,588,147 by way of cash dividends and HK\$286,098,947 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\$2,311,979,810 payable to shareholders whose names appear on the Register of Members of the Company on 30th October, 2015.

**MAJOR PROPERTIES**

Details of the major properties of the Group at 30th June, 2015 are set out on pages 249 to 270.

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Details of the Company's principal subsidiaries, associates and joint ventures at 30th June, 2015 are set out in Notes 50, 51 and 24 to the consolidated financial statements, respectively.

**DIRECTORS' REPORT** (Continued)**SHARE CAPITAL**

Details of shares by the Company issued during the year set out in Note 35 to the consolidated financial statements. The shares issued during the year were in lieu of cash dividends.

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

During the year, the Company bought back 2,462,000 shares on The Stock Exchange of Hong Kong Limited ("Stock Exchange") at an aggregate consideration of HK\$31,315,239. The buy-backs were effected by the Directors for the enhancement of shareholders' value. Details of the buy-backs are as follows:

<b>Month</b>	<b>Total number of the ordinary shares</b>	<b>Highest price paid per share HK\$</b>	<b>Lowest price paid per share HK\$</b>	<b>Aggregate consideration HK\$</b>
July 2014	186,000	12.60	12.46	2,331,270
September 2014	830,000	11.98	11.84	9,936,322
December 2014	306,000	12.42	11.98	3,741,008
April 2015	364,000	13.30	12.94	4,792,500
May 2015	776,000	14.02	13.34	10,514,139
	<u>2,462,000</u>			<u>31,315,239</u>

All 2,462,000 shares bought back were cancelled on delivery of the share certificates during the year. The aggregate consideration of HK\$31,315,239 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, 2015 were the retained profits of HK\$18,208,006,284 (2014: HK\$16,084,516,214).

**MEDIUM TERM NOTE PROGRAMME**

As at 30th June, 2015, 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, 2015 as referred to in Note 34 to the consolidated financial statements.

## 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, 2015 are set out in Note 34 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$32,838,550.

## NAME OF DIRECTOR

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 (appointed on 20th January, 2015)

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 ("Listing Rules"), The Honourable Ronald Joseph Arculli, Dr. Allan Zeman, Mr. Steven Ong Kay Eng and Mr. Wong Cho Bau will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election.

The list of directors who have served on the boards of the subsidiaries of the Company included in the annual consolidated financial statements for the financial year ended 30th June, 2015 during the year and up to the date of this report is available on the Company's website [www.sino.com](http://www.sino.com). You may access the list by clicking the hyperlink [www.sino.com/CorporateGovernance/SinoLand/en](http://www.sino.com/CorporateGovernance/SinoLand/en).



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

As at 30th June, 2015, the interests and short positions held by the Directors of the Company 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 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	3,246,325,159 <i>(Note)</i>	Beneficial owner of 182,325 shares, spouse interest in 3,901,222 shares and trustee interest in 3,242,241,612 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.34%
The Honourable Ronald Joseph Arculli	1,191,997	Beneficial owner	0.01%
Dr. Allan Zeman	–	–	–
Mr. Adrian David Li Man-kiu	–	–	–
Mr. Steven Ong Kay Eng	–	–	–
Mr. Wong Cho Bau	–	–	–
Mr. Daryl Ng Win Kong	104,510	Beneficial owner	≈0%
Mr. Ringo Chan Wing Kwong	–	–	–
Ms. Alice Ip Mo Lin	–	–	–
Mr. Gordon Lee Ching Keung	–	–	–

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

Note:

The trustee interest in 3,242,241,612 shares comprises:

- (a) 1,392,196,551 shares which were held by Tsim Sha Tsui Properties Limited, which was 71.99% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
- (b)
  - (i) 46,191,109 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) 1,664,567,374 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 102,639,735 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 168,347 shares by Fanlight Investment Limited, 164,115 shares by Garford Nominees Limited, 36,932,304 shares by Karaganda Investments Inc., 15,928,745 shares by Orient Creation Limited, 7,741,757 shares by Strathallan Investment Limited, 23,333,799 shares by Strong Investments Limited, 17,880,735 shares by Tamworth Investment Limited and 489,933 shares by Transpire Investment Limited; and
- (d) 36,646,843 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	1,200,669,306 <i>(Note)</i>	Beneficial owner of 644,795 shares and trustee interest in 1,200,024,511 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.02%
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. Wong Cho Bau	–	–	–
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 1,200,024,511 shares comprises:

- (a) 1,105,315,513 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 114,565,932 shares by Fanlight Investment Limited, 155,253,550 shares by Nippomo Limited, 3,567,564 shares by Orient Creation Limited, 305,351,059 shares by Strathallan Investment Limited, 455,666,702 shares by Tamworth Investment Limited and 70,910,706 shares by Transpire Investment Limited; and
- (b) 94,708,998 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

**DIRECTORS' INTERESTS (B) Long Positions in Shares of Associated Corporations (Continued)**  
(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 (Notes 1 and 2)	100%
Dramstar Company Limited	440 (Notes 1 and 3)	44%
Empire Funds Limited	1 (Notes 1 and 4)	50%
Erleigh Investment Limited	110 (Notes 1 and 4)	55%
Eternal Honest Finance Company Limited	1 (Notes 1 and 4)	50%
Famous Empire Finance Limited	5 (Notes 1 and 5)	50%
Famous Empire Properties Limited	5,000 (Notes 1 and 5)	50%
FHR International Limited	1 (Note 6)	33.33%
Island Resort Estate Management Company Limited	10 (Notes 1 and 4)	50%
Jade Result Limited	500,000 (Notes 1 and 4)	50%
Murdoch Investments Inc.	2 (Notes 1 and 2)	100%
Real Maker Development Limited	20,000 (Notes 1 and 7)	10%
Rich Century Investment Limited	500,000 (Notes 1 and 4)	50%
Sea Dragon Limited	70 (Notes 1 and 4)	70%
Silver Link Investment Limited	10 (Notes 1 and 4)	50%
Sino Club Limited	2 (Note 8)	100%
Sino Parking Services Limited	450,000 (Note 9)	50%
Sino Real Estate Agency Limited	50,000 (Note 9)	50%

**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 shares were held by Goegan Godown Limited, a wholly-owned subsidiary of Osborne.
8. 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.
9. The shares were held by Deansky Investments Limited.

Save as disclosed above, as at 30th June, 2015, 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.

**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, which engages in businesses of property investment, development and management and hotel operation.

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

**DIRECTORS' MATERIAL  
INTERESTS IN  
TRANSACTIONS,  
ARRANGEMENTS OR  
CONTRACTS**

Apart from the transactions disclosed under the heading "Related Party Disclosures" as set out in Note 45 to the consolidated financial statements, there were no other transactions, arrangements or 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 or its connected entities had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

**DIRECTORS'  
INDEMNITIES**

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Cap. 622)) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group.



CONNECTED  
TRANSACTIONS

## (A) Continuing Connected Transactions up to 30th June, 2015

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 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. As further announced by the Company and TST Properties jointly on 10th June, 2014, 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 relevant Agreement for the lease by the Ng Family of properties owned or to be owned by the Group for the three financial years ending 30th June, 2014, 2015 and 2016. Applicable particulars of the Agreements together with the total amount received/paid in respect of the transactions for the year ended 30th June, 2015 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, 2015
	Service Provider	Service 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\$75.64 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\$26.82 million

**CONNECTED  
TRANSACTIONS**  
(Continued)

**(A) Continuing Connected Transactions up to 30th June, 2015 (Continued)**

Nature of Services provided under the Agreement	Parties to the Transactions		Service	Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2015
	Service Provider	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\$23.61 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\$52.21 million	

# DIRECTORS' REPORT (Continued)

## CONNECTED TRANSACTIONS (Continued)

### (A) Continuing Connected Transactions up to 30th June, 2015 (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, 2015
	Service Provider	Service Recipient				
5. Lease of Properties	Group	Ng Family	Lease of properties by:	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, 2014 to 30th June, 2015, HK\$130.4 million comprising: (a) HK\$110.4 million for lease of properties by the Group; and (b) HK\$20 million for lease of properties by the Ng Family	HK\$59.33 million, comprising: (i) HK\$49.42 million for lease of properties by the Group; and (ii) HK\$9.91 million for lease of properties by the Ng Family
			(i) the Group of properties owned or to be owned by the Ng Family; and		(ii) For the period from 1st July, 2015 to 30th June, 2016, HK\$141.4 million comprising: (a) HK\$121.4 million for lease of properties by the Group; and (b) HK\$20 million for lease of properties by the Ng Family	
			(ii) the Ng Family of properties owned or to be owned by the Group			

**CONNECTED  
TRANSACTIONS**  
(Continued)**(A) Continuing Connected Transactions up to 30th June, 2015 (Continued)**

The Ng Family and its associates are connected persons of TST Properties and the Company by virtue of the Ng Family being the controlling 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; 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.

**CONNECTED  
TRANSACTIONS**  
(Continued)**(B) Acquisition of Interests regarding The Westin Sydney**

The Company and TST Properties jointly announced on 26th May, 2015 that the Company entered into a memorandum of agreement with Far East Land and Housing Development Company Pte. Ltd. ("Far East Land", a company controlled by the Ng Family) for the formation of a joint venture, Glorious Link Investments Limited (now known as Precious Heritage Pte. Limited) ("Precious Heritage") on a 50:50 basis. Precious Heritage participated in a private bidding process through a direct wholly-owned subsidiary, Far East Martin Pty Ltd ("Far East Martin"), and Far East Martin as a purchaser entered into a Share Sale Agreement with Reco Martin Pte Ltd as a vendor on 25th May, 2015 ("Share Sale Agreement") under which Far East Martin agreed to purchase all of the issued shares of Ausco Martin Pty Limited ("Ausco Martin") for the total consideration of A\$445,333,000 (approximately HK\$2,739 million) (subject to adjustment, if necessary, according to the relevant completion accounts as at the date of completion) subject to the terms and conditions of the Share Sale Agreement.

Ausco Martin is the owner holding 100% interest in the hotel known as The Westin Sydney, which is located at 1 Martin Place, Sydney, New South Wales, 2000, Australia and operated by Starwood Australia Hotels Pty Ltd. pursuant to a hotel management agreement between Ausco Martin and inter alia, Starwood Australia Hotels Pty Ltd.

The estimated total capital commitment of the Company in respect of the formation of Precious Heritage for the acquisition of Ausco Martin is approximately A\$250 million (approximately HK\$1,538 million), representing its 50% indirect interest in Precious Heritage.

The Ng Family is a connected person of TST Properties and the Company by virtue of the Ng Family being the controlling shareholder of both TST Properties and the Company. Far East Land is controlled by the Ng Family and is therefore an associate of the Ng Family and a connected person of TST Properties and the Company. Accordingly, the formation of Precious Heritage constituted a connected transaction of each of TST Properties and the Company under the Listing Rules.

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](http://www.sino.com).

Details of other related party transactions are set out in Note 45 to the consolidated financial statements.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 30th June, 2015, 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	3,254,617,076 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 12,375,464 shares and trustee interest in 3,242,241,612 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.48%
Mr. Robert Ng Chee Siong	3,246,325,159 <i>(Notes 2, 3, 4 and 5)</i>	Beneficial owner of 182,325 shares, spouse interest in 3,901,222 shares and trustee interest in 3,242,241,612 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.34%
Tsim Sha Tsui Properties Limited	3,102,955,034 <i>(Notes 2(a), 2(b), 3 and 4)</i>	Beneficial owner of 1,392,196,551 shares and interest of controlled corporations in 1,710,758,483 shares	50.98%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Spangle Investment Limited	383,809,661 <i>(Note 3)</i>	Beneficial owner	6.30%
Ka Fai Land Investment Limited	342,635,858 <i>(Note 4)</i>	Beneficial owner	5.63%



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

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

Notes:

1. 12,375,464 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 3,820,436 shares by Far East Ventures Pte. Ltd. and 8,555,028 shares by Western Properties Pte Ltd.
2. The trustee interest in 3,242,241,612 shares comprises:
  - (a) 1,392,196,551 shares which were held by Tsim Sha Tsui Properties Limited, which was 71.99% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;
  - (b)
    - (i) 46,191,109 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) 1,664,567,374 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited (including 383,809,661 shares held by Spangle Investment Limited (Note 3) and 342,635,858 shares held by Ka Fai Land Investment Limited (Note 4));
  - (c) 102,639,735 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 168,347 shares by Fanlight Investment Limited, 164,115 shares by Garford Nominees Limited, 36,932,304 shares by Karaganda Investments Inc., 15,928,745 shares by Orient Creation Limited, 7,741,757 shares by Strathallan Investment Limited, 23,333,799 shares by Strong Investments Limited, 17,880,735 shares by Tamworth Investment Limited and 489,933 shares by Transpire Investment Limited; and
  - (d) 36,646,843 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. 383,809,661 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. 342,635,858 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.

**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, 2015, 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\$5,694,000.

**EQUITY-LINKED AGREEMENTS**

For the year ended 30th June, 2015, the Company has not entered into any equity-linked agreement.

**MAJOR SUPPLIERS AND CUSTOMERS**

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 79% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 55% 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 29 to 50.

**SUFFICIENCY OF PUBLIC FLOAT**

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

**AUDITOR**

The consolidated financial statements for the year ended 30th June, 2015 of the Group have been audited by Messrs. Deloitte Touche Tohmatsu. 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

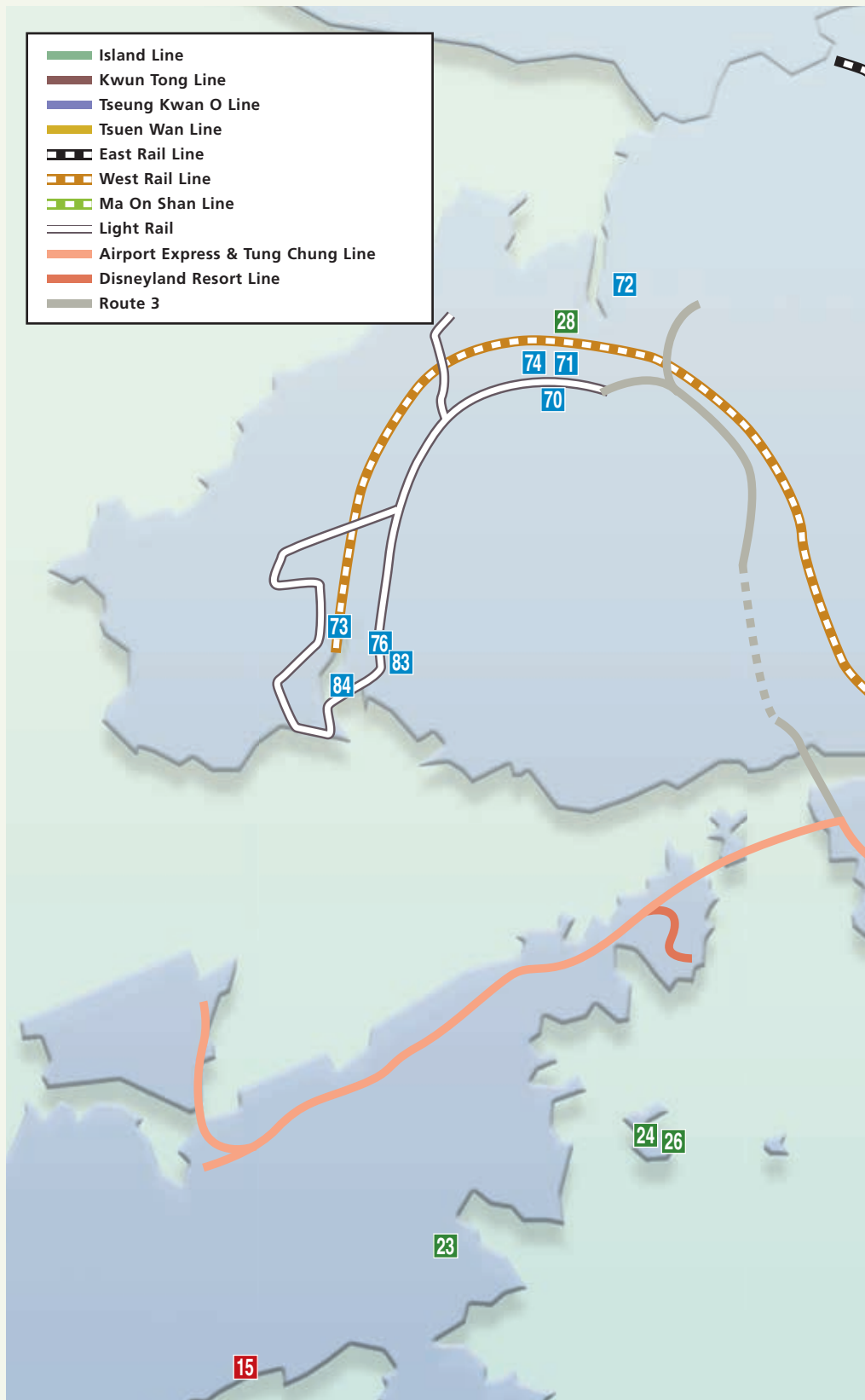
Hong Kong, 26th August, 2015

**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. Marinella
11. Park Summit
12. Providence Bay
13. Providence Peak
14. The Graces • Providence Bay
15. Botanica Bay
16. 53 Conduit Road
17. The Avenue
18. Mayfair By The Sea I
19. Mayfair By The Sea II
20. Park Metropolitan
21. Dragons Range

**Properties under development**

22. 22 Staunton Street, Central
23. Mui Wo, Lot No. 726 in DD4
24. 18 Peng Lei Road, Peng Chau, Lot No. 676 in DD
25. Corinthia By The Sea, 23 Tong Yin Street, Tseung Kwan O
26. Peng Chau, Lot No. 674 in DD
27. Sha Kok Mei, Sai Kung, Lot No. 1949 in DD221
28. West Rail Long Ping Station (North) Property Development, Yuen Long Town Lot No. 513
29. Hong Tsuen Road, Sai Kung Tuk, Lot No. 1180 in DD215
30. Sik On Street, Wan Chai, Inland Lot No. 9049
31. Kwun Tong Town Centre Development Areas 2 & 3
32. Kowloon Bay, New Kowloon Inland Lot No. 6313
33. Luen Wo Hui, Fanling Sheng Shui Town Lot No. 255
34. Hong Kin Road, Sai Kung, Lot No. 1181 in DD215





**Properties for investment and hotels** □ ■

- 35. Citywalk
- 36. Citywalk 2
- 37. Exchange Tower
- 38. Skyline Tower
- 39. The Centrium
- 40. 148 Electric Road
- 41. Central Plaza
- 42. Conrad Hong Kong
- 43. Harbour Centre
- 44. Hollywood Centre
- 45. Marina House
- 46. One Capital Place
- 47. Pacific Palisades
- 48. Pacific Plaza
- 49. Island Resort Mall
- 50. 25/F United Centre
- 51. Olympian City
- 52. The Astrid
- 53. Cameron Plaza
- 54. China Hong Kong City
- 55. Corporation Square
- 56. Futura Plaza
- 57. Sunley Centre
- 58. Westley Square
- 59. Fullerton Centre
- 60. Hong Kong Pacific Centre
- 61. Kwun Tong Harbour Plaza
- 62. Kwun Tong Plaza
- 63. Omega Plaza
- 64. The Camphora
- 65. Remington Centre
- 66. Sunshine Plaza Shopping Arcade
- 67. Tsim Sha Tsui Centre
- 68. Yau Tong Industrial City
- 69. Avon Park Shopping Mall
- 70. Springdale Villas Shopping Arcade
- 71. Golden Plaza
- 72. Mansfield Industrial Centre
- 73. Parklane Centre
- 74. Ping Wui Centre
- 75. Shatin Galleria
- 76. tmp plaza
- 77. The Waterside Shopping Mall
- 78. 15 Shek O Headland
- 79. No. 1 Chatham Path
- 80. Bayview Park
- 81. No. 1 Hung To Road
- 82. Grand Regentville Shopping Arcade
- 83. Rosedale Gardens Shopping Arcade
- 84. Oceania Heights Shopping Mall
- 85. The Hennessy
- 86. The Johnston Suites
- 87. Maison Rosé
- 88. Coronation Circle
- 89. 38 Repulse Bay Road
- 90. Corporation Park
- 91. The Avenue Commercial Portion

# COMPLETED PROPERTIES



## 1 BOTANICA BAY

Situated by the scenic Cheung Sha Beach in Southern Lantau, Botanica Bay commands stunning panoramic view of the South China Sea. Nestled against the Lantau Peak, the high-privacy development features lush gardens and designer landscapes and offers 16 houses crafted to the finest details with saleable floor areas ranging from 3,725 sq. ft. to 5,573 sq. ft.

## 2 MAYFAIR BY THE SEA I & MAYFAIR BY THE SEA II

The latest premium projects on the picturesque waterfront of Pak Shek Kok, Mayfair By The Sea I offers 546 residential units, including 7 houses; Mayfair By The Sea II provides 545 residential units, including 5 houses. The shopping arcade within the development provides convenience for residents.







### **3 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 and two sites 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.

### **4 53 CONDUIT ROAD**

Located in the prestigious Mid-Levels West neighbourhood, the project comprises 27 residential units with layouts ranging from three-bedroom flats to special units. Nestling in Victoria Peak amid lush greenery, residents can enjoy the spectacular views of Victoria Harbour as well as easy access to Central and Admiralty Central Business District.

## COMPLETED PROPERTIES (Continued)



5



6

### 5 ONE MAYFAIR

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

### 6 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)***7 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. It was named 'Building of the Year' at the Third Building Inspectors Academy Awards in recognition of its quality.

**8 DRAGONS RANGE**

Located in one of the most sought-after residential precincts, Kau To, Shatin, Dragons Range offers 973 residential units with a saleable area of approx. 877,933 sq. ft.

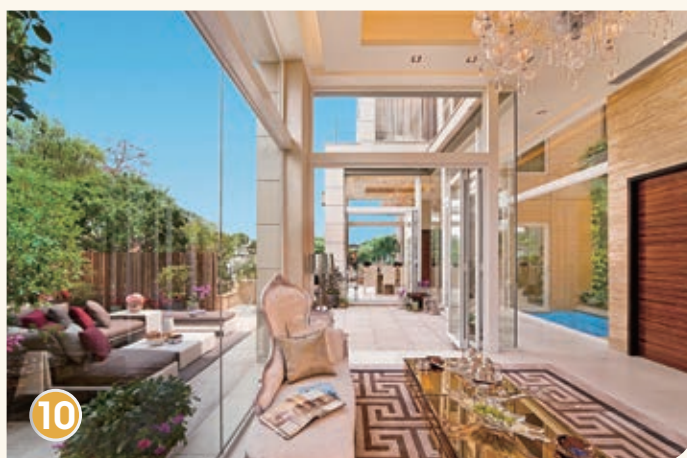


## COMPLETED PROPERTIES (Continued)



### 9 THE PALAZZO

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



### 10 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.



### 11 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)*

**12 PROVIDENCE BAY/PROVIDENCE PEAK/THE GRACES • PROVIDENCE BAY**

Situation on the waterfront of Tolo Harbour, Providence Bay, Providence Peak and The Graces • Providence Bay are designed by the world-renowned architect, Foster + Partners. The projects enjoy beautiful view of Tolo Harbour and Pat Sin Leng Ranges, feature exquisite clubhouses with comprehensive leisure facilities. The three projects offer 1,197 apartments and 26 houses in total.



