



尖沙咀置業集團有限公司
Tsim Sha Tsui Properties Limited

2015-2016
INTERIM REPORT
二零一五至二零一六年度
中期報告書



The Palazzo (Chengdu)
成都信和·御龍山

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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*
Daryl Ng Win Kong, JP

(# 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
Daryl Ng Win Kong, JP

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 dividend entitlement 10th to 14th March, 2016
(both dates inclusive)

Record Date for interim dividend entitlement 14th March, 2016

Last Date for lodging form of election for scrip dividend 7th April, 2016
4:30 p.m.

Interim Dividend Payable HK13 cents per share
20th April, 2016

Principal Bankers

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

Investor Relations Contact

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

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Email : info@sino.com

Share Registrars

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183 Queen's Road East,
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Telephone : (852) 2980 1333
Fax : (852) 2861 1465
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Listing Information

Stock Code 247

CHAIRMAN'S STATEMENT

I am pleased to present my interim report to the shareholders.

INTERIM RESULTS

The Group's unaudited underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2015 ("Interim Period") was HK\$1,530.2 million, representing an increase of 78.4% from HK\$857.6 million for the corresponding period last year. Underlying earnings per share was HK\$0.915 (2014: HK\$0.527).

The Group's net profit attributable to shareholders for the Interim Period was HK\$1,977.7 million, representing an increase of 5.0% from HK\$1,883.4 million for the corresponding period last year. Earnings per share was HK\$1.183 (2014: HK\$1.156). The reported profit for the Interim Period included a revaluation surplus (net of deferred taxation) on investment properties of HK\$447.4 million compared with a revaluation surplus (net of deferred taxation) of HK\$1,025.8 million for the last period.

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

DIVIDEND

The Directors have declared an interim dividend of 13 cents per share payable on 20th April, 2016 to those shareholders whose names appear on the Register of Members of the Company on 14th March, 2016.

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

A circular containing details of the scrip dividend scheme will be despatched to the shareholders together with a form of election for scrip dividend on or about 18th March, 2016. It is expected that the interim dividend warrants and share certificates will be despatched to the shareholders on or about 20th April, 2016.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 31st December, 2015, Tsim Sha Tsui Properties Limited (the "Company") had 51.21% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

(1) Sales Activities

Sino Land's total revenue from property sales for the Interim Period, including property sales of associates and joint ventures recognised by Sino Land, was HK\$7,187.4 million (2014: HK\$4,090.4 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in Dragons Range in Kau To, Mayfair By The Sea I and II in Pak Shek Kok and The Avenue Phase 2 in Wan Chai and to date, approximately 92%, 95%, 89% and 97% of the units in the respective projects have been sold.

During the Interim Period, Sino Land launched Cluny Park at 53 Conduit Road and The Mediterranean in Sai Kung for sale and to date, approximately 22% and 11% of the respective projects have been sold.

In China, 1,121 residential units in The Palazzo in Chengdu and 455 residential units in Dynasty Park in Zhangzhou were launched for sale by Sino Land during the Interim Period. To date, a total of 2,663 residential units in The Palazzo and 1,601 residential units in Dynasty Park have been launched for sale and approximately 64% and 83% of the units in the respective projects have been sold.

(2) Land Bank

As at 31st December, 2015, Sino Land has a land bank of approximately 32.9 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 56.5% is residential; 27.3% commercial; 6.9% industrial; 4.6% car parks and 4.7% hotels. In terms of breakdown of the land bank by status, 19.5 million square feet were properties under development, 11.8 million square feet of properties for investment and hotels, together with 1.6 million square feet of properties held for sale. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

CHAIRMAN'S STATEMENT (Continued)

REVIEW OF OPERATIONS (Continued)

(2) Land Bank (Continued)

During the Interim Period, Sino Land acquired a site from the HKSAR Government and details of the project are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> <i>(Square feet)</i>
YLTL 532 Junction of Wang Yip Street West and Hong Yip Street, Tung Tau Industrial Area, Yuen Long, New Territories, Hong Kong	Commercial	100%	497,620

(3) Property Development

During the Interim Period, Sino Land obtained Occupation Permit for the following project in Hong Kong and details of the project are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> <i>(Square feet)</i>
Riverwalk 6 Ngan Kwong Wan Road, Mui Wo, Hong Kong	Residential/ Commercial	100%	49,407

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

(4) Rental Activities

For the Interim Period, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 4.4% to HK\$1,894.4 million (2014: HK\$1,814.9 million) and net rental income increased 3.2% to HK\$1,646.7 million (2014: HK\$1,595.5 million). The increase in rental revenue was mainly due to higher rental rates on renewals. Overall occupancy of Sino Land's investment property portfolio was at approximately 97% (2014: 98%) for the Interim Period.