## COMPLETED PROPERTIES (Continued)



### 13 MARINELLA

With the background of greenery and mountains in Hong Kong's famous Island South, Marinella offers 411 residential units that can enjoy 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.



### 14 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 approximately 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 delivers 462 units with a wide range of layouts ranging from studio units to three-bedroom layouts and to special units.



## COMPLETED PROPERTIES (Continued)



### 15 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 is the first residential development of the East Kowloon and Kai Tak Redevelopment Master Plan.

### 16 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 in over 470,000 sq. ft. and over 52,000 sq. ft. of commercial space.



## PROPERTIES UNDER DEVELOPMENT



### 17 CORINTHIA BY THE SEA

Waterfront residences situated at the centre of South Tseung Kwan overlooking the expansive coast, Corinthia By The Sea provides 536 residential units. Being adjacent to Tseung Kwan O Station, residents can enjoy the convenience of living with easy access to city centre.

### 18 SHA KOK MEI PROJECT, SAI KUNG (LOT 1949 IN DD 221)

Located at Sai Kung Town Centre and near the waterfront promenade, the project will provide over 290 units with about 250,000 sq. ft. of gross floor area. Embracing the lush green of the 'backyard of Hong Kong' with a touch of ocean, the low-density project will provide its residents with a world-class resort living experience.

### 19 SAI KUNG TUK PROJECT, SAI KUNG (LOT 1180 IN DD 215)

The project will provide more than 280 units with over 170,000 sq. ft. of gross floor area. Conveniently located at Sai Kung Town Centre, residents can enjoy excellent accessibility and quality living.

### 20 TUI MIN HOI PROJECT, SAI KUNG (LOT 1181 IN DD 215)

Located on the waterfront of Sai Kung, the low-density project will offer an exclusive collection of ocean view apartments and houses in about 50,000 sq. ft. of gross floor area.



## PROPERTIES UNDER DEVELOPMENT *(Continued)*

### 21 KWUN TONG TOWN CENTRE DEVELOPMENT AREAS 2 & 3

Kwun Tong Town Centre Development Areas 2 and 3 will be developed by a joint-venture by Sino Land Company Limited and Chinese Estates Holding Limited. Located adjacent to Park Metropolitan in Town Centre Development Area 1, and connected to the rest of the Kwun Tong Town Centre Development Area and MTR station, the project enjoys the potential the 'Energising Kowloon East' and CBD2 initiatives bring about. It will feature a shopping mall and a public transport interchange at its podium, in addition to providing about 1,700 residential units in about 1,500,000 sq. ft. of gross residential floor area.

### 22 FANLING PROJECT (FSSTL255)

Conveniently located in the Fanling town centre, the site is in close proximity to Fanling Station and nearby shopping areas. The project will provide around 135,894 sq. ft. of residential gross floor area.

### 23 LONG PING PROJECT, YUEN LONG (YLTL513)

The residential development project provides a total gross floor area of approximately 523,938 sq. ft., comprising 912 units. Pre-sales consent application has been submitted and sales activities are targeted for the fourth quarter of 2015.

### 24 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 mall, serviced apartments and residences, covering a total gross floor area of over 13 million sq. ft. Phase two of the project will offer more than 3,200 residential units, from two-bedroom apartments to four-bedroom duplexes.



Rendering



# PROPERTIES UNDER DEVELOPMENT



25

## THE CORONATION, CHONGQING

Located at a prime precinct in Chongqing, The Coronation enjoys panorama river view and an extensive transport network. Spanning a total gross floor area of over 10 million sq. ft., this project consists of landmark office building, shopping mall, exotic commercial street and exquisite residences.

26

## DYNASTY PARK, ZHANGZHOU

Located in the city centre of Zhangzhou, Dynasty Park benefits from an extensive transport network and is easily accessible from anywhere in the city. Covering approximately 4.5 million sq. ft., Dynasty Park includes low-rise and high-rise luxury residences, shops and a kindergarten. Phase two of the project provides 1,047 residential units with sizes ranging from 540 to 1,600 sq. ft.



26

**PROPERTIES UNDER DEVELOPMENT** *(Continued)***27 MAYFAIR BY THE LAKE, XIAMEN**

Located in Binbei, the well-established central business district of Xiamen, Mayfair By The Lake enjoys spectacular views of mountain, lake and park. The project comprises 487 residential units with typical sizes ranging from about 450 to 3,900 sq. ft. in a total gross floor area of approximately 500,000 sq. ft. The project provides comprehensive facilities, including a five-star landscaped swimming pool and a gymnasium.

## PROPERTIES FOR INVESTMENT/OWN USE

### 28 38 REPULSE BAY ROAD

Occupying one of the most coveted addresses, the development comprises three spacious houses that feature fine architectural design and an impeccable array of amenities. Each house has its own private swimming pool, garden and terrace for exclusivity and privacy.

Residents can enjoy unobstructed views of the turquoise waters of Repulse Bay and Deep Water Bay as well as quaint bistros and shops in the vicinity.

### 29 THE CAMPHORA

An exquisite serviced apartment situated in Haiphong Road, Tsim Sha Tsui, one of Hong Kong's most vibrant retail and commercial precincts, The Camphora delivers a combination of modern style and rich heritage. Popular malls, chic boutiques, quaint bistros as well as the picturesque Kowloon Park are within easy reach.

The nine-storey building delivers 24 immaculately-appointed studio residences and a clubhouse. Residents can enjoy attentive services and amenities provided by Sino Homes.





**PROPERTIES FOR INVESTMENT/OWN USE** (Continued)**30 THE JOHNSTON SUITES HONG KONG**

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

## PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



### **31 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/OWN USE *(Continued)*



### 32 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.

### 33 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/OWN USE (Continued)



**34 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.



**35 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/OWN USE *(Continued)*



### 36 OLYMPIAN CITY

Olympian City is located at Olympic Station and connected to Mongkok and the surrounding affluent residential estates by a comprehensive footbridge system. The 800,000-square-foot regional mall offers a wide variety of shops, from international fashions and cosmetics to kids' favourites and lifestyle accessories. The mall is well-known 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.



### 37 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/OWN USE *(Continued)*



### 38 TSIM SHA TSUI CENTRE

Tsim Sha Tsui Centre was the first development at Tsim Sha Tsui East. It is a tribute to the 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.

### 39 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/OWN USE *(Continued)*



## 40 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 only a short stroll from the Star Ferry Terminal and Tsim Sha Tsui and Austin Stations.



## 41 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/OWN USE *(Continued)*

### 42 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.





## PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*

### 43 148 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.

### 44 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/OWN USE *(Continued)*

### 45 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.



### 46 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 at 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 between 2013 and 2015.



### 47 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 approximately 13,000 sq. ft., the pier houses The Fullerton Bay Hotel's destination restaurant, The Clifford Pier, which features alfresco dining with breathtaking waterfront views.





## PROPERTIES FOR INVESTMENT/OWN USE *(Continued)*



### 48 CONRAD HONG KONG

Towering from the 40<sup>th</sup> to the 61<sup>st</sup> floor 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.

### 49 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, 2015, the Group has 37.8 million square feet of land bank. This land bank consists of a well-diversified portfolio of properties, comprising: residential 61.9%, commercial 24.7%, industrial 6.0%, car parks 4.0% and hotels 3.4%. 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, 2015.

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	21,587,851	1,908,913	0	39,676	531,539	24,067,979	63.7%
Investment Properties and Hotels	212,186	7,322,921	1,754,017	1,464,849	754,775	11,508,748	30.5%
Completed Properties for Sale	1,592,186	105,849	506,480	0	0	2,204,515	5.8%
<b>Total</b>	<b>23,392,223</b>	<b>9,337,683</b>	<b>2,260,497</b>	<b>1,504,525</b>	<b>1,286,314</b>	<b>37,781,242</b>	<b>100.0%</b>
<b>Percentage</b>	<b>61.9%</b>	<b>24.7%</b>	<b>6.0%</b>	<b>4.0%</b>	<b>3.4%</b>	<b>100.0%</b>	

	By Location and Usage					Total Area	Percentage
	Residential	Commercial	Industrial	Car Park	Hotel		
	<i>(Floor Area in Square Feet)</i>						
New Territories	2,056,833	2,182,235	766,715	1,039,910	0	6,045,693	16.0%
Kowloon	1,394,191	3,144,920	1,493,782	391,452	43,759	6,468,104	17.1%
Hong Kong Island	307,383	1,229,513	0	60,302	165,506	1,762,704	4.7%
China	19,633,816	2,650,286	0	12,861	531,539	22,828,502	60.4%
Singapore	0	130,729	0	0	545,510	676,239	1.8%
<b>Total</b>	<b>23,392,223</b>	<b>9,337,683</b>	<b>2,260,497</b>	<b>1,504,525</b>	<b>1,286,314</b>	<b>37,781,242</b>	<b>100.0%</b>

# 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)



## (2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2014/2015

### **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. The area is well known for various types of sports including water sports and cycling. The Occupation Permit for the project was issued in June 2015 and it affords a total of approximately 720,757 square feet of plot ratio area. Of this total plot ratio area, 675,710 square feet are for residential purposes comprising 546 units and the remaining area of 45,047 square feet for commercial. Certificate of Compliance is expected to be obtained in the financial year 2015/2016. The project was launched for sale in June 2014 and to date, approximately 92% of the residential units have been sold.

### **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 Occupation Permit for the project was issued in June 2015 and it affords a total of approximately 720,757 square feet of plot ratio area. 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. Certificate of Compliance is expected to be obtained in the financial year 2015/2016. The project was launched for sale in June 2014 and to date, approximately 84% of the residential units have been sold.

### **The Avenue, Phase 2 (Joint Venture)**

200 Queen's Road East, Wan Chai, Hong Kong

The Urban Renewal Authority of Hong Kong awarded the Group the development right to the above site in June 2009. The project is 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. Wan Chai is a major art and cultural hub with two renowned institutions, namely the Hong Kong Academy for Performing Arts and the Hong Kong Arts Centre located in the area. It is also well known for the school network. Commuters can easily access to other areas from Wan Chai via a good network of public transports, including the MTR, trams and buses.

**(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2014/2015** *(Continued)***The Avenue, Phase 2 (Joint Venture)** *(Continued)*

The project has two sites, Site A and Site B. Situated at 200 Queen's Road East, Site A, also known as Phase 2 comprises a total of approximately 617,585 square feet of residential plot ratio area in 1,096 units and a shopping mall of approximately 87,720 square feet of plot ratio area. The Occupation Permit for Phase 2 was obtained in April 2015 and the Certificate of Compliance is expected to be obtained in the financial year 2015/2016. Phase 2 was launched for sale in November 2013 and to date, approximately 95% of the units in this Phase have been sold.

Site B of The Avenue, also known as Phase 1, is located at 33 Tai Yuen Street. It has a total of approximately 113,808 square feet of residential plot ratio area in 179 units. The Occupation Permit for Phase 1 was obtained in the last financial year 2013/2014 and the Consent to Assign/Certificate of Compliance was obtained in December 2014. Phase 1 was launched for sale in January 2014 and to date, approximately 99% of the units in this Phase have been sold.

**Dragons Range (40% owned)**

33 Lai Ping Road, Kau To, New Territories, Hong Kong

The development site of Dragons Range was acquired at a government land auction in August 2011. It is in the mid-level of Kau To Shan and surrounded by mountain greenery. The project is for residential development which affords a total of approximately 1,031,471 square feet of plot ratio area in 970 units. The Occupation Permit for Dragons Range was obtained in June 2015 and its Certificate of Compliance is expected to be obtained in the financial year 2015/2016. It was launched for sale in November 2014 and to date, approximately 81% of the units have been sold.

**Park Metropolitan (Joint Venture)**

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

In December 2009, the Group was awarded the right to develop the site in Yuet Wah Street in Kwun Tong. The project has a total of approximately 232,825 square feet of residential space in 299 units. The Occupation Permit was issued in July 2014 and the Certificate of Compliance was issued in October 2014. It was launched for sale in November 2013 and to date, approximately 99% of the units have been sold.

**(2) HIGHLIGHTS OF THE GROUP'S PROPERTIES COMPLETED DURING THE FINANCIAL YEAR 2014/2015 (Continued)**

**IL2138RP (100% owned)**

53 Conduit Road, Hong Kong Island, Hong Kong

The Group acquired this site for residential development from a private landlord in August 2004. Occupation Permit for this project was obtained in June 2015. Certificate of Compliance is expected to be obtained in the financial year 2015/2016. The project provides a total of approximately 60,421 square feet of plot ratio area in 27 residential units. The project is expected to be launched for sale in the financial year 2015/2016.

**Park Ivy (Joint Venture)**

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

The Group was awarded the development right from the Urban Renewal Authority of Hong Kong to develop the site of KIL11200 in Tai Kok Tsui 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, all of the units have been sold. The Occupation Permit was issued in July 2014 and the Certificate of Compliance was issued in September 2014.

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

**DEVELOPMENT PROJECTS IN HONG KONG**

**NKIL 6514 (Joint Venture)**

Kwun Tong Town Centre Project (Development Areas 2 & 3)

Kwun Tong, Kowloon, Hong Kong

In September 2014, the Group was awarded the right to develop Areas 2 and 3 of the Kwun Tong Town Centre Development project. The project is the largest redevelopment initiative ever undertaken by the Urban Renewal Authority of Hong Kong. It is divided into five development areas comprising residences, shopping arcades, office buildings, a hotel and a transport interchange. Development Areas 2 and 3 comprise residences, shopping arcades and a transport interchange. Upon completion, the project will be a vibrant world-class integrated mixed-used mega development. The location is easily accessed by various modes of public transport including MTR.

Upon completion which is estimated to be in the financial year 2020/2021, the project will provide residential plot ratio area of approximately 1,495,981 square feet in approximately 2,000 units. The project is currently at planning and foundation stage.

**(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***FSSTL 255 (100% owned)**

Junction of Luen Hing Street, Wo Fung Street and Luen Shing Street, Luen Wo Hui, Fanling, New Territories, Hong Kong

The site was acquired at a government tender in September 2014. Luen Wo Hui was formerly a market developed by local people and it is a popular place where local people do shopping daily. The building of Luen Wo Market has a history of over half of a decade. The project is next to Luen Wo Market and it is also close to Fanling Station.

Upon completion which is estimated to be in the financial year 2018/2019, it will provide a total of 209,907 square feet of plot ratio area comprising 135,894 square feet of residential area, 34,337 square feet of commercial area and 39,676 square feet of carparking space. The project is currently at foundation stage.

**NKIL 6313 (30% owned)**

Junction of Cheung Yip Street, Sheung Yee Road and Wai Yip Street, Kowloon Bay, Kowloon, Hong Kong

The site was acquired at a government tender in May 2015 and it is for commercial development. Upon completion which is estimated to be in the financial year 2018/2019, it will provide a total of 490,193 square feet of commercial plot ratio area. As the Group has 30% equity interest in the project, the total plot ratio area attributable to the Group will be 147,058 square feet.

**TKOTL 117 Area 66C2 (60% owned)**

23 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong

This site was acquired at a government tender in September 2012 and it is located on the sea-front of Tseung Kwan O overlooking Junk Bay. Upon completion which is expected 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. The project was launched for sale in June 2015 and to date, a total of approximately 97% of the units have been sold.



**(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***YLTL 513 (Joint Venture)**

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.

**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, which is well-known as the "Back Garden of Hong Kong", is surrounded by greenery and mountains. It is also close to the sea-front of Sai Kung Promenade. The project is also in proximity to some public recreation facilities and can be accessed by public transport. Upon completion which is expected to be in the financial year 2016/2017, a total of 249,133 square feet of plot ratio area in approximately 297 residential units will be built. The project is currently under site formation stage.

**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 Ma On Shan Country Park. Upon completion which is expected to be in the financial year 2016/2017, a total of 173,796 square feet of plot ratio area in approximately 286 residential units will be built. The project is currently under site formation stage.

**(3) HIGHLIGHTS OF THE GROUP'S MAJOR PROPERTY DEVELOPMENTS** *(Continued)***DEVELOPMENT PROJECTS IN HONG KONG** *(Continued)***Lot 1181 in Demarcation District No. 215 (100% owned)**

Hong Kin Road, Tui Min Hoi, Sai Kung, New Territories, Hong Kong

The site was acquired at a government tender in April 2015. It is located at the prime position along the waterfront of Sai Kung town and is closed to 6-hectare Sai Kung Outdoor Recreation Centre managed by Leisure and Cultural Services Department of the HKSAR Government and 16-hectare Lions Nature Education Centre managed by the Agriculture, Fisheries and Conservation Department of the HKSAR Government. Upon completion which is estimated to be in the financial year 2018/2019, the project will provide a total of approximately 51,592 square feet of residential plot ratio area. The project is under site investigation stage.

**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 Demarcation District 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 2015/2016, 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 at construction stage. Upon completion which is expected to be in the financial year 2016/2017, 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.

**(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 superstructure works are under progress. Upon completion which is expected to be in the financial year 2015/2016, a total of approximately 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 foundation stage. Upon completion which is expected to be in the financial year 2016/2017, a total of approximately 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 expected to be in the financial year 2017/2018, a total of approximately 11,195 square feet of residential plot ratio area will be built.

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

#### DEVELOPMENT PROJECTS IN CHINA

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

No. 9, Yufeng 2 Road, Chenghua District (Intersection of Yinghui Road and Yufeng 2 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 the second ring road and is situated along The Sha River (River of Sand) and facing Tazishan Park. It is only about 2 km from the regional railway hub, The Chengdu East Railway Station. The site is near to various transport network including Tazishan Park Station of the Metro Line number 2, Sha River Station of the Metro Line number 4 and Jiancai Road South Station of the Metro Line number 7.

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 is sold and completed in phases. During the financial year 2014/2015, the Group completed a total of 1.6 million square feet of residential floor area of the project.

In respect of sales, a total of 1,542 residential units have been launched for sale since September 2013 and to date, approximately 79% of these units have been sold.

##### **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.

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

#### DEVELOPMENT PROJECTS IN CHINA (Continued)

##### **The Coronation, Chongqing (50% owned) (Continued)**

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 9.0 million square feet in a total of approximately 7,700 units and commercial of approximately 1.7 million square feet. The project is sold and completed in phases. During the financial year 2014/2015, the Group completed a total of approximately 0.5 million square feet of floor area of the project comprising both residential and commercial areas.

In respect of sales, a total of 1,036 residential units have been launched for sale since March 2014 and to date, approximately 80% of these units have been sold.

##### **Dynasty Park, Zhangzhou, Fujian Province (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 is 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 4,000 units and the remaining commercial space.

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 last financial year 2013/2014.

In respect of sales, a total of 1,146 residential units have been launched for sale since September 2012 and to date, approximately 89% of these units have been sold.



## REVIEW OF OPERATIONS *(Continued)*

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

#### DEVELOPMENT PROJECTS IN CHINA *(Continued)*

##### **Mayfair By The Lake, Xiamen (100% owned)**

No. 26 The North Hubin Road, Xiamen, Fujian Province, PRC

The project will provide a total of approximately 507,522 square feet of plot ratio area consisting of approximately 488,485 square feet of residential space in 487 units and approximately 19,037 square feet of retail space upon completion, which is estimated to be in the financial year 2016/2017. The project was launched for sale in June 2015 and to date, approximately 32% of the units have been sold.

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

##### **Botanica Bay (100% owned)**

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

The site of Botanica Bay 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 obtained in September 2013 and the Certificate of Compliance was issued in March 2015. A total of 6 houses have been sold.

##### **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 83% 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 91% 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 92% 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.

**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 in Collyer Quay, the Group has developed and transformed the entire area into a major destination for hospitality, dining and entertainment. The development has been named The Fullerton Heritage which comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, One Fullerton, The Fullerton Waterboat House, Clifford Pier, Customs House and The Fullerton Pavillion. 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.

## REVIEW OF OPERATIONS *(Continued)*

### (5) MAJOR INVESTMENT PROPERTIES AND HOTELS

The Group's investment properties and hotels, including attributable share in associated companies, was approximately 11.5 million square feet as at 30th June, 2015. The portfolio comprises properties of diversified usage:

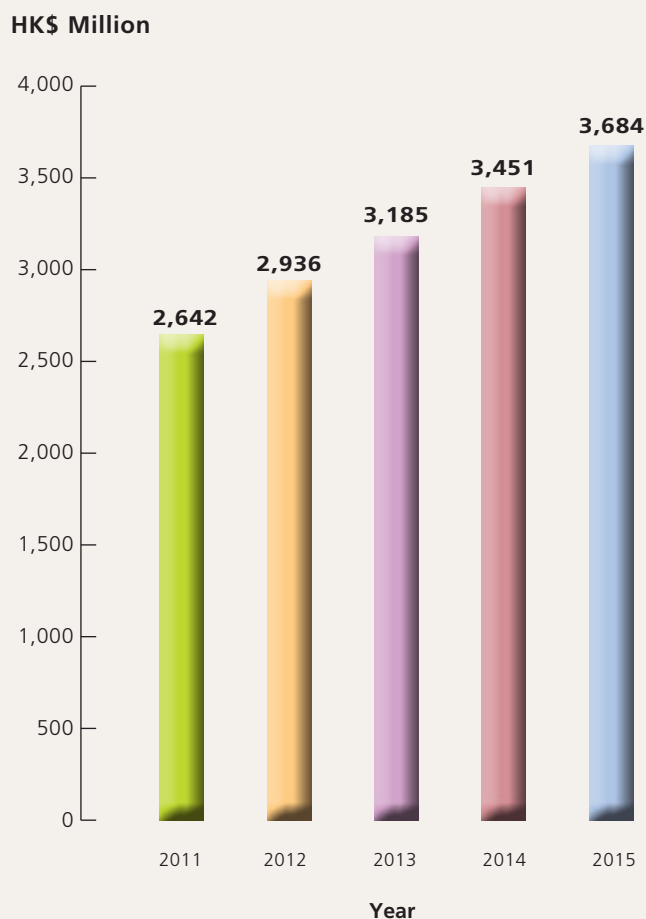
<b>Use</b>	<b>Floor Area</b> <i>(Square feet)</i>	<b>Percentage</b>
Office/Retail	7,322,921	63.6%
Industrial	1,754,017	15.2%
Car parks	1,464,849	12.7%
Hotels	754,775	6.6%
Residential	212,186	1.9%
	<u>11,508,748</u>	100.0%

## REVIEW OF OPERATIONS *(Continued)*

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

The Group's investment property portfolio showed an overall occupancy rate of 98% for the financial year 2014/2015. Including contributions from associated and related companies, the total gross rental revenue was HK\$3,684 million.

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



## (6) HIGHLIGHTS OF INVESTMENT PROPERTIES

### **Tuen Mun Town Plaza Phase I (100% owned)**

1 Tuen Shun Street and 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. A good transport network including the West Rail, the local Light Rail System and buses as well as increasing number of residential developments in the region over the years are the major contributory factors that help to increase the shoppers' flow.

Trade mix is regularly reviewed and reorganised from time to time to meet the demand of shoppers. A balanced trade mix combined with the Group's thematic promotional and marketing events, customers shopping in mall will find it interesting and inviting. The Group will continue its effort in providing a pleasant shopping environment for its customers. The mall was close to full occupancy during the year under review.

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

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

Olympian City 1 and 2 shopping malls are part of the developments that surround the Olympic Station in West Kowloon. They are inter-connected and linked to the Olympic Station by footbridges. These two shopping malls combined offer in excess of 650,000 square feet of retail space and they are conveniently accessed by MTR and other public road transports. With the population growth and infrastructure development of West Kowloon in recent years, the malls have grown into 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 international events.

Olympian City 1 and 2 with its three levels of shopping, an open piazza, variety of retail and a cinema offer shoppers a broad range of choices of entertainment and shopping, and the opportunity to dine on a wide selection of cuisines in its restaurants and food court. These are important to sustain shoppers' flow, raise the popularity of the mall and provide an enjoyable shopping environment for our customers. Both malls were maintained at a high occupancy throughout the year under review.



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

**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 which offers approximately 250,000 square feet of retail space. The development is located in the heart of Tsuen Wan, with footbridge connecting to the Tsuen Wan Station of Tsuen Wan Line and the Tsuen Wan West Station of the West Rail as well as other developments.

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 a high occupancy rate and shoppers' flow during the year under review.

**(6) HIGHLIGHTS OF INVESTMENT PROPERTIES** *(Continued)***Citywalk 2 (Joint Venture)**

18 Yeung Uk Road, Tsuen Wan, New Territories

Citywalk 2 is a contemporary three-storey technologically innovative mall comprising approximately 200,000 square feet of space. 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 2014/2015.

**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 good consumer choice. The ground floor comprises an air-conditioned public transport interchange equipped with digital electronic information system. Served by different bus companies with more than 20 routes, it links popular locations across the territory and help increase shoppers' flow. The mall features fine retail shopping and the relaxed appeal of a spacious promenade with views of Victoria Harbour. The mall was close to full occupancy during the year under review.

**Coronation Circle (45% owned)**

1 Yau Cheung Road, South West Kowloon, Hong Kong

Coronation Circle is the commercial part of the residential development named The Coronation. It 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. The mall has a total of 86,758 square feet of plot ratio area. The mall features fine retail shopping and quality education centres to serve the residents in the region.

**(6) HIGHLIGHTS OF INVESTMENT PROPERTIES (Continued)****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 West Rail Line, the Tsim Sha Tsui East (Mody Road) bus terminus 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 additions of London House by Gordon Ramsey, as well as other merchandises, the mall has attracted locals and overseas visitors. During the financial year 2014/2015, the property manager of the building Sino Estates Management Limited received a number of awards in recognition of its effort in energy saving, reducing carbon and maintaining water quality for the building. Both office and retail of the building were close to full occupancy during the year under review.

**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 West Rail and Austin Station. During the financial year 2014/2015, the property manager of the building Sino Estates Management Limited received awards in recognition of its efforts in applying good indoor air quality, energy saving and carbon reduction initiatives in managing the building. The property enjoyed high occupancy during the year under review.

**(6) HIGHLIGHTS OF INVESTMENT PROPERTIES** *(Continued)***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 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 office 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 2014/2015, the building was rated 'Excellent Class' in three categories in the Hong Kong Awards for Environmental Excellence and these three categories were Energywise Label, IAQwise Label and Wastewise Label. Further, the Water Supplies Department of the HKSAR Government has also awarded the Group a Gold Certificate to recognise its water quality. 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.

**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 occupancy of the building was maintained at high level during the year under review.

**(6) HIGHLIGHTS OF INVESTMENT PROPERTIES** *(Continued)***Central Plaza (10% owned)**

18 Harbour Road, Wan Chai, Hong Kong

Central Plaza 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

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.

**The Hennessy (100% owned)**

256 Hennessy Road, Wan Chai, 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 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.



**(6) HIGHLIGHTS OF INVESTMENT PROPERTIES** *(Continued)***148 Electric Road (100% owned)**

148 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 HKU Station and the Western Harbour Tunnel. The building provides 131,960 square feet area of office space and a 32,500 square feet shopping podium. During the financial year 2014/2015, the property manager Sino Estates Management Limited received awards in recognition of its efforts in maintaining the water quality of the building as well as applying initiatives to protect the environment. The occupancy rate was maintained at high level during the year under review.

**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 is connected with The Fullerton Hotel Singapore by an underground traveller. It 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. It was built in 1900 and acquired by the Group in May 2002. The property has a total of 21,743 square feet of area.

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

**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 (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 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, it officially opened on 1st January, 2001.

Located at the waterfront with 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 and 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 Hotel received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2014/2015. These awards included Condé Nast Traveler USA – Amongst Best Hotels in Southeast Asia in Readers' Choice Awards 2014, Condé Nast Traveller UK – Amongst Top 20 Hotels in Asia & India in Readers' Travel Awards 2014, Travel + Leisure USA – Amongst Top 20 City Hotels in Asia in World's Best Awards 2014, Best Heritage Hotel (World Category) 2015 by Travel + Leisure India & South Asia 2015, World's Best Hotels 2015 – Top 100 Hotels in the World conferred by Institutional Investor.

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).

**(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, La Brasserie 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 approximately 14,000 square feet of commercial space. It was closed for refurbishment in January 2014 and re-opened for business in May 2014. The pier is now operated as a restaurant under The Fullerton Bay Hotel and has been named The Clifford Pier in honour of the landmark's legacy. The restaurant has received awards in recognition of its quality of food and beverage as well as its service and these awards included Best Food & Beverage Customer Service in the Singapore Experience Awards 2014. It was also showcased in magazines such as Singapore Tatler's Best Restaurants Guide 2015, Singapore's Top Restaurants 2015 by Wine & Dine magazine and I-S Magazine Top Tables Guide 2015.

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

## REVIEW OF OPERATIONS *(Continued)*

### (7) HOTELS *(Continued)*

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

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 sweeping views of the Marina Bay waterfront and the Singapore skyline.

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 2014/2015. These awards included Condé Nast Traveler USA – Amongst Best Hotels in Southeast Asia in Readers' Choice Awards 2014, Best Boutique Hotel in Asia Pacific 2014 by Business Traveller Asia-Pacific, Fodor's 100 World's Best Hotels USA 2014 Awards, World's Best Hotels 2015 – Top 100 Hotels in the World conferred by Institutional Investor and the coveted Five Star Rating for the third consecutive year by Forbes Travel Guide.

#### **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 2014/2015. These awards included Condé Nast Traveler – Top 40 Hotels in China, Reader's Choice Award 2014, Smart Travel Asia Hotel 25 Conference Hotel and Business Hotel in Asia and Travel + 2014 China Travel Awards – Best MICE Hotel. Its Chinese restaurant Golden Leaf was rated One Michelin Star in the Hong Kong & Macau Michelin Guide 2015 and its three restaurants namely Golden Leaf, Nicholini's and Brasserie on the Eighth was rated 100 Top Tables 2015 by SCMP and Hong Kong & Macau's Best Restaurants 2015 by Hong Kong Tatler.



**(7) HOTELS (Continued)****The Westin Sydney (50% owned)**

1 Martin Place, Sydney, New South Wales 2000, Australia

The Group acquired The Westin Sydney in July 2015 subsequent to the financial year ended 30th June, 2015. Located in the heart of Sydney's fashion and financial district, The Westin Sydney is a 5-star deluxe hotel with a total of 416 guest rooms and extensive conferencing facilities. The property is complemented by a large prime retail podium with its unparalleled location fronting Martin Place, George and Pitt Streets. Part of the redevelopment of Sydney's historic General Post Office on Martin Place, The Westin Sydney is surrounded by Sydney's most exclusive designer shopping, best restaurants and theatres, and is close to Sydney attractions such as Darling Harbour, the Sydney Opera House and the Sydney Harbour Bridge. The Westin Sydney received a number of awards from respected organisations and magazines in recognition of its standards of service during the financial year 2014/2015. These awards included Certificate of Excellence Hall of Fame 2015 and Certificate of Excellence 2015 both by TripAdvisor, Classic Luxury Hotel of the Year by Luxury Travel Guide 2015, Top 5 – Sydney's top 20 hotels by trivago Hotel Ranking Awards 2014, NSW's top 50 hotels by trivago Hotel Ranking Awards 2014, Finalist – Best Australian Hotel by Luxury Travel Gold List Awards 2014.

**(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 2014/2015, the Group participated in a total of 8 investor conferences, 9 non-deal roadshows and 2 analysts' briefings.

<b>Date</b>	<b>Type</b>	<b>Region/ Country/City</b>	<b>Organiser</b>
Aug-14	Analysts' Briefing	Hong Kong	–
Aug-14	Non-deal Roadshow	Hong Kong	JP Morgan/DBS Vickers
Sep-14	Non-deal Roadshow	Europe	BNP Paribas
Sep-14	Non-deal Roadshow	United States	HSBC
Sep-14	Investor Conference	Hong Kong	CLSA

## REVIEW OF OPERATIONS *(Continued)*

### (8) CORPORATE AFFAIRS *(Continued)*

Date	Type	Region/ Country/City	Organiser
Oct-14	Non-deal Roadshow	Australia and Singapore	Goldman Sachs
Nov-14	Investor Conference	Macau	Citigroup
Nov-14	Investor Conference	Hong Kong	Goldman Sachs
Jan-15	Investor Conference	Hong Kong	BNP Paribas
Feb-15	Analysts' Briefing	Hong Kong	–
Feb-15	Non-deal Roadshow	Hong Kong	Goldman Sachs/ Morgan Stanley
Feb-15	Non-deal Roadshow	United States	JP Morgan
Mar-15	Non-deal Roadshow	Europe	HSBC
Mar-15	Investor Conference	Hong Kong	Credit Suisse
Apr-15	Investor Conference	Hong Kong	DBS Vickers
Apr-15	Investor Conference	Hong Kong	UBS
May-15	Non-deal Roadshow	Australia and Singapore	UBS
May-15	Non-deal Roadshow	Shanghai	CLSA
Jun-15	Investor Conference	Hong Kong	Citigroup

During the financial year 2014/2015, the Group received the 'Corporate Governance Asia Annual Recognition Awards 2015' 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 to help save paper.

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

## (9) EMPLOYEE PROGRAMMES

As at 30th June, 2015, the Group employed approximately 9,300 full-time staff.

In line with the Group's mission of being the "Preferred Choice for Customers, Investors and Employees", we have established policies and provided programmes to ensure that employees are given growth opportunities and provided with a rewarding career. The Group also seeks to retain talents through competitive employment packages, incentive schemes and a supportive work environment. Employee engagement and employee development are always placed on top of the corporate agenda.

### Employee Engagement

The Group strongly believes that employee engagement is critical to the organisational success and therefore a high priority is placed to ensure that open two-way communication between management and employees are established. Over one hundred "Quality Improvement Team" members continued to garner quality improvement ideas and suggestions from employees from different levels to help drive quality and excellence in customer service, operational effectiveness and office procedures.

An employee survey was conducted in 2014 to gain feedback on and measure employee engagement in the workplace for the management to further strengthening and improving people practices based on the identified engagement factors along the vision of enabling Sino to become the employer of choice.

In addition, different forms of communication channels such as "Town Hall Meetings", "Staff Communication Meetings", "Staff Suggestion Scheme", regular site visits and company newsletters were deployed to promote open communication and listen to the views of our employees. Regular recreational and welfare facilities and activities including holiday flat at Hong Kong Gold Coast, holiday houses at Cheung Sha, company-sponsored local tours, Ocean Park Halloween Fest, movie nights, interest classes and children's Christmas party were also arranged for employees to enjoy with their family members. Activities held during the financial year of 2014/2015 were well-received by more than 5,100 participants.

As a caring employer, the Group also introduced family-friendly policies such as "Birthday Laisee", "Children Education Scholarship and Bursary Scheme", "Financial Assistance for Special Need Education", "Textbook Subsidy Scheme", "Employee Children Summer Internship" and "Children Book Reading Award Scheme" to extend our care and support to family members of our employees.



*The Group strives to help employees grow professionally and serve customers better. We provide in-house training on personal effectiveness, leadership development, project management, professional knowledge, corporate governance and language proficiency each year. During the financial year 2014/2015, approximately 87,300 hours of in-house training were provided.*

## (9) EMPLOYEE PROGRAMMES *(Continued)*

### Staff Training & Development

The Group fosters a continuous learning culture and provides systematic training and development programmes under a comprehensive curriculum and structured academies to support employees' training and career development needs. The Group also sets aside budget and offers education and training sponsorship to support employees' career development.

During the financial year of 2014/2015, approximately 87,300 training hours were provided to employees within the Group, 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 Train-the-Trainer programme was launched in 2014. With a series of onsite training and assessment sessions, over 150 supervisors have been qualified as site trainers for delivering service training as well as monitoring and ensuring continuous service improvement at sites. "Wisdom of the Week", a culture building programme supporting the company to reinforce service culture, was launched in 2012. Understanding of the company's core values and integrating them into daily work by employees has been further enhanced since then.

The Group's training "Academies" aim to help employees to grow professionally and provide better customer service. The "Academies" offer a series of 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.

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 award of "Manpower Developer 1st (MD1st)" under the "ERB Manpower Developer Award Scheme" since 2010.

**(9) EMPLOYEE PROGRAMMES** *(Continued)***Leadership and Management Development**

Executive and leadership development programmes were organized regularly for managers and senior leaders to strengthen the Group's leadership capability. The Group continues to organize "The Seven Habits of Highly Effective People Foundation Programme®" to promote continuous improvement in personal effectiveness and "Dialogue in the Dark" to promote teamwork. New programme Edward de Bono's "Power of Perception™" was organized to cultivate effective thinking techniques for making better decision.

To further enrich the existing management training curriculum, a new in-house programme "Enhancing Managerial Effectiveness Training Series" has been developed to support middle to senior managers in building core management competencies. Apart from training programmes, seminars and management talks with speakers of experts from different fields and professions were organised for the management team to keep abreast of the best leadership practices and latest market trends around different topics such as "The Power of Positive Relationship", "Business Transformation" etc.

**Talent Management**

The Group has taken considerable steps to strengthen its leadership pipeline to support the continuous business development in Hong Kong and Mainland China. In addition to recruiting top-tier graduates from the local universities in Hong Kong, the Group has expanded the talent base by encouraging graduates from prestigious Mainland China and overseas' universities to join the Group's Corporate Management Trainee Programme.

The Group also collaborates with renowned universities such as Tsinghua University, Yale University and Columbia University and other education institutions to sponsor students undertaking internship in our company. These have been established to provide working opportunity for young talents who are interested in considering long-term career development with the different functions and businesses of the Group while creating a pipeline for promising candidates to join the Group to support its ongoing success.





*Sino Estates Management Limited received eleven awards at the Excellence in Facility Management Award 2014 organised by the Hong Kong Institute of Facility Management in recognition of its efforts in promoting the facility management profession and the excellence in performance of delivering quality facility management service.*

## (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 54.4 million square feet.

### 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.

**(10) SINO PROPERTY SERVICES** *(Continued)***Property Management Service** *(Continued)*

Our efforts in quality services are recognised by the public. In recognition of our continuous improvement and innovation in customer services, ten projects including Skyline Tower, Exchange Tower, China Hong Kong City, Citywalk, tmtplaza, Park Summit, Vision City, Pacific Palisades, Remington Centre and Fullerton Centre won the Excellence in Facility Management Award in various categories at the Excellence in Facility Management Award 2014 organised by The Hong Kong Institute of Facility Management. In addition, Olympian City, Citywalk, Pacific Palisades, The Hermitage, and Westin Centre achieved the Merit Award at the Quality Property & Facility Management Award 2014 by The Hong Kong Institute of Surveyors and The Hong Kong Association of Property Management Companies. During the reporting period, SPS received a total of 299 certificates from the Hong Kong Police Force's various Regional Crime Prevention Offices and District Fight Crime Committees.

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, tmtplaza, Avon Mall and Regentville Shopping Mall were given the 5 Years Plus Caring Company Logo. Olympian City, Island Resort Mall and Gold Coast Piazza also received the Caring Company Logo 2014/15. 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.



*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.*

**(10) SINO PROPERTY SERVICES (Continued)****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 11 academies 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 for all our employees, 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).

**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, 3,758 staff members have completed the Mandatory Basic Safety Training Courses (Construction Work) and 476 staff have completed the Confined Spaces Operations Safety Training Course. SPS's commitment to providing a safe working and living environment to employees, customers and other stakeholders are also well recognised. Hong Kong Pacific Centre was conferred the Gold Award of the Safety Culture Award at the Best Property Safety Management Award 2014/15 organised by the Occupational Safety and Health Council. The Centrium and Shatin Galleria also received the Bronze Award of the Best Safety Enhancement Program for Working at Height and the Merit Award of the Best Property Management Award in Occupational Safety and Health respectively.

**Best Property Safety Management Award 2014/15**

*Hong Kong Pacific Centre, The Centrium and Shatin Galleria have been recognised at the Best Property Safety Management Award 2014/15 organised by the Occupational Safety and Health Council (OSHC) for their continuous efforts in promoting Occupational Safety and Health in property management.*

**(10) SINO PROPERTY SERVICES (Continued)****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'. During the reporting period, 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 128 electric vehicle chargers have been installed at 56 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. Skyline Tower won the Bronze Award of the Theme Award for 2014: "Waste Management" at the Excellence in Facility Management Award 2014 organised by the Hong Kong Institute of Facility Management. In recognition of their efforts in energy saving, tmtplaza achieved the Grand Award (Prestige Honour Award), whereas Citywalk 2 and The Hermitage received the Gold Award (Property Management – Shopping Mall) and the Silver Award (Property Management – Residential) respectively at the CLP GREENPLUS Recognition Award 2014 organised by CLP Power Hong Kong Limited. Island Resort participated in the Pilot Scheme on Municipal Solid Waste Charging initiated by the Environmental Protection Department and completed the Scheme in November 2014. To support minimising waste at source, SPS has implemented the food waste management programme in residential properties, shopping malls, office and industrial buildings including Pacific Palisades, Hong Kong Gold Coast, Olympian City, tmtplaza, Island Resort Mall, Citywalk, Sino International Plaza, Fuzhou, 1/F Remington Centre (Best Result Environmental Services Limited – Headquarters Office) and Yau Tong Industrial City (Perfect Wash Dishwashing and Sterilisation Service Centre).



*Food waste management schemes have been implemented at residential developments, shopping malls, office and industrial buildings managed by the Group, including Pacific Palisades, Hong Kong Gold Coast, Olympian City, tmtplaza, Island Resort Mall, Citywalk, Sino International Plaza in Fuzhou, 1/F Remington Centre (Best Result Environmental Services Limited – Headquarters Office) and Yau Tong Industrial City (Perfect Wash Dishwashing and Sterilisation Service Centre). Olympian City is the first shopping mall in Hong Kong to install a high-efficiency food decomposer, which has a capacity of 500 kg per day and can decompose 99.8% of food waste.*

**(10) SINO PROPERTY SERVICES** *(Continued)*

**Environmental Protection** *(Continued)*

BRESL and its subsidiary, Perfect Green Supplies Company Limited (Perfect Green) offer a wide range of food waste treatment solution to shopping malls managed by SPS. To achieve the goal of food waste reduction as a whole, BRESL and Perfect Green provided advice and assistance to help them select and install different types of Food Waste Decomposer (FWD). For example, Island Resort Mall installed 100 kg/day high-efficiency FWD, tmtplaza installed 350 kg/day liquefying-type FWD and Olympian City installed 500 kg/day high-efficiency FWD.

Integrated waste resources management solution is another core service of Perfect Green. Traceable recycling services and various installations at Perfect Green help multi-sector to achieve environmental goals. In March 2015, Perfect Green provided installation of a high-efficiency FWD for a government department.

BRESL and Perfect Green have also been collaborating with universities to work on sustainability initiatives such as developing Radio Frequency Identification system (RFID) with the Department of Industrial and Systems Engineering of The Hong Kong Polytechnic University for better tracking, logistics planning and management. By collaborating with Hong Kong Baptist University (HKBU), Perfect Green and the Low-carbon Ambassadors of HKBU have conducted a behavioural study to analyse consumers' preferences in order to arouse public awareness on green products.

**(10) SINO PROPERTY SERVICES** *(Continued)***Business Development Highlights**

As part of its business strategy for the next few years, SSSL started diversifying its business by obtaining a Type III Security Company license which allows the company to install and repair security devices and/or to design a security system incorporating a security device in January, 2015. SSSL is now working on a project for provision and installation of security system at The Olympian Hong Kong.

SPSL is making steady progress in developing and implementing their in-house car park control system, jointly with The Hong Kong Polytechnic University. Currently, the system has been deployed in over 30 car parks. With the HKSAR Government's Innovative Technology Funding (ITF) amount to HK\$2 million, based on the in-house car park control system, SPSL has established the Advanced Automobile Parking Navigation Platform in which the mobile app, the Environment, Health and Safety System (EHS) which is made up of comprehensive wireless nodes equipped with various sensors and other innovative global technologies greatly enhances car park patrons' parking experience. SPSL won the Silver Award in both the IoT Implementation Excellence and the IoT Application Innovation categories at the Hong Kong Internet of Things (IoT) Awards 2014 by GS1 Hong Kong, and received the Big Data Analysis Award 2014 on Variety at the Big Data Analysis Awards 2014 by the China & Hong Kong Enterprise Market Development Association.

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



# REVIEW OF OPERATIONS *(Continued)*



The Group has been a constituent member of the Hang Seng Corporate Sustainability Index since September 2012 for its continual efforts in promoting sustainability.



During the reporting period, the Group published its fourth 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.

## (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.

In the financial year 2014/2015, the Group published its 2014 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 fourth 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 2014/2015, the total number of hours for volunteer service of the Group exceeded 117,000 hours.

**(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 4,000 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 Asbury Methodist Social Service, Christian Family Service Centre, Hong Kong Young Women's Christian Association Sham Shui Po Integrated Social Service Centre, and Society for Community Organization 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 launched 'Sino Summer Mentorship Programme' and 'Sino Children Mentorship Programme' in partnership with the Tung Wah Group of Hospitals Jockey Club Tai Kok Tsui Integrated Services Centre; 80 children from the underprivileged families in Tai Kok Tsui have completed the programme since 2012. In May 2015, Sino Group launched 'Sino Children Mentorship Programme 2015'; 25 children aged from 7 to 10 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, Care and Art. The programme has been designed to help mentees build up positive attitude, confidence and team spirit in a joyful learning environment.

In September 2014, the Group partnered with First Code Academy and the Hong Kong Young Women's Christian Association Sham Shui Po Integrated Social Service Centre on 'Go Code' Project. Through the programme, about 20 pupils from underprivileged families in Sham Shui Po to learn coding and create their own smart phone apps. In 2015, the Group is expanding the 'Go Code' Project and extending partnership to CityU Apps Lab, the Hong Kong Council of Social Service and WebOrganic to provide more coding classes. Over 250 students have been enrolled in the reporting period.