Sino Land's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate at approximately 97% (2014: 99%) for the Interim Period mainly due to expiry of leases. Two new malls namely Mayfair Lane in Pak Shek Kok and Lee Tung Avenue in Wan Chai with total attributable floor area of approximately 110,000 square feet started operations during the Interim Period. Leasing of the two retail malls has progressed well with both malls achieving high occupancy.

The leasing performance of Sino Land's office portfolio saw stable rental growth while overall occupancy rate was at approximately 98% (2014: 98%) for the Interim Period. The leasing performance of Sino Land's industrial portfolio was steady with occupancy rate at approximately 97% (2014: 97%).

Sino Land's investment property portfolio primarily serves the need of its customers which include tenants, shoppers and the communities around the properties. The design and condition 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, Sino Land would perform regular review of the properties. On service quality, Sino Land places a strong emphasis on regular training particularly for all front-line staff to ensure that the service provided to customers meets 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.

As at 31st December, 2015, Sino Land has approximately 11.8 million square feet of attributable floor area of investment properties and hotels in Hong Kong, China, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 61.9%, industrial 14.8%, car parks 12.4%, hotels 8.8%, and residential 2.1%.

(5) Hotels

Overall business performance of Sino Land's existing 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 Interim Period. Sino Land completed the acquisition of 50% interest in The Westin Sydney during the Interim Period which will strengthen Sino Land's recurrent income base. Sino Land will continue to improve the quality of its hotel services to ensure our discerning guests have enjoyable experiences during their stays in the hotels.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

(6) China Business

During the Interim Period, the Central Government continued its monetary easing policies to stimulate the economy. The relaxation of loan-to-value ratio for mortgage loans as well as the reduction of interest rates are favourable for homebuyers. The property market has turned active with improvement in sales volume and value. Inventory level has also been decreased.

The reforms on household registration system (or “Hukou” system) have seen recent development. The contemplated changes include an introduction of a residence permit system giving rural residents a better access to social welfare and public services; the reform allowing migrant workers who register to live in the city to keep their land rights in the village and the plan to turn 100 million rural residents into registered urban residents are all positive to increase the demand for housing.

Sino Land has three projects in China mainly for residential development with a total of approximately 16.0 million square feet of attributable plot ratio area. These projects are The Palazzo in Chengdu, Dynasty Park in Zhangzhou and Mayfair By The Lake in Xiamen.

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, 2015.

FINANCE

As at 31st December, 2015, the Group had cash and bank deposits of HK\$23,991.2 million. After netting off total borrowings of HK\$5,971.0 million, the Group had net cash of HK\$18,020.2 million as at 31st December, 2015. Of the total borrowings, 12.7% was repayable within one year and 87.3% repayable between one and two years.

The majority of the Group's debts are denominated in Hong Kong dollars and US dollars, with the balance in Singapore dollars. The Singapore dollars denominated debts are mainly used to fund The Fullerton Heritage project in Singapore. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a 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.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE GOVERNANCE

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

CUSTOMER SERVICE

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

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, Sino Land has been actively participating in a wide range of community programmes, voluntary services, charitable activities and green initiatives to promote environmental protection, arts and culture, heritage conservation and teamwork. In recognition of Sino Land's continuous efforts in promoting sustainability and upholding high standards in environmental, social and corporate governance aspects, Sino Land has been named a constituent company of the Hang Seng Corporate Sustainability Index Series since September 2012.

During the Interim Period, Sino Land published its Sustainability Review 2015, its fifth annual report highlighting the corporate sustainability footprints and initiatives. The Sustainability Review 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.

Sino Land encourages staff of all levels to serve the community and care for those in need; this commitment has been extended to support staff in joining voluntary service during office hours for at least one day in a year. Sino Land 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. Sino Land 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.

Dedicated to promoting arts and culture to enrich daily lives, Sino Land initiated 'Sino Art' in 2006. Sino Art provides local and international artists with opportunities to showcase their works through exhibitions and related activities at the properties of Sino Land. With the launch of 'Sino Art in Community' in 2013, Sino Land has extended its reach to 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 Interim Period, Sino Land launched two 'Sino Art in Community' projects in partnership with Society of Boys' Centres Shing Tak Centre and Hong Kong Christian Service Tai Hang Tung Nursery School.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE SOCIAL RESPONSIBILITY *(Continued)*

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’. To raise public awareness on the importance of conserving heritage buildings, free hotel daily guided tours are offered for the public and charity groups to visit the Hotel. The Hotel is an award winner of the ‘2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation’. In recognition of its contributions to heritage conservation in Hong Kong, HCF was honoured by the American Institute of Architects Hong Kong Chapter with a ‘Citation Award’ in November 2014.