*The Group launched the 'Sino Care Celebration Series' in 2013, and has partnered with our community partners to further engage underprivileged families during festive seasons to express love and care.*



*The Group launched the 'Go Code' project in 2014 in partnership with First Code Academy and the Hong Kong Young Women's Christian Association Sham Shui Po Integrated Social Service Centre. About 20 children from underprivileged families joined the programme and learnt coding. The service was expanded in 2015, working with more partners including CityU Apps Lab, the Hong Kong Council of Social Service and WebOrganic. More classes have been organised, with over 300 students recruited.*



*In February 2015, The Fullerton Hotel Singapore organised an array of activities for the elderly in collaboration with People's Association to welcome the Year of the Goat, including a red packet lantern-making workshop and a mega yu sheng tossing session. The day concluded with a dim sum tea session at The Fullerton Hotel Singapore with the guest appearance of the Fullerton Postmaster Bear mascot.*

## (11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

### **Sino Care** *(Continued)*

The Group is also a long-standing supporter of the Community Chest of Hong Kong, Hong Chi Association, the Hong Kong Council of Social Service, the Hong Kong Young Women's Christian Association and Agency for Volunteer Service. During the reporting period, the Group participated in a number of meaningful causes, including 'New Territories Walk', 'Hong Chi Climbathon', 'AVS Charity Run Sports Fun Day' and 'Team Challenge 36' 2014. 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 12th consecutive year since 2003.

In Singapore, The Fullerton Heritage partnered with People's Association to invite 40 Pioneer Generation seniors from low-income households for an excursion at The Fullerton Heritage Precinct in September 2014. The seniors, together with 20 Fullerton volunteers had an interactive time making paper lanterns and were served with a special heritage afternoon tea and mooncakes at The Clifford Pier, a place which brought back fond memories for them. The evening ended with our resident tour guide recounting tales of the bygone days and stories of the transformed Singapore to the seniors and an impromptu sing-along session of oldies.

In November 2014, The Fullerton Heritage hosted a Christmas Craft-making Workshop for underprivileged children from Hope Centre Singapore. During the workshop, children learnt to make Christmas-themed bookmarks and crafts which were presented as gifts to hotel guests during the Christmas Light-up Ceremony at The Fullerton Hotel Singapore. On the day of the Christmas Light-up Ceremony at The Fullerton Hotel Singapore and The Fullerton Bay Hotel, underprivileged children from Hope Centre Singapore were invited to decorate gingerbread man cookies for charity sale and performed a special dance piece. S\$20 from every dining patron of Giving Hope Charity Buffet was donated to help fund Hope Centre's Bursary Awards, benefiting underprivileged children under their care. A total of S\$6,740 was raised from the charity buffet, the sale of the gingerbread man cookies and the limited-edition Fullerton Christmas plush bears.

**(11) CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Sino Care** *(Continued)*

The Fullerton Heritage Family partnered with People's Association to invite 40 Pioneer Generation seniors from low income households in February 2015 to celebrate the Lunar New Year. Seniors participated in a series of activities including a red packet lantern-making workshop followed by a mega yu sheng (a salad that is popularly enjoyed in Singapore during the Chinese New Year) tossing session and a special appearance from our very own Fullerton Postmaster Bear. The day's festivities concluded with a Dim Sum Tea Session.

In celebration of International Women's Day, The Fullerton Heritage partnered the Singapore Council of Women's Organisation (SCWO) to raise funds for women-related causes in the month of March 2015. The Fullerton Heritage celebrated the achievements of women in Singapore through purple-themed dining offers including afternoon tea sets, cocktails, mocktails, a custom designed limited edition Fullerton Wonderful Woman plush bear, a special room package for ladies as well as special exhibition and tours to learn about Singapore's women pioneers. Both The Fullerton Hotel and The Fullerton Bay Hotel were also decorated in elegant purple hues throughout the month of March. A total of S\$15,865 was raised for the SCWO Service Fund.

The Fullerton Heritage welcomed children from Students Care Service along with their families for a special Mother's Day celebration with our Fullerton volunteers at The Fullerton Hotel Singapore in May 2015. The afternoon began with a session of family bonding ice-breakers and family portrait for each family. The fathers and the children then adjourned for a creative session of scrapbooking while the mothers gathered for an empowering session to learn communication skills and effective ways for self-care. The evening ended with the fathers and children presenting the scrapbook to the delight of the mothers and a buffet feast at Town Restaurant.



*In Hong Kong, elderly members from Home Care Services and Elderly Day Training Centre were invited to a Chinese New Year Tea Party in March 2015 to celebrate the New Year. Over 120 elderly living in Kwun Tong and Wong Tai Sin participated, they enjoyed dim sum, performances and played games with Sino Caring Friends.*



*tmtplaza received the Grand Award (Prestige Honour Award) at the CLP GREENPLUS Recognition Award 2014 by CLP Power Hong Kong Limited, in recognition of its efforts in energy saving.*

## (11) CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

### **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 2014/2015, 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. Skyline Tower won the Bronze Award of the Theme Award for 2014: "Waste Management" at the Excellence in Facility Management Award 2014 organised by the Hong Kong Institute of Facility Management. In recognition of their efforts in energy saving, tmtplaza received the Grand Award (Prestige Honour Award), whereas Citywalk and The Hermitage received the Grand Award (Property Management – Shopping Mall) and the Gold Award (Property Management – Residential) respectively at the CLP GREENPLUS Recognition Award 2014 by CLP Power Hong Kong Limited.

In Singapore, The Fullerton Heritage launched the 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. Recycled items included cans, plastics, glass, office used paper and waste oil.

The Fullerton Hotel Singapore and The Fullerton Bay Hotel Singapore actively encourage hotel guests to work towards green consciousness. Through the launch of Soap Recycling Programme in January 2015, the two hotels signed up the Clean the World Programme to collect used soaps from both hotels, which are then recycled and shipped to developing countries in need of help for hygiene products. The programme helps reducing waste in landfills and the spread of illnesses among communities where lacking in proper sanitation. The two hotels also initiated Save the Earth programme, to encourage guests to make an active choice whether to change their bed linens and towels daily. Both hotels have achieved good results since the implementation of this green practice with a significant percentage of guests embracing our green culture to reduce water usage to save the environment. This has also resulted in significant cost savings for the company.



**(11) CORPORATE SOCIAL RESPONSIBILITY (Continued)****Sino Green (Continued)**

To cultivate a green culture, the Fullerton Green Campaign was held together with The Fullerton Town Hall Meeting in April 2015. Activities included a Recycled Craft competition where various departments had to recycled materials to build any of the seven buildings located within The Fullerton Heritage precinct. Staff put on their thinking hats and wowed the judges with their creativity and works of art. The creations were displayed during the Town Hall Meeting. Besides the craft competition, green champions such as Sharks Savers and Food Bank were invited to set up booths to raise awareness for their respective causes on saving sharks and saving food respectively.

**Sino Art**

Dedicated to promoting arts and culture to enrich the everyday lives of Hong Kong people, Sino Group initiated 'Sino Art' in 2006 as one of the key pillars of the Group's corporate social responsibility efforts. Sino Art aims to serve the broader community in Hong Kong through arts accessibility and arts education programmes. Sino Group received the 'Award for Arts Sponsorship' for the years of 2007 and 2008, and the 'Award for Arts Promotion' of 2008 from the Hong Kong Arts Development Council.

Sino Art hopes to make arts and culture accessible to all. We curate and partner with local art and cultural organisations to foster audience building and provide local and international artists opportunities to showcase their talents at Sino Group properties, including shopping malls, hotels and office buildings. In August 2014, Sino Art and Chiczando jointly presented 'Beats of 80s' Music Spectacle at tmtplaza to provide a professional-amateur platform for new generation artists to join professional artists and bring their talents into full play. Reliving the 80s through the "top hits" of the time, the event also embraced the diversity of modern art forms through beatbox, live band, DJ and dance. In October 2014, Sino Art, Sino Care and 'Art for All' jointly presented 'Grandpa Grandma Silver Strand Gala' art exhibition and a series of workshop at Olympian City. The exhibition showcased a multitude of artworks, from digital videos, life-sized self-portraits, to communal Chinese ink collage, by a group of senior citizens who have been practicing expressive art for a year.



*The Group launched 'Sino Art in Community' in 2013 to serve the community with art, expanding the charitable efforts. During the reporting period, we have completed three mural projects in collaboration with local artists and organisations and organised workshops for children's homes and kindergartens.*



**(11) CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Sino Art** *(Continued)*

With the launch of 'Sino Art in Community' in 2013, we extend our outreach into community facilities such as hospitals, kindergartens and children's homes, where local artists create community art together with the underprivileged, children and educators. During the reporting period, three projects took place at various local neighbourhoods. In December 2014, the Group has partnered with local design collective Chiilaku on the creation of seven mural paintings for Precious Blood Children's Village in Fanling. In collaboration with the artist, Sino Art provided two workshops and a community arts event by using the characters 'Squly and Friends'. In March 2015, the Group has partnered with local artist duo All Things Bright and Beautiful on creating a 33-metre nature-themed mural located on the rooftop of Cheerland Nursery cum Kindergarten of The Boys' & Girls' Clubs Association of Hong Kong in Wan Chai. Sino Art also provided an artist-led workshop and a community arts event hosted by HKU Centre for Behavioral Health to the children. In June 2015, the Group has partnered with local artist Chungwing of La La Woodland on the creation of a large-scale (22-metre) mural located on the ground floor of Ma Tau Chung Nursery School of the Hong Kong Society of the Protection of Children. Sino Art also provided two workshops co-hosted by Chungwing and Lilliput Studio, as well as a community arts event led by the Hong Kong Youth Arts Foundation to the children.



*In addition to bringing world-class performances through the 'Sino Group Arts Celebration Series' of the Hong Kong Arts Festival, the Group also supports complementary Festival PLUS events, reaching out to a broad spectrum of the Hong Kong community with quality arts activities.*

The Group also sponsors multiple art and design events in town, adding vigour to the city's vibrant creative industries ecosystem. In the financial year 2014/2015, we have supported large-scale art and cultural events including The Still Point 2014 and Hong Kong Arts Festival 2015. 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 and Asia Art Archive.

In Singapore, The Fullerton Heritage collaborated with Galerie Bartoux Singapore to present an exhibition of painted bronze sculptures by popular French artist Julien Marinetti from November 2014 to January 2015. Marinetti's signature pieces such as the Bulldog, Teddy Bear and Panda were featured along Singapore's stunning bayfront including The Fullerton Bay Hotel, Clifford Pier, Customs House, and Merlion Park.

**(11) CORPORATE SOCIAL RESPONSIBILITY (Continued)****Sino Art (Continued)**

From January to March 2015, The Fullerton Heritage presented the 'Art for Autism: Diversity' exhibition to celebrate the different talents and perspectives of people with autism in collaboration with the Autism Resource Centre (ARC) and Pathlight School. The exhibition featured new works by 17 student artists from the school's signature Artist Development Programme (ADP), capturing the unique perspectives as seen through the eyes of artists with autism. All proceeds raised from the exhibition were donated back to ARC and Pathlight School.

In April 2015, Fullerton Heritage collaborated with local gallery Cape of Good Hope Art Gallery to present the "Nanyang Classics: Second-Generation Singaporean Artists" art exhibition. In celebration of Singapore's Golden Jubilee, the exhibition shined a spotlight on 9 notable acclaimed local artists: Ang Ah Tee, Choy Weng Yang, Eng Siak Loy, Goh Beng Kwan, Koeh Sia Yong, Leo Hee Tong, Lim Tze Peng, Low Puay Hua and Nai Swee Leng all of whom have upheld traditions and continued to push creative boundaries in their selected medium – acrylic, calligraphy, chinese ink, oil and watercolour.

In May 2015, The Little Prince Art Collection made its world premiere at The Fullerton Hotel Singapore. In collaboration with the Antoine de Saint Exupéry Youth Foundation, French artist Arnaud Nazare-Aga presented fourteen unique hand-painted sculptures which were inspired by the original watercolour illustrations from Antoine de Saint-Exupéry's world-renowned book, The Little Prince. The exhibition attracted over 10,000 visitors to The Fullerton Hotel Singapore.

In June 2015, The Fullerton Hotel Singapore's very own Master Chef Leong from Jade held a debut exhibition in June 2015, showcasing over 30 skilfully handcrafted traditional and contemporary ceramic pieces as part of his tribute to Singapore's Golden Jubilee celebration. His works were inspired by natural elements like the organic textures of tree bark, foliage and rocks, as well as auspicious Chinese mythical characters such as the dragon and phoenix. All proceeds raised from the art exhibition were donated to Autism Resource Center. As part of the exhibition, Chef Leong also conducted ceramic workshops with the students from the Artist Development Programme to impart his skills.

**(11) CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***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 financial year 2014/2015, Sino Heritage has sponsored the 'International Heritage Conservation Conference 2015: Towards a Sustainable Model for Adaptive Re-use of Heritage Buildings' organised by The Royal Institution of Chartered Surveyors.

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 November 2014, HCF has been honoured by the American Institute of Architects Hong Kong Chapter with a Citation Award, in recognition of its contributions to heritage conservation in Hong Kong.

In order to draw public awareness of the importance of conserving our heritage, guided tours have been organised for public to visit the Hotel on daily basis. In addition, a two-day open house at the Hotel was organised in November 2014 and received over two thousand individuals and local charity groups.

Local tradition is part of culture and heritage through which one can understand and appreciate more about the daily life of the local community in the past. During the Reporting Period, the Hotel participated in the Tai O Water Marriage Parade 2014, engaging the public in celebrating and preserving this rich tradition. In July 2014, The Fullerton Heritage organised 2 exclusive Sunday tours in July 2014 coupled with discounts on Singapore's heritage delicacies at The Clifford Pier for public sign up in line with Singapore Heritage Festival 2014 organised by the National Heritage Board.

**(11) CORPORATE SOCIAL RESPONSIBILITY** *(Continued)***Sino Heritage** *(Continued)*

In October 2014, as part of a series of tours of significant buildings and monuments which have won the URA Architectural Heritage Awards (AHA), and to promote Singapore's built heritage during the month of October, The Fullerton Heritage together with Urban Redevelopment Authority, conducted two architectural themed heritage tours for members of the public.

**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 2014/2015, our staff participated in several events including the 'New Territories Walk', 'Hong Chi Climathon', 'AVS Charity Run Sports Fun Day' and 'Team Challenge 36' 2014.

**Recognition**

Sino Group has been recognised at the 'The 5th Hong Kong Outstanding Corporate Citizenship Awards' organised by the Hong Kong Productivity Council and the Committee on the Promotion of Civic Education for its commitment to upholding corporate social responsibility. The Group received the 'Certificate of Merit in Volunteer Team category' – Sino Group (Sino Caring Friends); Sino Estates Management Limited (Pacific Palisades), Island Resort Estate Management Company Limited and Sino Parking Services Limited received 'Corporate Citizenship Logo' in the Enterprise category.

The Group has received the '2014/15 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 144 to 247, which comprise the consolidated statement of financial position as at 30th June, 2015, and the 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, 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 405 of 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 financial position of the Group as at 30th June, 2015, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Companies Ordinance.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

26th August, 2015



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30th June, 2015

	NOTES	2015 HK\$	2014 HK\$
Turnover	7	<b>21,838,516,109</b>	7,450,911,679
Cost of sales		<b>(13,631,420,045)</b>	(1,046,622,645)
Direct expenses		<b>(2,406,129,982)</b>	(1,801,399,642)
Gross profit		<b>5,800,966,082</b>	4,602,889,392
Change in fair value of investment properties	19	<b>3,224,578,500</b>	3,290,416,953
Other income and other gains or losses		<b>80,164,953</b>	94,198,432
Gain arising from change in fair value of trading securities		<b>15,152,397</b>	128,217,989
Gain on disposal of investment properties		<b>34,837,046</b>	1,267,546,033
Administrative expenses		<b>(684,166,651)</b>	(665,490,397)
Other operating expenses		<b>(178,225,645)</b>	(166,600,525)
Finance income	9	<b>504,117,548</b>	368,177,912
Finance costs	10	<b>(238,964,344)</b>	(253,131,133)
Less: Interest capitalised	10	<b>32,838,550</b>	20,287,555
Finance income, net		<b>297,991,754</b>	135,334,334
Share of results of associates	11	<b>1,162,974,740</b>	1,429,548,748
Share of results of joint ventures	12	<b>866,758,262</b>	208,307,744
Profit before taxation	13	<b>10,621,031,438</b>	10,324,368,703
Income tax expense	16	<b>(1,146,103,231)</b>	(1,281,069,728)
Profit for the year		<b>9,474,928,207</b>	9,043,298,975
Attributable to:			
Company's shareholders		<b>9,371,985,144</b>	8,921,483,066
Non-controlling interests		<b>102,943,063</b>	121,815,909
		<b>9,474,928,207</b>	9,043,298,975
Earnings per share (reported earnings per share)			
Basic	18(a)	<b>1.549</b>	1.493

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30th June, 2015

	2015 HK\$	2014 HK\$
Profit for the year	<u>9,474,928,207</u>	<u>9,043,298,975</u>
<b>Other comprehensive (expense) income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Loss on fair value change of available-for-sale investments	<b>(128,843,600)</b>	(65,145,705)
Exchange differences arising on translation of foreign operations	<b>(205,333,882)</b>	<u>246,990,926</u>
	<u><b>(334,177,482)</b></u>	<u>181,845,221</u>
Total comprehensive income for the year	<u><b>9,140,750,725</b></u>	<u>9,225,144,196</u>
Total comprehensive income attributable to:		
Company's shareholders	<b>9,037,807,662</b>	9,103,328,287
Non-controlling interests	<b>102,943,063</b>	<u>121,815,909</u>
	<u><b>9,140,750,725</b></u>	<u>9,225,144,196</u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2015

	NOTES	2015 HK\$	2014 HK\$
<b>Non-current assets</b>			
Investment properties	19	<b>58,409,286,223</b>	56,281,352,385
Hotel properties	20	<b>1,695,741,835</b>	1,891,263,436
Property, plant and equipment	21	<b>138,777,235</b>	129,209,993
Prepaid lease payments – non-current	22	<b>1,177,613,796</b>	1,303,292,089
Interests in associates	23	<b>15,597,965,129</b>	17,475,905,471
Interests in joint ventures	24	<b>3,100,573,692</b>	2,242,353,923
Available-for-sale investments	25	<b>906,037,787</b>	1,008,794,665
Advances to associates	23	<b>8,270,997,179</b>	8,132,002,059
Advances to joint ventures	24	<b>1,058,033,279</b>	1,553,726,462
Advance to non-controlling interests	26	–	96,082,492
Advance to an investee company	27	<b>16,354,049</b>	17,617,226
Long-term loans receivable	28	<b>227,559,528</b>	49,834,713
		<b>90,598,939,732</b>	90,181,434,914
<b>Current assets</b>			
Properties under development	44	<b>20,454,301,162</b>	27,884,031,411
Stocks of completed properties		<b>7,165,906,616</b>	1,617,543,658
Hotel inventories		<b>17,357,382</b>	18,708,821
Prepaid lease payments – current	22	<b>20,710,267</b>	20,390,423
Trading securities	29	<b>11,201,516</b>	554,800,591
Amounts due from associates	23	<b>500,370,877</b>	970,529,537
Amount due from a joint venture	24	<b>20,176,534</b>	–
Accounts and other receivables	30	<b>2,894,678,343</b>	1,117,280,334
Current portion of long-term loans receivable	28	<b>5,276,127</b>	3,794,836
Taxation recoverable		<b>98,649,164</b>	147,713,722
Restricted bank deposits	31	<b>194,566,781</b>	412,983,955
Time deposits, bank balances and cash	31	<b>19,503,427,001</b>	13,999,422,509
		<b>50,886,621,770</b>	46,747,199,797
Assets classified as held for sale	32	<b>317,000,000</b>	–
		<b>51,203,621,770</b>	46,747,199,797
<b>Current liabilities</b>			
Accounts and other payables	33	<b>8,178,418,637</b>	3,483,872,299
Deposits received on sales of properties		<b>1,229,453,253</b>	2,613,997,918
Amounts due to associates	23	<b>1,177,213,063</b>	3,836,204,380
Amounts due to non-controlling interests	26	<b>367,503,811</b>	–
Taxation payable		<b>1,088,652,279</b>	1,043,811,670
Current portion of long-term bank borrowings	34	–	28,548,714
Bank loans – secured	34	<b>801,295,227</b>	92,000,000
		<b>12,842,536,270</b>	11,098,434,981
Net current assets		<b>38,361,085,500</b>	35,648,764,816
Total assets less current liabilities		<b>128,960,025,232</b>	125,830,199,730

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (Continued)

At 30th June, 2015

	NOTES	2015 HK\$	2014 HK\$
Capital and reserves			
Share capital	35	<b>37,667,764,680</b>	36,767,987,593
Reserves		<b>80,890,246,091</b>	74,897,385,874
Equity attributable to the Company's shareholders		<b>118,558,010,771</b>	111,665,373,467
Non-controlling interests		<b>467,571,196</b>	1,284,068,613
Total equity		<b>119,025,581,967</b>	112,949,442,080
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	34	<b>5,238,278,939</b>	7,919,616,786
Deferred taxation	36	<b>2,029,518,619</b>	1,713,619,521
Advances from associates	37	<b>1,685,891,370</b>	1,652,248,300
Advances from non-controlling interests	38	<b>980,754,337</b>	1,595,273,043
		<b>9,934,443,265</b>	12,880,757,650
		<b>128,960,025,232</b>	125,830,199,730

The consolidated financial statements on pages 144 to 247 were approved and authorised for issue by the Board of Directors on 26th August, 2015 and are signed on its behalf by:

**Robert NG Chee Siong**  
Chairman

**Daryl NG Win Kong**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30th June, 2015

	Attributable to Company's shareholders							Non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Share premium HK\$	Capital redemption reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Attributable to Company's shareholders HK\$		
At 1st July, 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 advances 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
Profit for the year	-	-	-	-	-	9,371,985,144	9,371,985,144	102,943,063	9,474,928,207
Other comprehensive expense:									
- loss on fair value change of available-for-sale investments	-	-	-	(128,843,600)	-	-	(128,843,600)	-	(128,843,600)
- exchange differences arising on translation of foreign operations	-	-	-	-	(205,333,882)	-	(205,333,882)	-	(205,333,882)
Total comprehensive (expense) income for the year	-	-	-	(128,843,600)	(205,333,882)	9,371,985,144	9,037,807,662	102,943,063	9,140,750,725
Shares issued in lieu of cash dividends	899,777,087	-	-	-	-	-	899,777,087	-	899,777,087
Cancellation upon repurchase of own shares	-	-	-	-	-	(31,315,239)	(31,315,239)	-	(31,315,239)
Distribution before liquidation of a subsidiary (Note 46)	-	-	-	-	-	-	-	(933,213,815)	(933,213,815)
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	-	20,984,035	20,984,035
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(7,210,700)	(7,210,700)
Final dividend - 2014	-	-	-	-	-	(2,285,945,112)	(2,285,945,112)	-	(2,285,945,112)
Interim dividend - 2015	-	-	-	-	-	(727,687,094)	(727,687,094)	-	(727,687,094)
At 30th June, 2015	37,667,764,680	-	-	204,164,208	2,161,565,456	78,524,516,427	118,558,010,771	467,571,196	119,025,581,967