PROSPECTS

There is an uneven economic growth among countries. In the United States, its economy has been growing at a moderate pace with improvement in labour market, household spending and housing market. Whilst the United States continues with the path of recovery and has started tightening its monetary policy, the Euro zone extended its quantitative easing programme. With concerns over a possible slowdown in global growth, strengthening of the US\$ against other currencies and the decrease in oil prices, equity markets have been volatile and emerging markets have seen capital outflows.

In China, the Central Economic Work Conference convened by the Central Committee of the Communist Party and the State Council held in December 2015 maps out plans for 2016 including policies on managing the economy. The Central Government’s “One Belt, One Road” initiative will strengthen economic ties across Asia, Europe and Africa and benefit a wide range of industries. Since the publication of the “Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road” authorized by the State Council in March 2015, a sequence of actions have taken place to turn the “One Belt, One Road” vision into reality. These include setting up policy measures to support the opening of key border regions; agreeing and signing joint statements to establish comprehensive strategic partnership between China and other countries; and devising action plans for advancing the initiative in key cities in China. The initiative will bring in new business opportunities and economic growth for Hong Kong in the years to come.

With effect from 1st October, 2016, Renminbi will be included in the Special Drawing Right (“SDR”) basket as a fifth currency, along with the US\$, Euro, British Pound and Japanese Yen, making Renminbi a global reserve currency. IMF’s decision to include the Renminbi in the SDR basket is an important milestone in the integration of the Chinese economy into the global financial system. This together with the “One Belt, One Road” initiatives, demand for Renminbi and Renminbi denominated investments is expected to grow.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

The Hong Kong property market continues to consolidate as a result of economic and property-related policies. Both sales volume and value showed a modest decrease in 2015 when compared to a year ago. The housing policy in the Policy Address announced on 13th January, 2016 states that there will be a consistent supply of land in Hong Kong. The HKSAR Government's effort in zoning or rezoning of sites, introducing new development areas and extending new towns should offer a solution to the long-term supply of both residential and commercial property developments.

Hong Kong experienced a decline in retail sales and visitor arrivals last year after over a decade of growth, which suggests that Hong Kong may face more economic headwinds going forward. Management is mindful of the upcoming uncertainties as the business environment in Hong Kong may turn more difficult. Sino Land's recurrent businesses, which comprise property leasing, hospitality and property management services, continue to contribute stable stream of income. With a good financial position, Sino Land is well-positioned to respond to challenges ahead.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development and property management, Sino Land will incorporate more environmentally friendly elements in our projects. Sino Land 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, 24th February, 2016

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st December, 2015

		Six months ended	
		31st December, 2015	31st December, 2014
		<i>HK\$</i>	<i>HK\$</i>
		(Unaudited)	(Unaudited)
	<i>Notes</i>		
Turnover	3	5,503,322,393	5,298,008,885
Cost of sales		(1,785,988,619)	(2,244,577,637)
Direct expenses		(1,166,687,332)	(1,080,605,252)
Gross profit		2,550,646,442	1,972,825,996
Other income and other gains or losses		45,243,794	53,088,301
Change in fair value of investment properties	12	725,986,992	1,675,864,294
Gain on disposal of investment properties		469,536,276	7,217,307
Loss arising from change in fair value of trading securities		(3,604,783)	(39,963,650)
Administrative expenses		(583,373,570)	(377,420,844)
Other operating expenses		(77,302,615)	(89,041,823)
Finance income	4	249,077,144	233,948,708
Finance costs	5	(114,529,223)	(135,747,228)
Less: Interest capitalised	5	6,835,105	8,208,135
Finance income, net		141,383,026	106,409,615
Share of results of associates	6	1,084,159,124	553,776,934
Share of results of joint ventures	7	21,980,471	185,913,686
Profit before taxation	8	4,374,655,157	4,048,669,816
Income tax expense	9	(426,264,833)	(320,941,799)
Profit for the period		3,948,390,324	3,727,728,017
Profit for the period attributable to:			
The Company's shareholders		1,977,718,392	1,883,441,030
Non-controlling interests		1,970,671,932	1,844,286,987
		3,948,390,324	3,727,728,017
Earnings per share (reported earnings per share)			
Basic	11(a)	1.183	1.156

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st December, 2015

	Six months ended	
	31st December, 2015 HK\$ (Unaudited)	31st December, 2014 HK\$ (Unaudited)
Profit for the period	3,948,390,324	3,727,728,017
Other comprehensive expense		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Loss on fair value change of available-for-sale investments	(118,081,158)	(99,702,141)
Exchange differences arising on translation of foreign operations	(746,816,090)	(134,925,063)
Other comprehensive expense for the period	(864,897,248)	(234,627,204)
Net comprehensive income for the period	3,083,493,076	3,493,100,813
Net comprehensive income attributable to:		
The Company's shareholders	1,535,843,690	1,772,010,939
Non-controlling interests	1,547,649,386	1,721,089,874
	3,083,493,076	3,493,100,813

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2015

	<i>Notes</i>	31st December, 2015 HK\$ (Unaudited)	30th June, 2015 HK\$ (Audited)
Non-current assets			
Investment properties	12	58,910,628,109	58,409,286,223
Hotel properties		1,606,605,588	1,695,741,835
Property, plant and equipment	13	134,842,825	139,070,293
Goodwill		739,233,918	739,233,918
Prepaid lease payments – non-current		1,114,156,949	1,177,613,796
Interests in associates	14	16,334,495,766	15,630,975,681
Interests in joint ventures	15	3,013,193,958	3,100,573,692
Available-for-sale investments	23	825,957,254	910,567,069
Advances to associates	14	8,042,069,436	8,270,997,179
Advances to joint ventures	15	1,113,376,022	1,058,033,279
Advance to an investee company		13,670,132	16,354,049
Long-term loans receivable		369,502,675	227,559,528
		92,217,732,632	91,376,006,542
Current assets			
Properties under development		20,220,800,053	20,454,301,162
Stocks of completed properties		6,130,696,007	7,258,620,820
Hotel inventories		17,419,335	17,357,382
Prepaid lease payments – current		19,103,190	20,710,267
Trading securities	23	12,122,836	15,688,163
Amounts due from associates	14	160,916,838	500,370,877
Amounts due from joint ventures	15	583,315,058	20,176,534
Accounts and other receivables	16	1,351,580,855	2,896,447,101
Current portion of long-term loans receivable		7,879,733	5,276,127
Taxation recoverable		106,742,326	98,649,164
Restricted bank deposits		198,613,039	194,566,781
Time deposits, bank balances and cash		23,792,559,370	19,607,731,659
		52,601,748,640	51,089,896,037
Assets classified as held for sale	17	–	317,000,000
		52,601,748,640	51,406,896,037
Current liabilities			
Accounts and other payables	18	6,001,893,880	8,228,563,195
Deposits received on sales of properties		6,340,614,503	1,229,453,253
Amounts due to associates	14	1,233,831,461	1,177,213,063
Amounts due to non-controlling interests		142,601,151	367,503,811
Taxation payable		1,065,919,102	1,136,081,255
Bank loans – secured	19	655,587,203	801,295,227
Other loans – unsecured		102,728,158	97,766,579
		15,543,175,458	13,037,876,383
Net current assets		37,058,573,182	38,369,019,654
Total assets less current liabilities		129,276,305,814	129,745,026,196

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 31st December, 2015

	<i>Notes</i>	31st December, 2015 HK\$ (Unaudited)	30th June, 2015 HK\$ (Audited)
Capital and reserves			
Share capital	20	9,499,814,700	8,869,463,206
Reserves		51,166,456,295	50,160,601,283
		<hr/>	<hr/>
Equity attributable to the Company's shareholders		60,666,270,995	59,030,064,489
Non-controlling interests		58,970,057,284	58,628,888,325
		<hr/>	<hr/>
Total equity		119,636,328,279	117,658,952,814
		<hr/>	<hr/>
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	19	3,863,359,326	5,238,278,939
Other loans – due after one year		1,349,321,864	2,136,489,301
Deferred taxation		2,047,093,808	2,044,659,435
Advances from associates	21	1,835,081,719	1,685,891,370
Advances from non-controlling interests	22	545,120,818	980,754,337
		<hr/>	<hr/>
		9,639,977,535	12,086,073,382
		<hr/>	<hr/>
		129,276,305,814	129,745,026,196
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st December, 2015