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June, 2015

	2015 HK\$	2014 HK\$
<b>OPERATING ACTIVITIES</b>		
Profit before taxation	<b>10,621,031,438</b>	10,324,368,703
Adjustments for:		
Finance costs	<b>206,125,794</b>	232,843,578
Depreciation of property, plant and equipment and hotel properties	<b>89,535,000</b>	77,808,909
Release of prepaid lease payments	<b>21,599,205</b>	20,248,714
(Gain) loss on disposal of property, plant and equipment	<b>(626,004)</b>	928,583
Property, plant and equipment written off	<b>6,361</b>	–
Reversal of impairment loss on trade receivables	<b>(1,861,804)</b>	(3,555,898)
Share of results of associates	<b>(1,162,974,740)</b>	(1,429,548,748)
Share of results of joint ventures	<b>(866,758,262)</b>	(208,307,744)
Increase in fair value of investment properties	<b>(3,224,578,500)</b>	(3,290,416,953)
Finance income	<b>(504,117,548)</b>	(368,177,912)
Gain arising from change in fair value of trading securities	<b>(15,152,397)</b>	(128,217,989)
Gain on disposal of investment properties	<b>(34,837,046)</b>	(1,267,546,033)
Interest income from loans receivable	<b>(1,155,640)</b>	(1,724,641)
Dividend income from listed investments	<b>(34,461,760)</b>	(82,431,877)
Dividend income from unlisted investments	<b>(25,163,750)</b>	(23,091,994)
Operating cash flows before movements in working capital	<b>5,066,610,347</b>	3,853,178,698
Increase in long-term loans receivable	<b>(179,206,106)</b>	(11,872,029)
Increase in properties under development	<b>(4,661,322,332)</b>	(3,302,533,917)
Decrease in stocks of completed properties	<b>9,555,543,235</b>	185,481,633
Decrease (increase) in hotel inventories	<b>1,351,439</b>	(1,004,904)
Decrease (increase) in trading securities	<b>558,751,472</b>	(64,277)
Increase in accounts and other receivables	<b>(1,766,416,844)</b>	(278,254,762)
(Decrease) increase in accounts and other payables and deposits received on sales of properties	<b>(106,949,986)</b>	1,815,637,862
Cash generated from operations	<b>8,468,361,225</b>	2,260,568,304
Hong Kong Profits Tax paid	<b>(401,471,294)</b>	(658,617,290)
Taxation in other jurisdictions paid	<b>(309,464,937)</b>	(164,213,808)
Interest received from loans receivable	<b>1,155,640</b>	1,724,641
Dividends received from listed investments	<b>34,461,760</b>	82,431,877
Dividends received from unlisted investments	<b>25,163,750</b>	23,091,994
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>7,818,206,144</b>	1,544,985,718



**CONSOLIDATED STATEMENT OF CASH FLOWS** (Continued)

For the year ended 30th June, 2015

	2015 HK\$	2014 HK\$
<b>INVESTING ACTIVITIES</b>		
Repayments from associates	1,509,669,091	1,891,387,248
Repayments from joint ventures	968,129,988	949,919,748
Dividends received from associates	3,082,407,460	225,755,300
Dividends received from joint ventures	104,000,000	90,000,000
Placement of restricted bank deposits	–	(323,025,170)
Withdrawal of restricted bank deposits	218,417,174	233,674,318
Interest received	236,758,282	235,719,499
Proceeds from disposal of investment properties	155,677,603	3,255,702,481
Repayments from (advances to) an investee company	1,263,177	(847,823)
Proceeds from disposal of property, plant and equipment	975,884	65,279
Cash outflow arising on bank balances and cash disposal on voluntary liquidation of a subsidiary	(38,118,168)	–
Advances to associates	(1,153,903,462)	(865,808,037)
Repayment from non-controlling interests	96,082,492	21,882,715
Advances to joint ventures	(492,799,146)	(13,298,861)
Additions to investment properties	(240,478,829)	(308,660,436)
Additions to hotel properties	(319,185)	(31,187,555)
Additions to property, plant and equipment	(77,529,160)	(61,268,232)
Additions to prepaid lease payments	–	(26,701,709)
Additions to available-for-sale investments	(26,086,722)	(18,786,736)
Acquisition of additional interest in a joint venture	–	(18,513,790)
Acquisition of additional interests in associates	(61,659)	(210,998,957)
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>4,344,084,820</b>	<b>5,025,009,282</b>
<b>FINANCING ACTIVITIES</b>		
New bank loans	278,000,000	2,901,000,000
Repayments of bank loans	(1,766,426,653)	(5,094,831,481)
Advances from associates	88,740,496	432,777,014
Repayments to non-controlling interests	(584,447,149)	(328,807,424)
Advances from non-controlling interests	358,416,289	498,198,696
Dividends paid to ordinary shareholders of the Company	(2,113,855,119)	(2,239,948,612)
Repayments to associates	(2,711,608,615)	(129,897,202)
Interest paid	(181,979,323)	(196,428,843)
Repurchase of own shares	(31,315,239)	(4,220,820)
Additional interest in non-controlling interests	–	2
Dividends paid to non-controlling interests	(7,210,700)	(36,342,191)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(6,671,686,013)</b>	<b>(4,198,500,861)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>5,490,604,951</b>	<b>2,371,494,139</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>13,999,422,509</b>	<b>11,619,643,905</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>13,399,541</b>	<b>8,284,465</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD, representing time deposits, bank balances and cash</b>	<b>19,503,427,001</b>	<b>13,999,422,509</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2015

## 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 50.

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 has applied the following new and revised HKFRSs and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"):

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

The application of the new and revised HKFRSs and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In addition, Part 9 of the Companies Ordinance (Cap. 622) "Accounts and Audit" has become fully operational this year. Related presentation and disclosures required by Cap. 622 have been added/revised in this year's consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### New and revised HKFRSs in issue but not yet effective

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

HKFRS 9	Financial Instruments <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>3</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>4</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>4</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>4</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle <sup>4</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>4</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2018, with earlier application permitted

<sup>2</sup> Effective for first annual HKFRS financial statements, beginning on or after 1st January, 2016

<sup>3</sup> Effective for annual periods beginning on or after 1st January, 2017, with earlier application permitted

<sup>4</sup> Effective for annual periods beginning on or after 1st January, 2016, with earlier application permitted

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) IN THE CURRENT YEAR** (Continued)**Annual Improvements to HKFRSs 2012-2014 Cycle**

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 introduce specific guidance in HKFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to HKFRS 7 “*Disclosure – Offsetting Financial Assets and Financial Liabilities*” issued in December 2011 and effective for periods beginning on or after 1st January, 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with HKAS 34 “*Interim Financial Reporting*”.

The amendments to HKAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to HKAS 34 clarify the requirements relating to information required by HKAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Directors do not anticipate that the application of these will have a material effect on the Group’s consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) IN THE CURRENT YEAR** (Continued)**HKFRS 9 “Financial Instruments”**

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

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

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that 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 of financial liabilities attributable to changes in the financial liabilities’ 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 fair value through profit or loss was presented in profit or loss.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### **HKFRS 9 "Financial Instruments"** *(Continued)*

The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

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, 2015.

### **HKFRS 15 "Revenue from Contracts with Customers"**

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise 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. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) 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

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### HKFRS 15 "Revenue from Contracts with Customers" *(Continued)*

The Directors anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

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

## 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Companies Ordinance (Cap. 622). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange. 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, 2015

## 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

For the year ended 30th June, 2015

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

**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 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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

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

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.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### **Investments in associates and joint ventures** *(Continued)*

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.

#### *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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### Interests in joint operations *(Continued)*

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.

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.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### **Hotel properties and property, plant and equipment**

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

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

### **Impairment losses on tangible assets**

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

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

### **Properties under development**

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

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

### **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 cost method.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### 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.

### Borrowing costs

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

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

### Leasing

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

#### The Group as lessor

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

#### The Group as lessee

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

### Leasehold land and building

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

For the year ended 30th June, 2015

**3. SIGNIFICANT ACCOUNTING POLICIES** *(Continued)***Leasehold land and building** *(Continued)*

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

**Financial instruments**

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

*Financial assets*

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

*Effective interest method*

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### Financial instruments *(Continued)*

#### *Financial assets (Continued)*

##### *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.

##### *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/an investee company, loans receivable, amounts due from associates/a joint venture, 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### *Financial assets (Continued)*

##### *Available-for-sale financial assets (Continued)*

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.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

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

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.

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 associates/non-controlling interests, bank and other borrowings, bank loans and advances from associates/non-controlling interests) are subsequently measured at amortised cost using the effective interest method.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### Financial instruments *(Continued)*

#### Financial guarantee contracts

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

#### Derecognition

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

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

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

### Revenue recognition

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**3. SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Revenue recognition** (Continued)

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2015

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

### **Taxation** *(Continued)*

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

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

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

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, 2015

**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.

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY** (Continued)**Critical judgment in applying accounting policies** (Continued)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 net realisable value (i.e. the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale). An allowance is made if the estimated or the actual net realisable value of the 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\$20,454,301,162 (2014: HK\$27,884,031,411).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

#### 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 net realisable value of the properties, i.e. the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. A specific allowance for stocks of completed properties is made if the estimated net realisable 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\$7,165,906,616 (2014: HK\$1,617,543,658).

###### 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, 2015, the carrying amount of the hotel properties is HK\$1,695,741,835 net of accumulated depreciation of HK\$218,776,335 (2014: HK\$1,891,263,436 net of accumulated depreciation of HK\$207,551,524). 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, 2015 at their fair value of HK\$58,409,286,223 (2014: HK\$56,281,352,385). 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 30% 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, 2015

## 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/non-controlling interests 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

	2015 HK\$	2014 HK\$
<b>Financial assets</b>		
Trading securities (fair value through profit or loss)	11,201,516	554,800,591
Available-for-sale investments	906,037,787	1,008,794,665
Loans and receivables (including cash and cash equivalents)	<u>32,217,001,626</u>	<u>26,196,459,844</u>
<b>Financial liabilities</b>		
Amortised cost	<u>15,884,219,361</u>	<u>17,299,645,331</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/a joint venture/non-controlling interests, 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.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**6. FINANCIAL INSTRUMENTS** (Continued)**Financial risk management objectives and policies** (Continued)*Market risk*

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

*Currency risk*

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate 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 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:

	2015 HK\$	2014 HK\$
<b>Assets</b>		
Renminbi ("RMB")	2,349,283,924	1,990,184,632
United States Dollars ("USD")	43,574,929	18,747,414
Australian Dollars ("AUD")	1,283,417,293	–
New Zealand Dollars ("NZD")	22,549,519	–
	<hr/>	<hr/>
<b>Liabilities</b>		
RMB	628,954,734	561,121,251
	<hr/>	<hr/>

*Foreign currency sensitivity analysis*

The Group's foreign currency risk is mainly concentrated on the fluctuation of RMB, AUD and NZD (the "Foreign Currencies") 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 the Foreign Currencies 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 the Foreign Currencies strengthens against HK\$. For a weakening of the Foreign Currencies against HK\$, there would be an equal and opposite impact on the profit.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

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

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
RMB	<b>71,823,744</b>	71,446,124
AUD	<b>53,582,672</b>	–
NZD	<b>941,442</b>	–
	<b>_____</b>	<b>_____</b>

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments amounted to HK\$220,478,083 (2014: HK\$331,456,984) as at 30th June, 2015, 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\$11,023,904 (2014: HK\$16,572,850) in the Group's investment revaluation reserve.

*Interest rate risk*

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 and bank borrowings at floating rates expose the Group to cash flow interest rate risk. Advances from non-controlling interests and other borrowings 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.

*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 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\$8,122,768 (2014: HK\$12,276,358).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**6. FINANCIAL INSTRUMENTS** (Continued)**Financial risk management objectives and policies** (Continued)Market risk (Continued)*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.

*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.

	2015 HK\$	2014 HK\$
Available-for-sale investments		
Increase (decrease) in investment revaluation reserve		
– as a result of increase in equity price	43,741,965	48,879,809
– as a result of decrease in equity price	<u>(43,741,965)</u>	<u>(48,879,809)</u>
Trading securities		
Increase (decrease) in profit for the year		
– as a result of increase in equity price	467,663	23,162,924
– as a result of decrease in equity price	<u>(467,663)</u>	<u>(23,162,924)</u>

Credit risk

At the end of the reporting period, the Group'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 consolidated statement of financial position and the amount of contingent liabilities as disclosed in Note 41. 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 associates/a joint venture, 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 does not expect to incur a significant loss for uncollected advances to associates/joint ventures/non-controlling interests/investee company and amounts due from associates/a joint venture.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**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 associates/a joint venture, the Group does not have any other significant concentration of credit risk. Trade receivables and long-term loans receivable consist of a large number of customers and borrowers.

Liquidity risk

In the management of the liquidity risk, the Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance 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 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 Group can be required to pay. The table includes both interest and principal cash flows.

	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\$
<b>2015</b>									
Accounts and other payables									
– non-interest bearing	N/A	569,252,523	65,387,170	199,932,565	4,562,862,012	210,021,145	12,439,208	5,619,894,623	5,619,894,623
– variable rate	5.00	13,387,991	-	-	-	-	-	13,387,991	13,387,991
Other liabilities									
– non-interest bearing	2.60	1,177,213,064	367,503,811	-	2,029,057,375	656,908,494	-	4,230,682,744	4,186,849,568
– fixed rate	4.00	75,004	150,009	675,038	24,513,013	-	-	25,413,064	24,513,013
Borrowings									
– variable rate	2.60	1,712,304	3,424,608	817,785,736	20,547,648	1,380,712,304	-	2,224,182,600	2,180,295,227
– fixed rate	3.25	10,723,827	21,447,655	96,514,446	128,685,928	3,898,697,655	-	4,156,069,511	3,859,278,939
Financial guarantee contracts	N/A	440,534,499	-	-	1,052,183,832	1,107,200,000	-	2,599,918,331	-
		<u>2,212,899,212</u>	<u>457,913,253</u>	<u>1,114,907,785</u>	<u>7,817,849,808</u>	<u>7,253,539,598</u>	<u>12,439,208</u>	<u>18,869,548,864</u>	<u>15,884,219,361</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 6. FINANCIAL INSTRUMENTS (Continued)

## Financial risk management objectives and policies (Continued)

## Liquidity risk (Continued)

	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>

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, 2015

**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.

	2015		2014	
	Level 1 HK\$	Total HK\$	Level 1 HK\$	Total HK\$
Available-for-sale investments	<b>874,839,297</b>	<b>874,839,297</b>	977,596,175	977,596,175
Trading securities:				
Equity securities listed in Hong Kong	<b>10,947,272</b>	<b>10,947,272</b>	554,501,407	554,501,407
Equity securities listed elsewhere	<b>254,244</b>	<b>254,244</b>	299,184	299,184
Total	<b><u>886,040,813</u></b>	<b><u>886,040,813</u></b>	<u>1,532,396,766</u>	<u>1,532,396,766</u>

**Fair values of financial instruments**

The fair value of financial assets is 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 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, 2015

## 7. TURNOVER

	2015 HK\$	2014 HK\$
Sales of properties held for sale	16,956,959,680	2,740,878,101
Gross rental income from properties	2,862,812,834	2,757,480,972
Property management and service fee income	1,073,178,651	982,273,045
Hotel operations	884,783,794	863,031,049
Interest income from loans receivable	1,155,640	1,724,641
Dividend income		
listed investments	34,461,760	82,431,877
unlisted investments	25,163,750	23,091,994
	<u>21,838,516,109</u>	<u>7,450,911,679</u>

## 8. OPERATING SEGMENTS

The Group's operating segments are reported by six operating divisions – property sales, property rental, 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. No operating segment identified by chief operating decision makers has been aggregated in arriving at the reportable segments of the Group.

## Segment Results

For the year ended 30th June, 2015

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK\$	Results HK\$	Share of revenue HK\$	Share of results HK\$	Segment revenue HK\$	Segment results HK\$
Property						
Property sales	16,956,959,680	2,546,027,534	6,141,684,186	690,718,518	23,098,643,866	3,236,746,052
Property rental	2,862,812,834	2,486,312,368	806,107,637	748,232,191	3,668,920,471	3,234,544,559
	<u>19,819,772,514</u>	<u>5,032,339,902</u>	<u>6,947,791,823</u>	<u>1,438,950,709</u>	<u>26,767,564,337</u>	<u>6,471,290,611</u>
Property management and other services	1,073,178,651	238,682,791	91,404,139	20,595,654	1,164,582,790	259,278,445
Hotel operations	884,783,794	351,306,831	233,724,000	122,016,900	1,118,507,794	473,323,731
Investments in securities	59,625,510	59,625,510	3,900	3,900	59,629,410	59,629,410
Financing	1,155,640	1,155,640	1,401,344	1,401,344	2,556,984	2,556,984
	<u>21,838,516,109</u>	<u>5,683,110,674</u>	<u>7,274,325,206</u>	<u>1,582,968,507</u>	<u>29,112,841,315</u>	<u>7,266,079,181</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**8. OPERATING SEGMENTS** (Continued)**Segment Assets**

As at 30th June, 2015

	<b>The Company and its subsidiaries</b> <i>HK\$</i>	<b>Associates and joint ventures</b> <i>HK\$</i>	<b>Total</b> <i>HK\$</i>
Property			
Property sales	29,623,904,331	2,107,020,423	31,730,924,754
Property rental	<u>59,161,273,958</u>	<u>13,800,199,946</u>	<u>72,961,473,904</u>
	<b>88,785,178,289</b>	<b>15,907,220,369</b>	<b>104,692,398,658</b>
Property management and other services	235,544,970	59,683,153	295,228,123
Hotel operations	3,052,907,308	705,333,742	3,758,241,050
Investments in securities	968,168,595	2,021,137,247	2,989,305,842
Financing	<u>10,265,580,573</u>	<u>5,164,310</u>	<u>10,270,744,883</u>
Segment assets	<u><b>103,307,379,735</b></u>	<u><b>18,698,538,821</b></u>	<b>122,005,918,556</b>
Restricted bank deposits, time deposits, bank balances and cash			19,697,993,782
Taxation recoverable			<u>98,649,164</u>
Total assets			<u><b>141,802,561,502</b></u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 8. OPERATING SEGMENTS (Continued)

## Other Information

For the year ended 30th June, 2015

	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	6,259,785	11,425,996	19,706,438	40,136,941	-	-	77,529,160
- Investment properties	-	240,478,829	-	-	-	-	240,478,829
- Hotel properties	-	-	-	319,185	-	-	319,185
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	-	3,224,578,500	-	-	-	-	3,224,578,500

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**8. OPERATING SEGMENTS** (Continued)**Segment Results**

For the year ended 30th June, 2014

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	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	717,277,703	661,987,642	3,474,758,675	3,054,537,524
	5,498,359,073	3,797,019,441	2,621,114,401	1,112,089,528	8,119,473,474	4,909,108,969
Property management and other services	982,273,045	214,402,925	82,728,077	15,993,061	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	2,945,634,101	1,261,159,912	10,396,545,780	5,743,146,841

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**8. OPERATING SEGMENTS** (Continued)**Segment Assets**

As at 30th June, 2014

	The Company and its subsidiaries HK\$	Associates and joint ventures HK\$	Total HK\$
Property			
Property sales	29,707,363,901	7,124,129,431	36,831,493,332
Property rental	<u>56,975,580,188</u>	<u>11,740,996,483</u>	<u>68,716,576,671</u>
	86,682,944,089	18,865,125,914	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	<u>10,766,298,205</u>	<u>3,906,196</u>	<u>10,770,204,401</u>
Segment assets	<u>102,650,255,131</u>	<u>19,718,259,394</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, 2015

**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

**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, gain on disposal 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, 2015

**8. OPERATING SEGMENTS** (Continued)**Reconciliation of profit before taxation**

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Segment profit	<b>7,266,079,181</b>	5,743,146,841
Other income and other gains or losses	<b>72,538,507</b>	88,745,154
Change in fair value of investment properties	<b>3,224,578,500</b>	3,290,416,953
Gain arising from change in fair value of trading securities	<b>15,152,397</b>	128,217,989
Gain on disposal of investment properties	<b>34,837,046</b>	1,267,546,033
Administrative expenses and other operating expenses	<b>(736,606,473)</b>	(705,517,545)
Finance income, net	<b>297,687,785</b>	135,116,698
Results shared from associates and joint ventures		
– Other income and other gains or losses	<b>30,395,686</b>	26,370,233
– Change in fair value of investment properties	<b>1,075,912,389</b>	829,337,560
– Gain on disposal of investment properties	<b>48,411,905</b>	–
– Administrative expenses and other operating expenses	<b>(219,721,611)</b>	(165,399,373)
– Finance costs, net	<b>(223,898,801)</b>	(115,637,843)
– Income tax expense	<b>(264,335,073)</b>	(197,973,997)
	<b>446,764,495</b>	376,696,580
Profit before taxation	<b>10,621,031,438</b>	10,324,368,703

During the year ended 30th June, 2015, inter-segment sales of HK\$34,328,740 (2014: HK\$34,137,154) 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, 2015

**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	
	2015 HK\$	2014 HK\$	2015 HK\$	2014 HK\$
Hong Kong	<b>19,180,589,913</b>	4,344,729,732	<b>70,677,332,567</b>	70,672,368,944
The PRC	<b>1,652,090,274</b>	2,111,926,092	<b>5,268,318,860</b>	4,042,561,422
Singapore	<b>1,005,835,922</b>	994,255,855	<b>4,174,306,483</b>	4,608,446,931
	<b>21,838,516,109</b>	7,450,911,679	<b>80,119,957,910</b>	79,323,377,297

**Information about major customers**

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

**9. FINANCE INCOME**

	2015 HK\$	2014 HK\$
Interest income on:		
advances to associates and joint ventures	<b>25,394,490</b>	64,124,337
advance to an investee company	<b>840,572</b>	847,823
bank deposits	<b>210,794,498</b>	170,747,339
Imputed interest income on non-current interest-free advances to associates and joint ventures	<b>267,087,988</b>	132,458,413
	<b>504,117,548</b>	368,177,912

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**10. FINANCE COSTS**

	2015 HK\$	2014 HK\$
Interest and other finance costs on:		
bank loans	71,223,922	87,775,053
other loans	130,102,391	130,800,617
Imputed interest expense on non-current interest-free advances from associates	37,638,031	34,555,463
	<b>238,964,344</b>	253,131,133
Less: Amounts capitalised to properties under development	<b>(32,838,550)</b>	(20,287,555)
	<b>206,125,794</b>	232,843,578

**11. SHARE OF RESULTS OF ASSOCIATES**

	2015 HK\$	2014 HK\$
Share of results of associates comprises:		
Share of profits of associates	1,334,976,022	1,618,419,030
Share of taxation of associates	<b>(172,001,282)</b>	(188,870,282)
	<b>1,162,974,740</b>	1,429,548,748

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\$585,598,241 (2014: HK\$663,910,959) recognised in the statement of profit or loss of the associates.