	Share capital HK\$	Capital reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Attributable to the Company's shareholders HK\$	Non- controlling interests HK\$	Total HK\$
At 1st July, 2014 (audited)	8,058,064,197	447,000,961	197,221,726	1,172,832,095	44,496,498,754	54,371,617,733	56,254,567,220	110,626,184,953
Profit for the period	-	-	-	-	1,883,441,030	1,883,441,030	1,844,286,987	3,727,728,017
Other comprehensive expense for the period	-	-	(50,697,376)	(60,732,715)	-	(111,430,091)	(123,197,113)	(234,627,204)
Net comprehensive (expense) income for the period	-	-	(50,697,376)	(60,732,715)	1,883,441,030	1,772,010,939	1,721,089,874	3,493,100,813
Shares issued in lieu of cash dividend	613,360,038	-	-	-	-	613,360,038	-	613,360,038
Deemed disposal of partial interest in a listed subsidiary	-	(7,185,035)	-	-	-	(7,185,035)	(31,581,924)	(38,766,959)
Release upon liquidation of a subsidiary of a listed subsidiary (Note 26)	-	-	-	-	-	-	(933,213,815)	(933,213,815)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,128,765,368)	(1,128,765,368)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	351,661,446	351,661,446
Final dividend declared and paid – 2014	-	-	-	-	(616,894,357)	(616,894,357)	-	(616,894,357)
At 31st December, 2014 (unaudited)	8,671,424,235	439,815,926	146,524,350	1,112,099,380	45,763,045,427	56,132,909,318	56,233,757,433	112,366,666,751
At 1st July, 2015 (audited)	8,869,463,206	516,384,654	132,089,869	1,084,246,116	48,427,880,644	59,030,064,489	58,628,888,325	117,658,952,814
Profit for the period	-	-	-	-	1,977,718,392	1,977,718,392	1,970,671,932	3,948,390,324
Other comprehensive expense for the period	-	-	(60,766,175)	(381,108,527)	-	(441,874,702)	(423,022,546)	(864,897,248)
Net comprehensive (expense) income for the period	-	-	(60,766,175)	(381,108,527)	1,977,718,392	1,535,843,690	1,547,649,386	3,083,493,076
Shares issued in lieu of cash dividend	630,351,494	-	-	-	-	630,351,494	-	630,351,494
Deemed disposal of partial interest in a listed subsidiary	-	103,444,177	-	-	-	103,444,177	(145,457,416)	(42,013,239)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,135,507,568)	(1,135,507,568)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	74,484,557	74,484,557
Final dividend declared and paid – 2015	-	-	-	-	(633,432,855)	(633,432,855)	-	(633,432,855)
At 31st December, 2015 (unaudited)	9,499,814,700	619,828,831	71,323,694	703,137,589	49,772,166,181	60,666,270,995	58,970,057,284	119,636,328,279

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st December, 2015

	Note	Six months ended	
		31st December, 2015 HK\$ (Unaudited)	31st December, 2014 HK\$ (Unaudited)
Net cash from operating activities		6,737,674,753	3,391,183,979
Net cash from investing activities			
Advances to associates		(1,203,589,844)	(121,664,140)
Advances to joint ventures		(1,409,205,665)	(2,499,401)
Additions to investment properties		(58,397,931)	(107,175,249)
Additions to property, plant and equipment		(27,275,171)	(44,600,517)
Initial payment received for the sale of a subsidiary and assignment of loan	14	525,000,000	–
Dividend received from associates		258,900,000	16,763,660
Withdrawal of restricted bank deposits		59,045,994	64,166,366
Placement of restricted bank deposits		(63,092,252)	(23,093,410)
Proceeds from disposal of investment properties		1,128,584,429	39,018,147
Repayments from associates		1,348,876,307	571,921,495
Repayments from joint ventures		900,637,764	547,124,528
Repayments from non-controlling interests		–	96,082,492
Other investing activities		146,196,513	39,076,463
		1,605,680,144	1,075,120,434
Net cash used in financing activities			
Acquisition of additional interest in a listed subsidiary		(22,207,967)	(24,868,816)
New other loans raised		9,490,614	2,109,885,917
Advances from associates		260,060,942	142,672,716
Repayments of bank and other loans		(2,284,830,668)	(4,523,115,763)
Repayments to associates		(74,256,318)	(641,292)
Dividend paid to non-controlling interests		(1,061,023,024)	(776,441,520)
Payment of repurchase of its own shares by a listed subsidiary		(16,631,400)	(16,008,600)
Interest paid		(79,596,805)	(85,796,230)
Repayments to non-controlling interests		(660,536,179)	(358,859,051)
Other financing activities		(3,189,852)	(4,167,623)
		(3,932,720,657)	(3,537,340,262)
Net increase in cash and cash equivalents		4,410,634,240	928,964,151
Cash and cash equivalents at the beginning of the period		19,607,731,659	14,091,245,244
Effect of foreign exchange rate changes		(225,806,529)	17,545,618
Cash and cash equivalents at the end of the period		23,792,559,370	15,037,755,013
Analysis of the balances of cash and cash equivalents:			
Time deposits, bank balances and cash		23,792,559,370	15,037,755,013

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December, 2015

1. BASIS OF PREPARATION AND DISCLOSURE REQUIRED BY SECTION 436 OF THE HONG KONG COMPANIES ORDINANCE

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

The financial information relating to the year ended 30th June, 2015 included in the condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

The Company’s auditor has reported on these financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2015.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