**12. SHARE OF RESULTS OF JOINT VENTURES**

	2015 HK\$	2014 HK\$
Share of results of joint ventures comprises:		
Share of profits of joint ventures	959,092,053	217,411,459
Share of taxation of joint ventures	<b>(92,333,791)</b>	(9,103,715)
	<b>866,758,262</b>	208,307,744

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\$487,344,148 (2014: HK\$162,126,601) recognised in the statement of profit or loss of the joint ventures.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**13. PROFIT BEFORE TAXATION**

	2015 HK\$	2014 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	1,413,535,009	1,304,045,670
Retirement benefit scheme contributions	<u>61,372,097</u>	<u>56,836,916</u>
Total staff costs	<u>1,474,907,106</u>	<u>1,360,882,586</u>
Release of prepaid lease payments (included in other operating expenses)	21,599,205	20,248,714
Auditor's remuneration		
– audit services		
– current year provision	4,441,557	4,035,879
– under(over)provision of previous years	82,796	(47,152)
– non-audit services	890,000	1,542,198
Cost of hotel inventories consumed (included in direct expenses)	110,510,255	101,228,096
Cost of properties sold	13,631,420,045	1,046,622,645
Depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	89,535,000	77,808,909
(Gain) loss on disposal of property, plant and equipment	(626,004)	928,583
Property, plant and equipment written off	6,361	–
Reversal of impairment loss on trade receivables	(1,861,804)	(3,555,898)
Net exchange gain (include in other income and other gains or losses)	<u>(17,047,122)</u>	<u>(4,355,987)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 14. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS

The emoluments paid or payable to each of the ten (2014: ten) Directors of the Company, which include the Chairman, were disclosed pursuant to section 383(1)-(4) of the Companies Ordinance (Cap. 622) and Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G). Emoluments of the Directors of the Company in respect of their qualifying services including:

## 2015

	Mr. Robert Ng Chee Siong HK\$ (Notes ii and iii)	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	Ms. Alice Ip Mo Lin HK\$ (Note iii)	Mr. Gordon Lee Ching Keung HK\$	The Honourable Mr. Ronald Joseph Arculli HK\$ (Note iv)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$ (Note v)	Mr. Steven Ong Kay Eng HK\$ (Note vi)	Mr. Wong Cho Bau HK\$ (Note vi)	Total HK\$
Fees	40,000	30,000	35,000	40,000	20,000	80,000	220,000	220,000	210,000	40,000	935,000
Salaries and other benefits	1,226,760	835,777	3,667,174	4,296,532	4,830,740	-	-	-	-	-	14,856,983
Retirement benefit scheme contributions	18,000	18,000	42,000	24,000	24,000	-	-	-	-	-	126,000
Discretionary bonus (Note i)	-	659,080	865,500	1,236,000	1,727,100	-	-	-	-	-	4,487,680
<b>Total emoluments</b>	<b>1,284,760</b>	<b>1,542,857</b>	<b>4,609,674</b>	<b>5,596,532</b>	<b>6,601,840</b>	<b>80,000</b>	<b>220,000</b>	<b>220,000</b>	<b>210,000</b>	<b>40,000</b>	<b>20,405,663</b>

## 2014

	Mr. Robert Ng Chee Siong HK\$ (Note ii)	Mr. Daryl Ng Win Kong HK\$	Mr. Ringo Chan Wing Kwong HK\$	Ms. Alice Ip Mo Lin HK\$	Mr. Gordon Lee Ching Keung HK\$	The Honourable Mr. Ronald Joseph Arculli HK\$ (Note iv)	Dr. Allan Zeman HK\$	Mr. Adrian David Li Man-kiu HK\$	Mr. Steven Ong Kay Eng HK\$ (Note vi)	Mr. Wong Cho Bau 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
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
<b>Total emoluments</b>	<b>1,282,010</b>	<b>1,533,050</b>	<b>4,504,083</b>	<b>5,340,895</b>	<b>5,634,415</b>	<b>80,000</b>	<b>220,000</b>	<b>220,000</b>	<b>66,670</b>	<b>210,000</b>	<b>19,091,123</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**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: Mr. Robert Ng Chee Siong and Ms. Alice Ip Mo Lin retired by rotation and were re-appointed as Executive Directors of the Company on 23rd October, 2014.

Note iv: A consultancy fee of HK\$1,666,664 (2014: HK\$1,666,664) was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note v: Mr. Adrian David Li Man-kiu retired by rotation and was re-appointed as an Independent Non-Executive Director of the Company on 23rd October, 2014.

Note vi: Mr. Wong Cho Bau retired as an Independent Non-Executive Director of the Company on 23rd October, 2013. He was appointed as an Independent Non-Executive Director of the Company on 20th January, 2015.

**15. EMPLOYEES' EMOLUMENTS**

Of the five individuals with the highest emoluments in the Group, two (2014: three) are Directors of the Company whose emoluments are included in Note 14 above. The emoluments of the remaining three (2014: two) individuals disclosed pursuant to the Listing Rules are as follows:

	2015 HK\$	2014 HK\$
Salaries and other emoluments (including basic salaries, housing allowances and other allowances)	12,557,730	8,253,763
Retirement benefit scheme contributions	90,000	42,500
Discretionary bonus	2,744,092	1,856,090
	<b>15,391,822</b>	<b>10,152,353</b>

The emoluments of the remaining three (2014: two) individuals were within the following bands:

	Number of individuals	
HK\$	2015	2014
4,500,001 – 5,000,000	1	1
5,000,001 – 5,500,000	2	1

For the years ended 30th June, 2015 and 2014, 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**16. INCOME TAX EXPENSE**

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
The charge (credit) comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2014: 16.5%)	<b>626,796,161</b>	307,324,303
Under(over)provision in previous years	<b>6,801,117</b>	(25,564,531)
	<b>633,597,278</b>	281,759,772
Taxation in other jurisdictions		
Provision for the year	<b>96,012,311</b>	273,381,728
Overprovision in previous years	<b>(3,128,266)</b>	(848,334)
Land Appreciation Tax	<b>81,201,684</b>	525,952,331
	<b>174,085,729</b>	798,485,725
	<b>807,683,007</b>	1,080,245,497
Deferred taxation (Note 36)		
Current year	<b>338,420,224</b>	200,824,231
	<b>1,146,103,231</b>	1,281,069,728

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, 2015

**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:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Profit before taxation	<b>10,621,031,438</b>	10,324,368,703
Tax charge at Hong Kong Profits Tax rate of 16.5% (2014: 16.5%)	<b>1,752,470,187</b>	1,703,520,836
Tax effect of share of results of associates and joint ventures	<b>(334,905,945)</b>	(270,246,321)
Tax effect of expenses not deductible for tax purpose	<b>45,875,592</b>	20,551,651
Tax effect of income not taxable for tax purpose	<b>(562,672,904)</b>	(841,376,099)
Under(over)provision in previous years	<b>3,672,851</b>	(26,412,865)
Tax effect of tax losses not recognised	<b>15,667,605</b>	16,491,239
Tax effect of deductible temporary differences not recognised	<b>61,209,251</b>	56,688,159
Utilisation of tax losses previously not recognised	<b>(10,646,725)</b>	(10,144,978)
Utilisation of deductible temporary differences previously not recognised	<b>(86,878,854)</b>	(30,571,641)
Effect of different tax rates of subsidiaries operating in other jurisdictions	<b>181,110,489</b>	136,617,416
Land Appreciation Tax	<b>81,201,684</b>	525,952,331
Tax charge for the year	<b>1,146,103,231</b>	1,281,069,728

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 17. DIVIDENDS

	2015 HK\$	2014 HK\$
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2014: HK38 cents (2014: HK38 cents for the year ended 30th June, 2013) per share	<b>2,285,945,112</b>	2,260,173,263
Interim dividend for the year ended 30th June, 2015: HK12 cents (2014: HK12 cents for the year ended 30th June, 2014) per share	<b>727,687,094</b>	717,743,259
	<b><u>3,013,632,206</u></b>	<b><u>2,977,916,522</u></b>

During the year, scrip dividends were offered in respect of the 2014 final and 2015 interim dividends. These scrip alternatives were accepted by the certain shareholders, as follows:

	2015 Interim dividend HK\$	2014 Final dividend HK\$
Dividends:		
Cash	441,588,147	1,672,266,972
Scrip alternatives	286,098,947	613,678,140
	<b><u>727,687,094</u></b>	<b><u>2,285,945,112</u></b>

A final dividend of HK38 cents (2014: HK38 cents) per share for the year ended 30th June, 2015, totalling to HK\$2,311,979,810 based on 6,084,157,395 shares (2014: HK\$2,285,945,112 based on 6,015,645,033 shares), has been proposed by the Directors and is subject to approval by the shareholders at the forthcoming Annual General Meeting. It is expected that the final dividend will be dispatched to shareholders on or about 2nd December, 2015.

On 2nd December, 2014 and 9th April, 2015, the Company issued and allotted a total of 48,720,081 (2014: 33,781,452) ordinary shares and 22,670,281 (2014: 35,467,206) ordinary shares at an issue price of HK\$12.596 (2014: HK\$10.708) and HK\$12.620 (2014: HK\$10.608) per share in the Company in lieu of cash for the 2014 final and 2015 interim dividends (2014: 2013 final and 2014 interim dividends) respectively.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**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:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Earnings for the purpose of basic earnings per share	<b><u>9,371,985,144</u></b>	<u>8,921,483,066</u>
	<b>Number</b>	Number
	<b>of shares</b>	of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b><u>6,048,855,555</u></b>	<u>5,974,541,378</u>

No diluted earnings per share has been presented for the years ended 30th June, 2015 and 2014 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, 2015

**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\$5,301,493,751 (2014: HK\$5,021,827,916) 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:

	<b>2015</b> <b>HK\$</b>	2014 <b>HK\$</b>
Earnings for the purpose of basic earnings per share	<u><b>9,371,985,144</b></u>	<u>8,921,483,066</u>
Change in fair value of investment properties	<b>3,224,578,500</b>	3,290,416,953
Effect of corresponding deferred taxation charges	<b>(205,274,726)</b>	(134,865,999)
Share of results of associates		
– Change in fair value of investment properties	<b>588,568,241</b>	667,210,959
– Effect of corresponding deferred taxation charges	<b>(2,970,000)</b>	(3,300,000)
Share of results of joint ventures		
– Change in fair value of investment properties	<u><b>487,344,148</b></u>	<u>162,126,601</u>
	<b>4,092,246,163</b>	3,981,588,514
Non-controlling interests	<u><b>(21,754,770)</b></u>	<u>(81,933,364)</u>
Net effect of changes in fair value of investment properties	<u><b>4,070,491,393</b></u>	<u>3,899,655,150</u>
Underlying profit attributable to the Company's shareholders	<u><b>5,301,493,751</b></u>	<u>5,021,827,916</u>
Underlying earnings per share	<u><b>0.876</b></u>	<u>0.841</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 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 under redevelopment in Hong Kong HK\$	Investment properties in the PRC held under medium- term leases HK\$	Investment properties in the PRC held under long leases HK\$	Investment properties in Singapore held under long leases HK\$	Total HK\$
<b>FAIR VALUE</b>							
At 1st July, 2013	3,063,000,000	47,611,268,269	945,156,835	1,493,942,661	–	1,497,367,000	54,610,734,765
Exchange realignment	–	–	–	4,594,546	–	19,765,249	24,359,795
Additions	–	178,479,739	119,424,064	10,752,925	–	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>(35,615,252)</u>	<u>156,408,505</u>	<u>–</u>	<u>18,536,293</u>	<u>3,290,416,953</u>
At 30th June, 2014	3,266,000,000	49,617,815,910	393,999,999	1,677,984,226	–	1,325,552,250	56,281,352,385
Exchange realignment	–	–	–	11,033,971	1,023,697	(104,796,000)	(92,738,332)
Additions	29,836,317	179,834,433	30,047,951	760,128	–	–	240,478,829
Transfer from properties under development	–	438,156,979	–	50,152,900	81,455,048	–	569,764,927
Transfer to assets classified as held for sale	–	(317,000,000)	–	–	–	–	(317,000,000)
Disposals	–	(120,840,557)	–	–	–	–	(120,840,557)
Distribution before liquidation of a subsidiary (Note 46)	–	(1,368,000,000)	–	–	–	–	(1,368,000,000)
Adjustments to construction costs	(3,394,780)	(4,284,088)	–	(630,661)	–	–	(8,309,529)
Increase in fair value	<u>116,558,463</u>	<u>2,777,553,708</u>	<u>6,952,050</u>	<u>81,117,615</u>	<u>242,396,664</u>	<u>–</u>	<u>3,224,578,500</u>
<b>At 30th June, 2015</b>	<b><u>3,409,000,000</u></b>	<b><u>51,203,236,385</u></b>	<b><u>431,000,000</u></b>	<b><u>1,820,418,179</u></b>	<b><u>324,875,409</u></b>	<b><u>1,220,756,250</u></b>	<b><u>58,409,286,223</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**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, 2015 and 2014, 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, 2015 and 2014 have been arrived at on the basis of valuations carried out as at those dates by Knight Frank Petty Limited 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, 2015

**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:

<b>Investment properties</b>	<b>Range of capitalisation rates (%)</b>
In Hong Kong	
– Office/Industrial	3% – 6% (2014: 3% – 6%)
– Residential	2% – 5% (2014: 2% – 5%)
– Retail	3% – 6% (2014: 3% – 6%)
Outside Hong Kong	
– Office	5% – 9% (2014: 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. In addition, increase in fair value of investment properties is also attributable to the increase in market rental during the year.

Estimated costs to completion, developer's profit and risk margins required are estimated by valuers based on market conditions at 30th June, 2015 and 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, 2015

## 20. HOTEL PROPERTIES

	<b>Hotel properties in Singapore held under long leases</b> <i>HK\$</i>
<b>COST</b>	
At 1st July, 2013	1,922,261,523
Exchange realignment	28,133,760
Transfer from investment properties	117,232,122
Additions	<u>31,187,555</u>
At 30th June, 2014	2,098,814,960
Exchange realignment	(184,615,975)
Additions	<u>319,185</u>
<b>At 30th June, 2015</b>	<b><u>1,914,518,170</u></b>
<b>DEPRECIATION</b>	
At 1st July, 2013	177,584,332
Exchange realignment	2,693,993
Provided for the year	<u>27,273,199</u>
At 30th June, 2014	207,551,524
Exchange realignment	(17,594,787)
Provided for the year	<u>28,819,598</u>
<b>At 30th June, 2015</b>	<b><u>218,776,335</u></b>
<b>CARRYING VALUES</b>	
<b>At 30th June, 2015</b>	<b><u>1,695,741,835</u></b>
At 30th June, 2014	<u>1,891,263,436</u>

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, 2015

## 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\$
<b>COST</b>						
At 1st July, 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
Exchange realignment	(2,501,629)	(25,095,789)	6,394	(702,640)	689	(28,292,975)
Additions	13,294,871	50,224,219	1,201,033	9,391,271	3,417,766	77,529,160
Write off	(45,297)	(155,163)	(74,000)	–	–	(274,460)
Disposals	(1,477,767)	(2,267,996)	(410,321)	(2,425,979)	(389,864)	(6,971,927)
<b>At 30th June, 2015</b>	<b>99,344,939</b>	<b>379,396,027</b>	<b>46,505,757</b>	<b>33,936,084</b>	<b>12,787,663</b>	<b>571,970,470</b>
<b>DEPRECIATION</b>						
At 1st July, 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
Exchange realignment	(2,254,234)	(18,488,986)	6,394	(665,905)	31	(21,402,700)
Provided for the year	8,281,563	44,408,020	2,321,921	4,047,559	1,656,339	60,715,402
Write off	(44,923)	(149,176)	(74,000)	–	–	(268,099)
Eliminated on disposals	(1,396,027)	(2,126,864)	(410,321)	(2,308,559)	(380,276)	(6,622,047)
<b>At 30th June, 2015</b>	<b>80,632,892</b>	<b>280,827,641</b>	<b>41,183,628</b>	<b>22,217,588</b>	<b>8,331,486</b>	<b>433,193,235</b>
<b>CARRYING VALUES</b>						
<b>At 30th June, 2015</b>	<b>18,712,047</b>	<b>98,568,386</b>	<b>5,322,129</b>	<b>11,718,496</b>	<b>4,456,177</b>	<b>138,777,235</b>
At 30th June, 2014	14,028,248	99,506,109	6,443,017	6,528,939	2,703,680	129,209,993

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**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% – 33 $\frac{1}{3}$ %

Included in furniture, fixtures, equipment and hotel operating equipment, the carrying value of HK\$75,399,225 (2014: HK\$82,661,939) as at 30th June, 2015 represents furniture, fixtures and equipment relating to the hotel operations of the Group.

**22. PREPAID LEASE PAYMENTS**

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
The Group's prepaid lease payments comprise:		
Leasehold land for hotel properties outside Hong Kong – long lease	<b><u>1,198,324,063</u></b>	<u>1,323,682,512</u>
Analysed for reporting purposes as:		
Current assets	<b>20,710,267</b>	20,390,423
Non-current assets	<b><u>1,177,613,796</u></b>	<u>1,303,292,089</u>
	<b><u>1,198,324,063</u></b>	<u>1,323,682,512</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES**

	2015 HK\$	2014 HK\$
Interests in associates:		
Unlisted shares, at cost	3,620,433,004	3,495,961,679
Share of post-acquisition profits, net of dividends received	<u>11,977,532,125</u>	<u>13,979,943,792</u>
	<b><u>15,597,965,129</u></b>	<b><u>17,475,905,471</u></b>
Advances to associates	<b>9,703,132,655</b>	9,564,137,535
Less: allowance	<u>(1,432,135,476)</u>	<u>(1,432,135,476)</u>
	<b><u>8,270,997,179</u></b>	<b><u>8,132,002,059</u></b>

There were no movements in the allowance for advances to associates for both years.

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2014: 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, 2015, out of the Group's advances to associates net of allowance, HK\$3,470,775,601 (2014: HK\$3,432,536,081) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$4,800,221,578 (2014: HK\$4,699,465,978) 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 30th June, 2015, 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 further impairment loss was recognised by considering the improvement in financial condition 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 Group grouped under current liabilities are unsecured, interest-free and repayable on demand.

Particulars of the principal associates at 30th June, 2015 and 2014 are set out in Note 51. 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, 2015

**23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES** (Continued)**Summarised financial information of material associates**

Summarised financial information of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associates' 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.

	<b>2015</b> <i>HK\$</i>	2014 <i>HK\$</i>
Current assets	<b>1,279,858,257</b>	6,038,746,834
Current liabilities	<b>128,485,753</b>	182,083,552

**For the year ended 30th June,**

	<b>2015</b> <i>HK\$</i>	2014 <i>HK\$</i>
Turnover	<b>410,882,600</b>	727,223,802
Profit and total comprehensive income for the year	<b>217,209,222</b>	420,192,135
Dividend paid	<b>4,922,500,000</b>	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in Teamer International Limited recognised in the consolidated financial statements:

	<b>2015</b> <i>HK\$</i>	2014 <i>HK\$</i>
Net assets of Teamer International Limited	<b>1,151,372,504</b>	5,856,663,282
Proportion of the Group's ownership interest in Teamer International Limited	<b>35%</b>	35%
Carrying amount of the Group's interest in Teamer International Limited	<b>402,980,376</b>	2,049,832,149

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**23. INTERESTS IN ASSOCIATES/ADVANCES TO ASSOCIATES/AMOUNTS DUE FROM/TO ASSOCIATES** (Continued)**Summarised financial information of material associates** (Continued)Wide Harvest Investment Limited

Wide Harvest Investment Limited is incorporated by the Group and other property developers and operates in Hong Kong. The associate is mainly engaged in property investment in Hong Kong.

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Current assets	<b>172,747,790</b>	165,286,348
Non-current assets	<b>8,971,640,684</b>	8,410,015,364
Current liabilities	<b>241,738,249</b>	221,219,813
Non-current liabilities	<b>4,675,091,485</b>	4,957,713,376

**For the year ended 30th June,**

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Turnover	<b>400,506,101</b>	360,895,113
Profit and total comprehensive income for the year	<b>831,190,216</b>	932,573,842

Reconciliation of the above summarised financial information to the carrying amount of the interest in Wide Harvest Investment Limited recognised in the consolidated financial statements:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Net assets of Wide Harvest Investment Limited	<b>4,227,558,740</b>	3,396,368,523
Proportion of the Group's ownership interest in Wide Harvest Investment Limited	<b>25%</b>	25%
Carrying amount of the Group's interest in Wide Harvest Investment Limited	<b>1,056,889,685</b>	849,092,131

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

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

Summarised financial information of material associates (Continued)

Aggregate information of associates that are not individually material

	2015 HK\$	2014 HK\$
The Group's share of profit and total comprehensive income	<u>879,153,958</u>	<u>1,049,338,040</u>
Aggregate carrying amount of the Group's interests in these associates	<u>14,138,095,068</u>	<u>14,576,981,191</u>

**24. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNT DUE FROM A JOINT VENTURE**

	2015 HK\$	2014 HK\$
Interests in joint ventures:		
Unlisted shares	130,684,154	129,409,450
Share of post-acquisition profits, net of dividends received	<u>2,969,889,538</u>	<u>2,112,944,473</u>
	<u>3,100,573,692</u>	<u>2,242,353,923</u>
Advances to joint ventures	<u>1,058,033,279</u>	<u>1,553,726,462</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 30th June, 2015, out of the Group's advances to joint ventures, HK\$365,578,217 (2014: HK\$351,750,642) bear interest ranging from 1% to 2% (2014: 1% to 2%) per annum and the remaining balance of HK\$692,455,062 (2014: HK\$1,201,975,820) is interest-free. The effective interest rate for imputed interest income is determined based on the cost-of-fund of the borrowers per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

The amount due from a joint venture of the Group grouped under current assets is unsecured, interest-free and is expected to be repaid within one year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**24. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNT DUE FROM A JOINT VENTURE** (Continued)

Particulars of the joint ventures at 30th June, 2015 and 2014 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
				2015 %	2014 %	
<b>Direct:</b>						
Rich Century Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	50	50	Property investment
<b>Indirect:</b>						
Empire Funds Limited	Hong Kong	Ordinary	HK\$2	50	50	Property trading
Famous Empire Properties Limited	Hong Kong	Ordinary	HK\$10,000	50	50	Property trading and investment
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development and investment
Wise Link Management Limited	Hong Kong	Ordinary	HK\$2	50	50	Building management

**Summarised financial information of material joint ventures**

Summarised financial information of the Group's material joint ventures is set out below. The summarised financial information below represents amounts shown in the joint ventures' financial statements prepared in accordance with HKFRSs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**24. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNT DUE FROM A JOINT VENTURE** (Continued)**Summarised financial information of material joint ventures** (Continued)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.