3. SEGMENT INFORMATION

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

Six months ended 31st December, 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	2,961,757,256	892,568,582	4,225,714,249	898,335,429	7,187,471,505	1,790,904,011
Property rental	1,492,606,860	1,273,691,626	414,655,329	376,309,491	1,907,262,189	1,650,001,117
	<u>4,454,364,116</u>	<u>2,166,260,208</u>	<u>4,640,369,578</u>	<u>1,274,644,920</u>	<u>9,094,733,694</u>	<u>3,440,905,128</u>
Property management and other services	580,053,530	125,287,983	47,283,459	8,313,146	627,336,989	133,601,129
Hotel operations	436,677,161	170,122,762	203,574,188	98,084,929	640,251,349	268,207,691
Investments in securities	31,365,767	31,365,767	1,950	1,950	31,367,717	31,367,717
Financing	861,819	861,819	805,785	805,785	1,667,604	1,667,604
	<u>5,503,322,393</u>	<u>2,493,898,539</u>	<u>4,892,034,960</u>	<u>1,381,850,730</u>	<u>10,395,357,353</u>	<u>3,875,749,269</u>

Six months ended 31st December, 2014

	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	2,821,663,364	331,139,767	1,268,803,402	153,885,480	4,090,466,766	485,025,247
Property rental	1,445,369,817	1,240,666,237	395,870,922	367,750,287	1,841,240,739	1,608,416,524
	<u>4,267,033,181</u>	<u>1,571,806,004</u>	<u>1,664,674,324</u>	<u>521,635,767</u>	<u>5,931,707,505</u>	<u>2,093,441,771</u>
Property management and other services	530,592,003	114,188,163	46,780,800	9,844,501	577,372,803	124,032,664
Hotel operations	468,335,990	193,532,208	119,176,200	64,061,100	587,512,190	257,593,308
Investments in securities	31,427,653	31,427,598	1,950	1,950	31,429,603	31,429,548
Financing	620,058	620,058	571,572	571,572	1,191,630	1,191,630
	<u>5,298,008,885</u>	<u>1,911,574,031</u>	<u>1,831,204,846</u>	<u>596,114,890</u>	<u>7,129,213,731</u>	<u>2,507,688,921</u>

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. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

3. SEGMENT INFORMATION (Continued)

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Segment profit	3,875,749,269	2,507,688,921
Other income and other gains or losses	42,225,734	50,102,108
Change in fair value of investment properties	725,986,992	1,675,864,294
Gain on disposal of investment properties	469,536,276	7,217,307
Loss arising from change in fair value of trading securities	(3,604,783)	(39,963,650)
Administrative expenses and other operating expenses	(600,727,783)	(402,022,074)
Finance income, net	141,200,587	106,207,180
Results shared from associates and joint ventures		
– Other income and other gains or losses	29,197,234	14,715,791
– Change in fair value of investment properties	185,093,105	401,956,085
– Gain on disposal of investment properties	5,465,986	31,266,395
– Administrative expenses and other operating expenses	(193,266,569)	(144,262,974)
– Finance costs, net	(81,020,943)	(82,805,039)
– Income tax expense	(221,179,948)	(77,294,528)
	<u>(275,711,135)</u>	<u>143,575,730</u>
Profit before taxation	<u>4,374,655,157</u>	<u>4,048,669,816</u>

During the six months ended 31st December, 2015, inter-segment sales of HK\$45,070,680 (*six months ended 31st December, 2014: HK\$39,198,556*) 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.

4. FINANCE INCOME

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Interest income on:		
advances to associates and joint ventures	74,385,281	33,053,318
advance to an investee company	376,084	399,596
bank deposits	104,004,552	102,277,455
Imputed interest income on non-current interest-free		
advances to associates and joint ventures	70,311,227	98,218,339
	<u>249,077,144</u>	<u>233,948,708</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

5. FINANCE COSTS

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Interest on bank and other borrowings	80,261,036	86,408,687
Imputed interest expense on non-current interest-free advances from associates	20,004,123	17,230,395
Imputed interest expense on non-current interest-free unsecured other loans	9,348,231	18,095,383
Loan facility arrangement fees and finance charges	4,915,833	14,012,763
	<u>114,529,223</u>	<u>135,747,228</u>
Less: Amounts capitalised to properties under development	(6,835,105)	(8,208,135)
	<u>107,694,118</u>	<u>127,539,093</u>

6. SHARE OF RESULTS OF ASSOCIATES

Share of results of associates included the Group's share of change in fair value of investment properties of the associates of HK\$146,422,956 (six months ended 31st December, 2014: HK\$271,241,719).

7. SHARE OF RESULTS OF JOINT VENTURES

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\$38,670,149 (six months ended 31st December, 2014: HK\$130,714,366).

8. PROFIT BEFORE TAXATION

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	9,783,580	12,218,562
Cost of properties sold recognised as cost of sales	1,785,988,619	2,244,577,637
Cost of hotel inventories recognised as direct expenses	58,911,034	59,990,972
Depreciation of owner-operated hotel properties	13,019,552	14,129,238
Depreciation of property, plant and equipment	25,310,383	29,418,368
Loss (gain) on disposal of property, plant and equipment	1,490,284	(160,091)
Recognition (reversal) of impairment loss on trade receivables	69,061	(1,114,582)
	<u>1,954,572,513</u>	<u>2,489,638,704</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

9. INCOME TAX EXPENSE

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	313,395,707	140,199,244
Other jurisdictions	42,135,764	56,397,345
Land Appreciation Tax (“LAT”) in the People’s Republic of China (the “PRC”)	8,715,619	56,207,247
	364,247,090	252,803,836
Deferred taxation	62,017,743	68,137,963
	426,264,833	320,941,799

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% (six months ended 31st December, 2014: 16.5%).

Taxes on profits assessable in Singapore and the PRC are recognised based on management’s best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in the PRC (six months ended 31st December, 2014: 17% in Singapore and 25% in the PRC).

The provision of LAT is calculated according to the requirements set forth in the relevant tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Deferred taxation has been provided in relation to the change in fair value of certain investment properties and other temporary differences.

10. DIVIDEND PAID

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Final dividend paid for the year ended 30th June, 2015 of HK38 cents per share (six months ended 31st December, 2014: HK38 cents per share for the year ended 30th June, 2014), with a scrip dividend option	633,432,855	616,894,357

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2015 of HK13 cents (six months ended 31st December, 2014: HK12 cents) per share amounting to HK\$220,405,311 (six months ended 31st December, 2014: HK\$198,893,273) would be paid to the Company’s shareholders whose names appear on the Register of Members on 14th March, 2016.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

11. EARNINGS PER SHARE

(a) Reported earnings per share

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

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Earnings for the purpose of basic earnings per share	1,977,718,392	1,883,441,030
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,671,419,926	1,628,770,846

No diluted earnings per share has been presented for the periods ended 31st December, 2015 and 2014 as there were no potential ordinary shares outstanding during the current and prior periods.

(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\$1,530,257,773 (six months ended 31st December, 2014: HK\$857,606,123) 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:

	Six months ended	
	31st December, 2015 HK\$	31st December, 2014 HK\$
Earnings for the purpose of basic earnings per share	1,977,718,392	1,883,441,030
Change in fair value of investment properties	(725,986,992)	(1,675,864,294)
Effect of corresponding deferred taxation charges	25,815,987	52,731,938
Share of results of associates		
– Change in fair value of investment properties	(146,422,956)	(271,241,719)
– Effect of corresponding deferred taxation charges	1,650,000	–
Share of results of joint ventures		
– Change in fair value of investment properties	(38,670,149)	(130,714,366)
	(883,614,110)	(2,025,088,441)
Non-controlling interests	436,153,491	999,253,534
Net effect of changes in fair value of investment properties	(447,460,619)	(1,025,834,907)
Underlying profit attributable to the Company's shareholders	1,530,257,773	857,606,123
Underlying earnings per share	0.915	0.527

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

12. INVESTMENT PROPERTIES

The Group's investment properties at 31st December, 2015 and 30th June, 2015 were fair-valued by Knight Frank Petty Limited and Knight Frank Pte Ltd, independent valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. During the six months ended 31st December, 2015, the Group acquired investment properties of Nil (*six months ended 31st December, 2014: HK\$60,320,000*), incurred construction cost in investment properties under redevelopment of HK\$9,425,664 (*six months ended 31st December, 2014: HK\$21,061,417*), renovation cost on investment properties of HK\$48,972,267 (*six months ended 31st December, 2014: HK\$25,793,832*) and disposed of certain investment properties of HK\$342,048,153 (*six months ended 31st December, 2014: HK\$31,800,840*).

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st December, 2015, additions to property, plant and equipment amounted to HK\$27,275,171 (*six months ended 31st December, 2014: HK\$44,600,517*).

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

	31st December, 2015 HK\$	30th June, 2015 HK\$
Interests in associates:		
Unlisted shares, at cost	3,644,291,971	3,646,228,952
Share of post-acquisition profits, net of dividends received	12,690,203,795	11,984,746,729
	<u>16,334,495,766</u>	<u>15,630,975,681</u>
Advances to associates	9,448,394,716	9,703,132,655
Less: allowance	(1,406,325,280)	(1,432,135,476)
	<u>8,042,069,436</u>	<u>8,270,997,179</u>

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2015, out of the Group's advances to associates net of allowance, HK\$3,012,173,995 (*30th June, 2015: HK\$3,470,775,601*) bears interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$5,029,895,441 (*30th June, 2015: HK\$4,800,221,578*) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

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

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 from the end of the reporting period.