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Current assets	<b>82,861,049</b>	84,617,522
Non-current assets	<b>4,940,378,804</b>	4,670,435,223
Current liabilities	<b>107,216,807</b>	101,500,282
Non-current liabilities	<b>520,455,262</b>	483,521,396
	<b>For the year ended 30th June,</b>	
	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Turnover	<b>244,520,067</b>	233,415,296
Profit and total comprehensive income for the year	<b>413,536,717</b>	473,219,749
Dividend paid	<b>188,000,000</b>	160,000,000
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:		
	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Net assets of Rich Century Investment Limited	<b>4,395,567,784</b>	4,170,031,067
Proportion of the Group's ownership interest in Rich Century Investment Limited	<b>50%</b>	50%
Consolidation adjustment at Group level	<b>29,000</b>	29,000
Carrying amount of the Group's interest in Rich Century Investment Limited	<b>2,197,812,892</b>	2,085,044,534

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**24. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNT DUE FROM A JOINT VENTURE** (Continued)**Summarised financial information of material joint ventures** (Continued)*Grand Site Development Limited*

Grand Site Development Limited is incorporated by the Group and another property developer and operates in Hong Kong. The joint venture is mainly engaged in property development and investment in Hong Kong.

	2015 HK\$	2014 HK\$
Current assets	<u>3,170,084,371</u>	<u>11,373,145,991</u>
Non-current assets	<u>1,614,600,000</u>	<u>578,134,976</u>
Current liabilities	<u>3,399,384,711</u>	<u>12,039,717,678</u>

**For the year ended 30th June,**

	2015 HK\$	2014 HK\$
Turnover	<u>9,106,415,198</u>	<u>–</u>
Profit (loss) and total comprehensive income (expense) for the year	<u>1,285,362,764</u>	<u>(62,463,592)</u>

Reconciliation of the above summarised financial information to the carrying amount of the interest in Grand Site Development Limited recognised in the consolidated financial statements:

	2015 HK\$	2014 HK\$
Net assets (liabilities) of Grand Site Development Limited	1,385,299,660	(88,436,711)
Proportion of the Group's ownership interest in Grand Site Development Limited	50%	50%
Consolidation adjustment at Group level	<u>109,277,761</u>	<u>109,277,761</u>
Carrying amount of the Group's interest in Grand Site Development Limited	<u>801,927,591</u>	<u>65,059,405</u>

*Aggregate information of joint ventures that are not individually material*

	2015 HK\$	2014 HK\$
The Group's share of profit and total comprehensive income	<u>17,308,521</u>	<u>2,929,665</u>
Aggregate carrying amount of the Group's interests in these joint ventures	<u>100,833,209</u>	<u>92,249,984</u>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**25. AVAILABLE-FOR-SALE INVESTMENTS**

Available-for-sale investments comprise:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Listed investments:		
Equity securities listed in		
Hong Kong	<b>619,725,892</b>	616,946,160
Singapore	<b>255,113,405</b>	360,650,015
	<b>874,839,297</b>	977,596,175
Unlisted securities:		
Equity securities	<b>30,898,490</b>	30,898,490
Club debenture	<b>300,000</b>	300,000
	<b>31,198,490</b>	31,198,490
Total	<b>906,037,787</b>	1,008,794,665

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.

**26. AMOUNTS DUE TO/ADVANCE TO NON-CONTROLLING INTERESTS**

The amounts due to non-controlling interests of the Group are unsecured, interest-free and repayable on demand.

The advance to non-controlling interests of the Group was unsecured, had no fixed repayment terms and bore interest at variable interest rates of HIBOR plus margin per annum.

**27. ADVANCE TO AN INVESTEE COMPANY**

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, 2015

**28. LONG-TERM LOANS RECEIVABLE**

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Total long-term variable-rate loans receivable	<b>232,835,655</b>	53,629,549
Less: Current portion shown under current assets	<b>(5,276,127)</b>	(3,794,836)
	<b><u>227,559,528</u></b>	<u>49,834,713</u>

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

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

The carrying amount of loans receivable at 30th June, 2015 is HK\$232,835,655 net of accumulated impairment loss of HK\$12,646,510 (2014: carrying amount of HK\$53,629,549 net of accumulated impairment loss of HK\$12,646,510).

Variable-rate loans receivable with the following maturity in accordance with the loan agreements:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Within one year	<b>5,276,127</b>	3,794,836
In more than one year but not more than five years	<b>10,658,883</b>	14,117,744
In more than five years	<b>216,900,645</b>	35,716,969
	<b><u>232,835,655</u></b>	<u>53,629,549</u>

The Group's long-term loans receivable are denominated in HK\$ and carry interest rates (which are the contractual interest rates) at prime rate 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 within 1 to 20 years (2014: ranging from 2 to 19 years).

There were no movements in the allowance for doubtful debts for both years.

At 30th June, 2015 and 2014, 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, 2015

**29. TRADING SECURITIES**

Trading securities comprise:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Listed investments:		
Equity securities listed in Hong Kong	<b>10,947,272</b>	554,501,407
Equity securities listed elsewhere	<b>254,244</b>	299,184
	<hr/>	<hr/>
Total	<b>11,201,516</b>	554,800,591
	<hr/>	<hr/>

**30. ACCOUNTS AND OTHER RECEIVABLES**

At 30th June, 2015, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$2,165,449,349 (2014: HK\$375,864,549), of which HK\$1,866,123,067 (2014: HK\$60,295,975) 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.

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Trade receivables	<b>2,185,341,872</b>	397,618,876
Less: Allowance for doubtful debts	<b>(19,892,523)</b>	(21,754,327)
	<hr/>	<hr/>
Other receivables	<b>2,165,449,349</b>	375,864,549
	<b>729,228,994</b>	741,415,785
	<hr/>	<hr/>
	<b>2,894,678,343</b>	1,117,280,334
	<hr/>	<hr/>

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**30. 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 mainly represent rental receivables billed on a monthly basis and payable by the tenants in advance of the rental periods:

	2015 HK\$	2014 HK\$
Not yet due	1,866,123,067	60,295,975
Overdue:		
1 – 30 days	239,214,389	233,209,186
31 – 60 days	21,453,262	30,476,437
61 – 90 days	8,838,842	8,811,895
Over 90 days	29,819,789	43,071,056
	<u>2,165,449,349</u>	<u>375,864,549</u>

**Movements in the allowance for doubtful debts**

	2015 HK\$	2014 HK\$
Balance at the beginning of the year	21,754,327	25,310,225
Reversal of impairment loss on trade receivables	<u>(1,861,804)</u>	<u>(3,555,898)</u>
Balance at the end of the year	<u>19,892,523</u>	<u>21,754,327</u>

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**

	2015 HK\$	2014 HK\$
Overdue within 30 days	239,214,389	233,209,186
Overdue between 31 days to 60 days	21,453,262	30,476,437
Overdue between 61 days to 90 days	8,838,842	8,811,895
Overdue more than 90 days	29,819,789	43,071,056
	<u>299,326,282</u>	<u>315,568,574</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**30. 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\$29,819,789 (2014: HK\$43,071,056) 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, 2015 and 2014 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\$142,000,000 (2014: HK\$116,000,000), prepayments for operating expenses of approximately HK\$45,000,000 (2014: HK\$32,000,000) and interest receivables of approximately HK\$40,000,000 (2014: HK\$30,000,000).

**31. RESTRICTED BANK DEPOSITS/TIME DEPOSITS, BANK BALANCES AND CASH**

Included in restricted bank deposits amounted to HK\$193,964,020 (2014: HK\$412,381,566) 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 1.50% (2014: 0.001% to 1.85%) per annum.

**32. ASSETS CLASSIFIED AS HELD FOR SALE**

Assets classified as held for sale represented two investment properties (the "Disposal Property A" and "Disposal Property B") located in Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon which were disposed of within twelve months subsequent to 30th June, 2015.

On 4th June, 2015, the Group entered into the provisional sale and purchase agreement with an independent third party (the "Purchaser A") in relation to the Disposal Property A for a cash consideration of approximately HK\$269,528,000. The Group and the Purchaser A entered into a formal agreement for sale and purchase with respect to the disposal of the Disposal Property A on 19th June, 2015 and the disposal is expected to be completed on 18th September, 2015.

On 19th March, 2015, the Group entered into the provisional sale and purchase agreement with an independent third party (the "Purchaser B") in relation to the Disposal Property B for a cash consideration of approximately HK\$272,197,000. The Group and the Purchaser B entered into a formal agreement for sale and purchase with respect to the disposal of the Disposal Property B on 16th April, 2015 and the disposal is expected to be completed on 31st August, 2015.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 32. ASSETS CLASSIFIED AS HELD FOR SALE (Continued)

In measuring the fair value of the assets classified as held for sale, the Group has adopted the same set of valuation process and methodologies as to the fair value measurement for the Group's investment properties. The fair value is measured by reference to market evidence of recent transaction prices for similar properties and on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs at the end of the reporting period. Details of the fair value measurement for the Group's investment properties are set out in Note 19.

## 33. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2015, included in accounts and other payables of the Group are trade payables of HK\$94,098,371 (2014: HK\$192,731,526).

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

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
0 – 30 days	<b>65,133,340</b>	166,847,013
31 – 60 days	<b>16,762,681</b>	15,228,033
61 – 90 days	<b>1,261,730</b>	1,058,678
Over 90 days	<b>10,940,620</b>	9,597,802
	<b>94,098,371</b>	192,731,526

As at 30th June, 2015, the other payables comprise mainly construction cost payable of approximately HK\$2,053,000,000 (2014: HK\$1,099,000,000), rental and utilities deposits received of approximately HK\$739,000,000 (2014: HK\$694,000,000) and rental receipt in advance of approximately HK\$156,000,000 (2014: HK\$145,000,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**34. BANK AND OTHER BORROWINGS**

	<b>2015</b> <b>HK\$</b>	2014 <b>HK\$</b>
Short-term bank loans – secured	<u>801,295,227</u>	<u>92,000,000</u>
Long-term unsecured other borrowing		
More than two years but not exceeding three years	<b>3,859,278,939</b>	–
More than three years but not exceeding four years	<u>–</u>	<u>3,851,126,386</u>
	<b>3,859,278,939</b>	<u>3,851,126,386</u>
Long-term secured bank borrowings		
Within one year	–	28,548,714
More than one year but not exceeding two years	–	1,257,916,990
More than two years but not exceeding three years	<b>1,379,000,000</b>	1,709,573,410
More than three years but not exceeding four years	<u>–</u>	<u>1,101,000,000</u>
	<b>1,379,000,000</b>	4,097,039,114
Less: Current portion shown under current liabilities	<u>–</u>	<u>(28,548,714)</u>
	<b>1,379,000,000</b>	<u>4,068,490,400</u>
Total bank and other borrowings – due after one year	<u><b>5,238,278,939</b></u>	<u>7,919,616,786</u>
Total bank and other borrowings	<u><b>6,039,574,166</b></u>	<u>8,040,165,500</u>

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, 2015

## 35. SHARE CAPITAL

	Number of shares		Share capital HK\$	
Authorised (Note i):				
At 1st July, 2013				
– Ordinary shares of HK\$1.00 each		8,000,000,000		8,000,000,000
At 30th June, 2014 and 30th June, 2015 (Note ii)		N/A		N/A
	2015		2014	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid:				
At 1st July	6,016,661,033	36,767,987,593	5,947,824,375	5,947,824,375
Issue of shares in lieu of cash dividends	71,390,362	899,777,087	69,248,658	410,017,574
Cancellation upon buy-backs of own shares	(2,462,000)	–	(412,000)	(412,000)
Transition to no-par value regime on 3rd March, 2014 under the Companies Ordinance (Cap. 622) (Note iii)	–	–	–	30,410,557,644
At 30th June – ordinary shares with no par value	<b>6,085,589,395</b>	<b>37,667,764,680</b>	<b>6,016,661,033</b>	<b>36,767,987,593</b>

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, 2014 and 9th April, 2015, the Company issued and allotted a total of 48,720,081 (2014: 33,781,452) ordinary shares and 22,670,281 (2014: 35,467,206) ordinary shares at an issue price of HK\$12.596 (2014: HK\$10.708) and HK\$12.620 (2014: HK\$10.608) per ordinary share, to the shareholders in lieu of cash for the 2014 final and 2015 interim dividends (2014: 2013 final and 2014 interim dividends) respectively.

During the year, 2,462,000 (2014: 412,000) ordinary shares bought back on the Stock Exchange were cancelled. For the year ended 30th June, 2014, the nominal value of HK\$412,000 of all the shares cancelled during the year was credited to capital redemption reserve and the relevant aggregate consideration of HK\$4,220,820 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, 2015

**36. DEFERRED TAXATION**

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

	Accelerated tax depreciation HK\$	Revaluation of investment properties HK\$	Undistributed profits of associates HK\$	Tax losses HK\$	Others HK\$	Total HK\$
At 1st July, 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	37,728,368	134,932,176	(1,456,443)	(3,156,411)	32,776,541	200,824,231
At 30th June, 2014	670,850,946	984,827,650	42,919,505	(55,563,207)	70,584,627	1,713,619,521
Exchange realignment	-	-	283,386	-	(2,377,137)	(2,093,751)
Released upon distribution of properties (Note 46)	(20,427,375)	-	-	-	-	(20,427,375)
Charged (credited) to profit or loss for the year	46,215,652	245,524,122	65,072,044	18,360,515	(36,752,109)	338,420,224
<b>At 30th June, 2015</b>	<b>696,639,223</b>	<b>1,230,351,772</b>	<b>108,274,935</b>	<b>(37,202,692)</b>	<b>31,455,381</b>	<b>2,029,518,619</b>

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

At 30th June, 2015, the Group had unused tax losses of HK\$1,086,457,800 (2014: HK\$1,167,304,073) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$225,470,861 (2014: HK\$336,746,709) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$860,986,939 (2014: HK\$830,557,364) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2015, the Group had deductible temporary differences of HK\$255,985,552 (2014: HK\$411,558,904). 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\$651,641,508 (2014: HK\$588,433,525). 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, 2015

**37. ADVANCES FROM ASSOCIATES**

The advances from associates of the Group are unsecured, interest-free 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. The effective interest rate for imputed interest expense for the interest-free loan is determined based on the cost-of-funds of the Group per annum.

**38. ADVANCES FROM NON-CONTROLLING INTERESTS**

The advances from non-controlling interests of the Group amounted to HK\$24,513,013 (2014: HK\$28,955,238) are unsecured, bear interest ranging from 1% to 6.25% (2014: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$956,241,324 (2014: HK\$1,566,317,805) 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\$903,031,784 (2014: HK\$1,511,539,521) had been initially reduced to its present value of HK\$882,047,749 (2014: HK\$1,491,865,540) based on management's estimates of future cash payments with a corresponding adjustment of HK\$20,984,035 (2014: HK\$19,673,981) which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2015. 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, 2015

**39. JOINT OPERATIONS**

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, 2015 and 2014, 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:

	<b>2015</b>	2014
	<b>HK\$</b>	<b>HK\$</b>
Investment properties	<b>10,508,422,836</b>	10,036,286,070
Other non-current assets	<b>1,296,339</b>	240,698
Current assets	<b>6,701,496,865</b>	3,290,721,795
	<b>17,211,216,040</b>	13,327,248,563
Non-current liabilities	<b>385,829,961</b>	149,898,605
Current liabilities	<b>4,990,242,526</b>	2,848,126,723
	<b>5,376,072,487</b>	2,998,025,328
Income	<b>3,915,791,800</b>	2,332,152,724
Expenses	<b>2,915,018,404</b>	837,292,319

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

### 40. PLEDGE OF ASSETS

- (a) At 30th June, 2015, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$3,302,375,000 (2014: HK\$5,627,204,000) 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\$5,414,434,497 (2014: HK\$9,387,816,802). At that date, the facilities were utilised by the Group to the extent of approximately HK\$2,181,375,000 (2014: HK\$4,200,204,000).

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

	2015 HK\$	2014 HK\$
Investment properties	214,921,875	4,793,371,875
Hotel properties	828,070,956	920,261,326
Prepaid lease payments	768,352,678	851,071,544
Property, plant and equipment	–	44,594
Properties under development	2,988,527,831	2,570,599,556
Accounts and other receivables	–	3,873,674
Bank balances	614,292,459	142,513,077
Others	268,698	106,081,156
	<b>5,414,434,497</b>	<b>9,387,816,802</b>

- (b) At 30th June, 2015, investments in certain associates in aggregate amounting to Nil (2014: approximately HK\$10,000) and advances to certain associates in aggregate amounting to approximately HK\$2,587,824,000 (2014: HK\$3,916,628,000) 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\$2,159,384,000 (2014: HK\$4,719,384,000), of which approximately HK\$1,497,784,000 (2014: HK\$2,716,184,000) was utilised by the associates and guaranteed by the Company. Details of the relevant guarantees granted are set out in Note 41.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**41. CONTINGENT LIABILITIES**

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

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates:		
– Utilised	<b>1,497,783,832</b>	2,716,183,832
– Unutilised	<b>661,600,000</b>	2,003,200,000
	<b><u>2,159,383,832</u></b>	<b><u>4,719,383,832</u></b>
 Mortgage loans granted to property purchasers	 <b><u>440,534,499</u></b>	 <u>402,205,650</u>

At 30th June, 2015 and 2014, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees.

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, 2015

**42. OPERATING LEASE ARRANGEMENTS****The Group as lessor**

Property rental income earned during the year, net of outgoings of HK\$376,500,466 (2014: HK\$364,931,090), was HK\$2,486,312,368 (2014: HK\$2,392,549,882). 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:

	<b>2015</b> <i>HK\$</i>	2014 <i>HK\$</i>
Within one year	<b>2,053,689,914</b>	2,114,892,649
In the second to fifth year inclusive	<b>2,654,792,619</b>	2,868,956,247
After five years	<b>500,414,576</b>	55,034,855
	<b><u>5,208,897,109</u></b>	<u>5,038,883,751</u>

**The Group as lessee**

Minimum lease payments paid under operating leases during the year was HK\$48,846,567 (2014: HK\$69,895,065).

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:

	<b>2015</b> <i>HK\$</i>	2014 <i>HK\$</i>
Within one year	<b>38,027,247</b>	17,082,266
In the second to fifth year inclusive	<b>20,354,650</b>	279,329
	<b><u>58,381,897</u></b>	<u>17,361,595</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.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (Continued)

For the year ended 30th June, 2015

**43. 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.

**44. PROPERTIES UNDER DEVELOPMENT**

At the end of the reporting period, properties under development amounting to approximately HK\$16,428,839,000 (2014: HK\$5,632,838,000) were not expected to be realised within twelve months from the end of the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**45. RELATED PARTY DISCLOSURES**

The Group had the following transactions with related parties:

**(a) Related companies**

	2015 HK\$	2014 HK\$
Service fees received (Note i)	161,363,593	149,838,957
Rental paid (Notes i & iii)	49,417,205	37,145,030
Consultancy fee paid (Note ii)	<u>1,666,664</u>	<u>1,666,664</u>

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

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

Note iii: The Group had commitments for future minimum lease payments under non-cancellable operating leases to its related companies. The details of such commitments are set out in Note 42.

**(b) Associates and joint ventures**

	2015 HK\$	2014 HK\$
Service fees paid	26,823,595	25,157,514
Administrative fees received	44,165,774	38,198,349
Interest income received	25,394,490	64,124,337
Imputed interest income on non-current interest-free advances to associates and joint ventures	267,087,988	132,458,413
Imputed interest expense on non-current interest-free advances from associates	<u>37,638,031</u>	<u>34,555,463</u>

Certain of the above related party transactions also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed on pages 60 to 64 in the Directors' report.

Included in the advances to associates, amounts due to associates, advances from associates, amounts due from associates and advances to joint ventures, HK\$4,697,742,782 (2014: HK\$4,879,798,981), HK\$46,569,738 (2014: HK\$1,725,563), HK\$1,579,878,557 (2014: HK\$1,572,005,359), HK\$162,433,299 (2014: HK\$180,191,509) and HK\$414,504,904 (2014: HK\$400,198,088) 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 associates, joint ventures, non-controlling interests and a related company at the end of the reporting period are set out in the Group's consolidated statement of financial position and in Notes 23, 24, 26, 37 and 38.

In addition, as set out in Notes 40 and 41, the Group has granted guarantees and pledged certain assets to banks for facilities granted to the associates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**45. RELATED PARTY DISCLOSURES (Continued)****Compensation of key management personnel**

The remuneration of Directors during the year was as follows:

	<b>2015</b>	2014
	<b>HK\$</b>	HK\$
Short-term benefits	<b>20,279,663</b>	18,978,873
Retirement benefit scheme contributions	<b>126,000</b>	112,250
	<b>20,405,663</b>	19,091,123

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

**46. LIQUIDATION OF A SUBSIDIARY**

On 15th September, 2014, the shareholders of Firm Wise Investment Limited ("Firm Wise"), which is a company held as to 70% by King Chance Development Limited ("King Chance", a wholly-owned subsidiary of the Company) and as to 30% by Eastand Investments Limited ("Eastand", a non-controlling shareholder), resolved to voluntarily liquidate Firm Wise. Firm Wise is the developer and direct owner of certain properties located in Hong Kong (the "Properties"), which represented the major assets owned before liquidation. In connection with such voluntary liquidation, Firm Wise would distribute the Properties in the proportion of 70% to King Chance and 30% to Eastand (the "Distribution"). The Distribution was completed during the current year. No gain or loss arose in this transaction. As at 30th June, 2015, the liquidation of Firm Wise is still in process.

**47. CAPITAL COMMITMENTS**

On 25th May, 2015, the Company entered into a memorandum of agreement with a connected person for the formation of a joint venture company on a 50:50 basis (the "Joint Venture"). The Joint Venture, through a direct wholly-owned subsidiary (the "Subsidiary"), participated in a private bidding process, and entered into a share sale agreement with the vendor, an independent third party, on 25th May, 2015 under which the Subsidiary agreed to purchase all of the issued shares of the Hotel Owner (as defined below) for the total consideration of AUD445,333,000 (approximately HK\$2,739,000,000) (subject to adjustment, if necessary, according to the relevant completion accounts as at the date of completion) subject to the terms and conditions of the share sale agreement. The Hotel Owner is a company which owns 100% interest of a hotel in Sydney.

As at 30th June, 2015, the estimated total capital expenditure of the Company in respect of the formation of the Joint Venture for the acquisition of the Hotel Owner contracted but not provided for in the consolidated financial statements was approximately AUD227,700,000 (approximately HK\$1,349,000,000), representing its 50% indirect interest in the Joint Venture. As at 30th June, 2014, there was no such capital commitment for the Group.

**48. EVENT AFTER THE REPORTING PERIOD**

The acquisition of the Hotel Owner (refer to Note 47) was completed and total consideration of AUD445,333,000 was paid on 31st July, 2015. The total consideration is subject to adjustment, if necessary, according to the relevant completion accounts, which have not been completed at the date of this report.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 49. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

## Statement of financial position of the Company

	2015 HK\$	2014 HK\$
Non-current assets		
Investments in subsidiaries (Note)	448,441,991	448,441,991
Interests in associates (Note)	515,829,723	515,829,723
Available-for-sale investments	809,127,748	925,510,895
	<u>1,773,399,462</u>	<u>1,889,782,609</u>
Current assets		
Trading securities	11,201,516	554,800,591
Amounts due from subsidiaries	54,118,564,756	51,167,890,687
Accounts and other receivables	4,896,573	5,251,581
Taxation recoverable	–	14,781,890
Time deposits, bank balances and cash	561,518,338	11,781,735
	<u>54,696,181,183</u>	<u>51,754,506,484</u>
Current liabilities		
Accounts and other payables	7,317,682	7,534,729
Amount due to a subsidiary	309,611,157	435,631,932
Amounts due to associates	113,897,318	67,531,290
Taxation payable	24,366,056	–
Financial guarantee contracts	789,351	–
	<u>455,981,564</u>	<u>510,697,951</u>
Net current assets	<u>54,240,199,619</u>	<u>51,243,808,533</u>
Total assets less current liabilities	<u>56,013,599,081</u>	<u>53,133,591,142</u>
Capital and reserves		
Share capital	37,667,764,680	36,767,987,593
Reserves	18,345,834,401	16,364,814,198
Total equity	<u>56,013,599,081</u>	<u>53,132,801,791</u>
Non-current liability		
Financial guarantee contracts	–	789,351
	<u>56,013,599,081</u>	<u>53,133,591,142</u>

Note:

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

Approved and authorised for issue by the Board of Directors on 26th August, 2015 and are signed on its behalf by:

**Robert NG Chee Siong**  
Chairman

**Daryl NG Win Kong**  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 49. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

## Reserve movement of the Company

	Share premium HK\$	Investment revaluation reserve HK\$	Capital redemption reserve HK\$	Retained profits HK\$	Total HK\$
At 1st July, 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
Profit for the year	–	–	–	5,168,437,515	5,168,437,515
Loss on fair value change of available-for-sale investments	–	(142,469,867)	–	–	(142,469,867)
Total comprehensive (expense) income for the year	–	(142,469,867)	–	5,168,437,515	5,025,967,648
Cancellation upon repurchase of own shares	–	–	–	(31,315,239)	(31,315,239)
Final dividend – 2014	–	–	–	(2,285,945,112)	(2,285,945,112)
Interim dividend – 2015	–	–	–	(727,687,094)	(727,687,094)
<b>At 30th June, 2015</b>	<b>–</b>	<b>137,828,117</b>	<b>–</b>	<b>18,208,006,284</b>	<b>18,345,834,401</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**50. 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, 2015 and 2014 which materially affected the results or assets and liabilities of the Group.

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
				2015	2014	
				%	%	
<b>Direct:</b>						
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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<b>Direct:</b> (Continued)						
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
<b>Indirect:</b>						
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
Asian View Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
Best Origin Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Bestone Limited	Hong Kong	Ordinary	HK\$2	100	100	Property development
Bright Land Development Limited	Hong Kong	Ordinary	HK\$1	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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
Citywalk 2 Management Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Building management
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Excel Wisdom Development Limited	Hong Kong	Ordinary	HK\$1	52.63	–	Property investment
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
Forlink Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
Jade Line Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	100	100	Property investment
Jet 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 trading and investment
Jet Union Development Limited	Hong Kong	Ordinary	HK\$1	60	60	Property investment and development
Joint Prospect Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
Joint Rise Development Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Joy Rise Limited	Hong Kong	Ordinary	HK\$1	100	–	Property development
King Century Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment and development
King Regent Limited	Hong Kong	Ordinary	HK\$1	85	85	Property trading and investment
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
Lucky Fortress Inc.	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share investment
Mayfair By The Sea I Finance Company Limited	Hong Kong	Ordinary	HK\$1	85	85	Financing
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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
Park Summit Commercial Management Company Limited	Hong Kong	Ordinary	HK\$1	100	100	Building management
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading
Perfect Green Supplies Company Limited	Hong Kong	Ordinary	HK\$1	100	100	Cleaning services
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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015	2014	
				%	%	
<i>Indirect: (Continued)</i>						
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
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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
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
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 Fortune Garden Inc.	British Virgin Islands/ Hong Kong	Ordinary	US\$1	100	100	Share 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, trading and investment
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	52.63	Property investment
Smart Champion (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	100	100	Property development
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	100	100	Share investment

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
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
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 trading and investment
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
Union Century (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	100	100	Property investment

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
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 Score Investments Limited	Hong Kong	Ordinary	HK\$10	90	–	Property development
Union Top Properties Limited	Hong Kong	Ordinary	HK\$1	52.63	52.63	Property investment
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
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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 50. 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
				2015 %	2014 %	
<i>Indirect: (Continued)</i>						
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	52.63	Property investment
Wise Mate Limited	Hong Kong	Ordinary	HK\$2	100	100	Property trading and investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	100	100	Property investment
World Talent (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	100	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 and trading

## Notes:

- (i) Wholly foreign owned enterprises established in the PRC.
- (ii) Other than guarantee notes issued by Sino (MTN) Limited as disclosed in Note 34, none of the subsidiaries had issued any debt securities at 30th June, 2015 and 2014.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

**51. 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, 2015 and 2014 which materially affected the results of the year or form a substantial portion of the net assets of the Group.

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	
			2015			2014	Total
			Directly %	Indirectly %	Total %	Total %	
Ace Glory Limited	Hong Kong	Ordinary	–	25	25	25	Property trading and investment
Astoria Estate Management Company Limited	Hong Kong	Ordinary	–	50	50	50	Building management
Best Profit Limited	Hong Kong	Ordinary	–	50	50	50	Property investment
Beverhill Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	–	20	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	–	50	50	50	Property trading
Century Rise Limited	Hong Kong	Ordinary	–	50	50	50	Property trading and investment
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, 2015

## 51. 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	
			2015		Total %	2014 Total %	
			Directly %	Indirectly %			
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
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
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
Great Maker Limited	Hong Kong	Ordinary	–	30	30	–	Property development
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
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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2015

## 51. 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	
			2015			2014	
			Directly %	Indirectly %	Total %	Total %	
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 and investment
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
Providence Bay Property Management Company Limited	Hong Kong	Ordinary	–	35	35	35	Building management
Providence Peak Finance Company Limited	Hong Kong	Ordinary	–	25	25	25	Mortgage loan financing
Providence Peak Property Management Company Limited	Hong Kong	Ordinary	–	25	25	25	Building management
Pui Hay Enterprises Limited	Hong Kong	Ordinary	–	50	50	50	Property trading
Sea Dragon Limited	Hong Kong	Ordinary	–	30	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, 2015

## 51. 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	
			2015		Total %	2014 Total %	
			Directly %	Indirectly %			
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	–	25	25	Building construction
Teamer International Limited	Hong Kong	Ordinary	–	35	35	35	Property trading
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	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 investment
United Best Hong Kong Limited	Hong Kong	Ordinary	–	40	40	40	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.

	<b>At 30th June, 2015 HK\$</b>	At 30th June, 2014 HK\$
The Group's share of total indebtedness of its affiliated companies		
– Bank loans	<b>1,673,277,152</b>	2,904,417,044
Advances from the Group	<b>11,361,028,340</b>	16,360,343,155
	<b><u>13,034,305,492</u></b>	<u>19,264,760,199</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, 2015

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
<b>Properties for investment and hotels</b>							
<b>HONG KONG</b>							
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, 2015

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
<b>Properties for investment and hotels</b>							
<b>HONG KONG</b>							
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 Hong Kong 74-80 Johnston Road, Wan Chai, Hong Kong	2047	100.0%	5,353	46,331 <u>11,777</u> <u>58,108</u>	R C	Completed	Existing
12. The Avenue Commercial portion, 200 Queen's Road East, Wan Chai, Hong Kong	2060	Joint Venture	75,176	87,720 <sup>†</sup>	C	Completed	Existing
13. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	100.0%	7,818	119,298	C	Completed	Existing
14. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	100.0%	5,315	73,443	C	Completed	Existing

# MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>HONG KONG</b>							
15. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	20.0%	165,550	93,550	R	Completed	Existing
16. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	100.0%	9,450	164,460	C	Completed	Existing
17. 25/F United Centre Queensway, Hong Kong	2128	50.0%	–	10,225	C	Completed	Existing
<b>KOWLOON</b>							
18. No. 1 Hung To Road Kwun Tong, Kowloon	2047	33.3%	60,970	177,337	I	Completed	Existing
19. The Astrid 180 Argyle Street, Kowloon	2047	100.0%	61,118	9,852	R	Completed	Existing
20. The Avery 12, 16 and 18 Hau Wong Road, Kowloon	2047	100.0%	3,967	10,455	C	Completed	Existing
21. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	100.0%	5,413	65,550	C	Completed	Existing
22. The Camphora 51-52 Haiphong Road, Kowloon	2863	100.0%	1,800	18,043	R	Completed	Existing

**MAJOR PROPERTIES HELD BY THE GROUP** (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>KOWLOON</b>							
23. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	25.0%	165,334	359,433	C	Completed	Existing
24. Coronation Circle 1 Yau Cheung Road, South West Kowloon, Kowloon	2057	45.0%	86,758	39,041	C	Completed	Existing
25. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	100.0%	21,745	155,910	I	Completed	Existing
26. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	100.0%	50,752	259,503	C	Completed	Existing
27. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,394	114,334	I	Completed	Existing
28. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	100.0%	18,783	225,396	C	Completed	Existing



## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>KOWLOON</b>							
29. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	100.0%	18,028	232,606	C	Completed	Existing
30. 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			
31. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	25,995	192,694*	P	Completed	Existing
				* 366 carparks			
32. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	100.0%	4,490	6,873	C	Completed	Existing
33. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 <sup>†</sup>	C	Completed	Existing
34. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 <sup>†</sup>	C	Completed	Existing
35. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	50.0%	146,131	59,423	C	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>KOWLOON</b>							
36. Omega Plaza 32 Dundas Street, Kowloon	2047	100.0%	5,385	80,775	C	Completed	Existing
37. One Madison 305 Castle Peak Road, Kowloon	2047	100.0%	7,200	12,800	C	Completed	Existing
38. One New York 468 Castle Peak Road, Kowloon	2047	100.0%	6,448	9,621	C	Completed	Existing
39. One SilverSea 18 Hoi Fai Road, Kowloon	2052	100.0%	112,484	68,456 43,759 <u>112,215</u>	C H	Completed	Existing
40. Park Ivy 8 Ivy Street, Kowloon	2061	Joint Venture	6,032	9,042 <sup>†</sup>	C	Completed	Existing
41. Park Summit Shopping Arcade, 88 Beech Street, Kowloon	2058	Joint Venture	25,058	37,588 <sup>†</sup>	C	Completed	Existing
42. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	100.0%	10,370	114,103	I	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>KOWLOON</b>							
43. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	50.0%	68,986	413,915	C	Completed	Existing
44. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	100.0%	26,598	58,887	C	Completed	Existing
45. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	45.0%	42,835	231,309	C	Completed	Existing
46. Vista Shopping Arcade, 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 <sup>†</sup>	C	Completed	Existing
47. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	21,110	238,187	I/O	Completed	Existing
48. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	90.0%	100,580	464,627	I	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>NEW TERRITORIES</b>							
49. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	100.0%	145,649	101,980	C	Completed	Existing
50. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 <sup>†</sup>	C	Completed	Existing
51. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 <sup>†</sup>	C	Completed	Existing
52. Corporation Park 11 On Lai Road, Shatin, New Territories	2047	30.0%	43,056	122,708	I	Completed	Existing
53. Golden Plaza 28 Shui Che Kwun Street, Yuen Long, New Territories	2047	100.0%	21,420	32,178 173,571* <u>205,749</u>	C P	Completed	Existing
* 438 carparks							
54. The Graces • Providence Bay Shopping Arcade, 9 Fo Chun Road, Tai Po, New Territories	2057	50.0%	107,941	10,791	C	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>NEW TERRITORIES</b>							
55. 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							
56. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 <sup>†</sup>	C	Completed	Existing
57. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	100.0%	52,582	111,253	I	Completed	Existing
58. Mayfair By The Sea I 23 Fo Chun Road, Tai Po, New Territories	2059	85.0%	225,237	38,289	C	Completed	Existing
59. Mayfair By The Sea II 21 Fo Chun Road, Tai Po, New Territories	2059	100.0%	225,237	45,047	C	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>NEW TERRITORIES</b>							
60. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	100.0%	65,552	29,082	C	Completed	Existing
61. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 <sup>†</sup>	C	Completed	Existing
62. 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			
63. 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			
64. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	100.0%	29,956	35,213	C	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>NEW TERRITORIES</b>							
65. 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							
66. 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							
67. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	100.0%	17,362	170,570	I	Completed	Existing
68. 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							
69. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	50.0%	69,428	28,285	C	Completed	Existing



## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>MAINLAND CHINA</b>							
70. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2045	100.0%	1,004,199	25,654	C	Completed	Existing
71. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	100.0%	53,131	14,931 12,861* <u>27,792</u>	C P	Completed	Existing
* 52 carparks							
72. Le Sommet 279 Jiahe Road, Xiamen	2041	100.0%	33,188	15,973	C	Completed	Existing
73. Park Place 130 Jiahe Road, Xiamen	2039	100.0%	44,118	10,689	C	Completed	Existing
74. 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
75. Sino International Plaza 137 Wusi Road, Fuzhou	2059	100.0%	58,126	499,158	C	Completed	Existing

# MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2015

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
<b>Properties for investment and hotels</b>							
<b>OVERSEAS – SINGAPORE</b>							
76. Clifford Pier 80 Collyer Quay, Singapore	2067	100.0%	70,397	13,731	C	Completed	Existing
77. Customs House 70 Collyer Quay, Singapore	2067	100.0%	44,348	14,822	C	Completed	Existing
78. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	100.0%	139,469	466,423	H	Completed	Existing
79. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	100.0%	38,965	79,087	H	Completed	Existing
80. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	100.0%	16,921	21,743	C	Completed	Existing
81. One Fullerton 1 Fullerton Road, Singapore	2096	100.0%	92,646	80,433	C	Completed	Existing
<b>Completed properties for sale</b>							
<b>HONG KONG</b>							
1. The Avenue 200 Queen's Road East/ 33 Tai Yuen Street, Wan Chai, Hong Kong	2060	Joint Venture	88,652	55,807 <sup>†</sup>	R	Completed	Existing

**MAJOR PROPERTIES HELD BY THE GROUP** (Continued)

Dated at 30th June, 2015

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
<b>Completed properties for sale</b>							
<b>HONG KONG</b>							
2. 53 Conduit Road, Hong Kong	2065	100.0%	24,930	60,421	R	Completed	Existing
3. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	19.1%	34,595	9,869	C	Completed	Existing
4. Marinella 9 Welfare Road, Aberdeen, Hong Kong	2057	35.0%	68,922	10,763 <sup>#</sup>	R	Completed	Existing
<b>KOWLOON</b>							
5. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	33.3%	44,350	11,484	C	Completed	Existing
6. Hewlett Centre 54 Hoi Yuen Road, Kwun Tong, Kowloon	2047	100.0%	38,000	15,099	I	Completed	Existing
7. Kowloon Plaza 485 Castle Peak Road, Cheung Sha Wan, Kowloon	2047	100.0%	19,375	25,702	I	Completed	Existing
8. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	100.0%	27,125	18,395	I	Completed	Existing

# MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2015

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
<b>Completed properties for sale</b>							
<b>KOWLOON</b>							
9. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	100.0%	5,760	66,512	I	Completed	Existing
10. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	50.0%	17,280	103,576	I	Completed	Existing
<b>NEW TERRITORIES</b>							
11. The Balmoral 1 Ma Shing Path, Tai Po, New Territories	2055	100.0%	63,603	15,178 <sup>#</sup>	R	Completed	Existing
12. Botanica Bay 3 Cheung Fu Street, South Lantau Coast	2057	100.0%	178,542	55,120 <sup>#</sup>	R	Completed	Existing
13. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	100.0%	–	174,358	I	Completed	Existing
14. Dragons Range 33 Lai Ping Road, Shatin, New Territories	2061	40.0%	248,175	412,588	R	Completed	Existing

**MAJOR PROPERTIES HELD BY THE GROUP** (Continued)

Dated at 30th June, 2015

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
<b>Completed properties for sale</b>							
<b>NEW TERRITORIES</b>							
15. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	100.0%	21,163	61,144	I	Completed	Existing
16. Mayfair By The Sea I 23 Fo Chun Road, Tai Po, New Territories	2059	85.0%	225,237	111,779 <sup>#</sup>	R	Completed	Existing
17. Mayfair By The Sea II 21 Fo Chun Road, Tai Po, New Territories	2059	100.0%	225,237	169,310 <sup>#</sup>	R	Completed	Existing
18. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	100.0%	18,191	10,430	I	Completed	Existing
19. Providence Bay 5 Fo Chun Road, Tai Po, New Territories	2057	35.0%	238,164	47,636 <sup>#</sup>	R	Completed	Existing
20. Providence Peak 8 Fo Chun Road, Tai Po, New Territories	2057	25.0%	214,225	23,774 <sup>#</sup>	R	Completed	Existing
21. The Graces • Providence Bay 9 Fo Chun Road, Tai Po, New Territories	2057	50.0%	107,941	16,304 <sup>#</sup>	R	Completed	Existing

# MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Completed properties for sale</b>							
<b>NEW TERRITORIES</b>							
22. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	100.0%	10,194	8,386	I	Completed	Existing
23. 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
24. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	100.0%	20,000	15,468	I	Completed	Existing
<b>MAINLAND CHINA</b>							
25. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	20.0%	14,253,628	21,330	C	Completed	Existing
26. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2075	100.0%	1,004,199	10,682	R	Completed	Existing

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Completed properties for sale</b>							
<b>MAINLAND CHINA</b>							
27. The Coronation, Chongqing 288 Beibing Road, Chongqing	2058	50.0%	1,993,549	46,135 <u>46,375</u> <u>92,510</u>	R C	Completed	Existing
28. The Palazzo, Chengdu 9 The Second Yufeng Road, Chenghua District, East Chengdu	2078	100.0%	2,630,284	528,742	R	Completed	Existing
<b>Properties under development</b>							
<b>HONG KONG</b>							
1. 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	Basement works in progress	January 2017
2. Sik On Street, Wan Chai, Hong Kong Inland Lot No.9049	2063	100.0%	2,239	11,195	R	Foundation works completed	September 2017



## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties under development</b>							
<b>KOWLOON</b>							
3. Junction of Cheung Yip Street, Sheung Yee Road and Wai Yip Street, Kowloon Bay, Kowloon New Kowloon Inland Lot No.6313	2065	30.0%	40,849	147,058	C	Planning stage	June 2019
4. Kwun Tong Town Centre Development Areas 2 and 3, Kwun Tong, Kowloon New Kowloon Inland Lot No.6514	2064	Joint Venture	234,160	1,495,981 <sup>†</sup>	R	Foundation works in progress	September 2020
<b>NEW TERRITORIES</b>							
5. Mui Wo, New Territories Lot No.726 in Demarcation District No.4	2062	100.0%	24,327	32,400 <u>17,007</u> <u>49,407</u>	R C	Superstructure works in progress	September 2015
6. 18 Peng Lei Road, Peng Chau, New Territories Lot No.676 in Demarcation District	2062	100.0%	49,127	36,845	R	Superstructure works in progress	December 2015
7. Corinthia By The Sea 23 Tong Yin Street, Tseung Kwan O, New Territories Tseung Kwan O Town Lot No.117	2062	60.0%	139,016	250,228 <u>41,708</u> <u>291,936</u>	R C	Superstructure works in progress	May 2016

## MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2015

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
<b>Properties under development</b>							
<b>NEW TERRITORIES</b>							
8. Peng Lei Road, Peng Chau, New Territories Lot No.674 in Demarcation District	2062	100.0%	19,163	14,372	R	Foundation works in progress	October 2016
9. Sha Kok Mei Sai Kung, New Territories Lot No.1949 in Demarcation District No.221	2063	100.0%	166,089	249,133	R	Foundation works in progress	March 2017
10. 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	Foundation works in progress	May 2017
11. 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 <sup>†</sup>	R	Foundation works in progress	November 2017
12. Junction of Luen Hing Street, Wo Fung Street and Luen Shing Street, Luen Wo Hui, Fanling, New Territories Fanling Sheung Shui Town Lot No.255	2064	100.0%	30,440	135,894 34,337 <u>39,676</u> <u>209,907</u>	R C P	Foundation works in progress	July 2018
13. Hong Kin Road, Tui Min Hoi, Sai Kung, New Territories Lot No.1181 in Demarcation District No.215	2065	100.0%	36,856	51,592	R	Ground investigation works in progress	September 2018

# MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2015

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
<b>Properties under development</b>							
<b>MAINLAND CHINA</b>							
14. 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 2016
15. Mayfair By The Lake, Xiamen 26 North Hubin Road, Xiamen	2066 2046	100.0%	64,904	488,485 <u>19,037</u>  <u>507,522</u>	R C	Foundation works in progress	December 2016
16. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2075 2045	100.0%	1,004,199	3,683,509 <u>148,164</u>  <u>3,831,673</u>	R C	Foundation works in progress	June 2020
17. The Coronation, Chongqing 288 Beibing Road, Chongqing	2058 2048	50.0%	1,993,549	4,307,989 <u>790,638</u>  <u>5,098,627</u>	R C	Foundation works in progress	April 2021

**MAJOR PROPERTIES HELD BY THE GROUP** (Continued)

Dated at 30th June, 2015

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
<b>Properties under development</b>							
<b>MAINLAND CHINA</b>							
18. The Palazzo, Chengdu	2078	100.0%	2,630,284	10,568,274	R	Foundation	April 2022
9 The Second Yufeng Road, Chenghua District, East Chengdu	2048			662,014	C	works in	
				<u>531,539</u>	H	progress	
				<u>11,761,827</u>			

Note: C: Commercial

R: Residential

I: Industrial

I/O: Industrial/Office

H: Hotel

P: Multi-storey carpark

(\*): Property under redevelopment

t: it represents the total approximate floor area of the property

#: 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 <sup>(Note 1)</sup> \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of <sup>(Note 2)</sup> \_\_\_\_\_  
ordinary shares of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or <sup>(Note 3)</sup> \_\_\_\_\_  
of \_\_\_\_\_  
as my/our proxy to act for me/us at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on Friday, the 23rd day of October, 2015 at 9:30 a.m. and at such Meeting (or at any adjournment thereof) 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.

	<b>For</b> <sup>(Note 4)</sup>	<b>Against</b> <sup>(Note 4)</sup>
1. To receive and consider the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2015.		
2. To declare a final dividend of HK\$0.38 per ordinary share with an option for scrip dividend.		
3. (i) To re-elect The Honourable Ronald Joseph Arculli as Director.		
(ii) To re-elect Dr. Allan Zeman as Director.		
(iii) To re-elect Mr. Steven Ong Kay Eng as Director.		
(iv) To re-elect Mr. Wong Cho Bau as Director.		
(v) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2016.		
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 buy-back mandate (Ordinary Resolution on item 5(i) of the Notice of Annual General Meeting).		
(ii) To approve share issue mandate (Ordinary Resolution on item 5(ii) of the Notice of Annual General Meeting).		
(iii) To approve extension of share issue mandate (Ordinary Resolution on item 5(iii) of the Notice of Annual General Meeting).		

Dated \_\_\_\_\_ Signature <sup>(Note 5)</sup> \_\_\_\_\_

### 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 INITIALED 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 (excluding any part of a day that is a public holiday) 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 shareholder entitled to attend and vote at the Meeting may appoint one or more proxies to exercise all or any of his rights to attend and vote instead of him, provided that the proxy is appointed to represent respectively the number of shares held by the shareholder as specified in the relevant instrument of appointment. The proxy need not be a shareholder 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.