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

On 19th October, 2015, the Group entered into a disposal agreement with an independent third party (the “Purchaser”) for the sale of a wholly-owned subsidiary of Sino Land Company Limited (“Sino Land”) and assignment of shareholder’s loan for an aggregate cash consideration of HK\$3,500,000,000. The wholly-owned subsidiary holds 50% equity interest in an associate of the Group, which indirectly owns 100% interest in a project company which owns, develops and operates a property development project in Chongqing, the PRC. The initial payment of HK\$525,000,000, being 15% of the total consideration, was paid by the Purchaser during the period and the Group transferred 15% interest in the wholly-owned subsidiary to the Purchaser. The remaining consideration will be payable by the Purchaser by installments in subsequent periods in accordance with the payment schedule set out in the disposal agreement. The gain from the disposal will be recognised in the consolidated statement of profit or loss in subsequent period when certain requirements are met.

15. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNTS DUE FROM JOINT VENTURES

	31st December, 2015 HK\$	30th June, 2015 HK\$
Interests in joint ventures:		
Unlisted shares	130,098,557	130,684,154
Share of post-acquisition profits, net of dividends received	2,883,095,401	2,969,889,538
	<u>3,013,193,958</u>	<u>3,100,573,692</u>
Advances to joint ventures	<u>1,113,376,022</u>	<u>1,058,033,279</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2015, out of the Group’s advances to joint ventures, HK\$352,378,193 (30th June, 2015: HK\$365,578,217) bear interest ranging from 1% to 12% (30th June, 2015: 1% to 2%) per annum and the remaining balance of HK\$760,997,829 (30th June, 2015: HK\$692,455,062) 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 amounts due from joint ventures of the Group grouped under current assets are unsecured, interest-free and are expected to be repaid within one year from the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

16. ACCOUNTS AND OTHER RECEIVABLES

At 31st December, 2015, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$491,956,038 (30th June, 2015: HK\$2,166,321,388), of which HK\$211,201,251 (30th June, 2015: HK\$1,866,123,067) are to be settled based on the terms of sales and purchase agreements of property. Rental receivables are billed and payable in advance by tenants. Trade receivables mainly comprise rental receivables and properties sales receivables.

The 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.

	31st December, 2015 HK\$	30th June, 2015 HK\$
Not yet due	211,201,251	1,866,123,067
Overdue:		
1 – 30 days	96,280,761	239,661,625
31 – 60 days	136,577,209	21,604,473
61 – 90 days	19,869,593	8,955,887
Over 90 days	28,027,224	29,976,336
	491,956,038	2,166,321,388

Other receivables mainly comprise receivables in relation to rental, utility and other deposits paid of approximately HK\$146,000,000 (30th June, 2015: HK\$142,000,000), prepayments for operating expenses of approximately HK\$41,000,000 (30th June, 2015: HK\$45,000,000) and interest receivables of approximately HK\$64,000,000 (30th June, 2015: HK\$40,000,000).

17. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale as at 30th June, 2015 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 during the period.

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 was 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 was completed on 31st August, 2015.

The gain from the disposal of the Disposal Property A and Disposal Property B amounted to approximately HK\$111,388,000 and HK\$105,016,000 respectively which were recognised in the condensed consolidated statement of profit or loss during the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

18. ACCOUNTS AND OTHER PAYABLES

At 31st December, 2015, included in accounts and other payables of the Group are trade payables of HK\$183,111,221 (30th June, 2015: HK\$103,021,517).

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

	31st December, 2015 HK\$	30th June, 2015 HK\$
0 – 30 days	135,718,547	68,032,709
31 – 60 days	34,374,131	16,762,681
61 – 90 days	4,025,107	1,261,730
Over 90 days	8,993,436	16,964,397
	183,111,221	103,021,517

Other payables mainly comprise construction cost payable of approximately HK\$1,387,000,000 (30th June, 2015: HK\$2,053,000,000), rental and utility deposits received of approximately HK\$825,000,000 (30th June, 2015: HK\$751,000,000) and rental receipt in advance of approximately HK\$205,000,000 (30th June, 2015: HK\$156,000,000).

19. BANK AND OTHER BORROWINGS

During the six months ended 31st December, 2015 and 31st December, 2014, the Group did not obtain any new bank loans. All of the 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, Sino Land 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). The notes bear fixed interest rate at 3.25% per annum, payable semi-annually in arrears. The notes are guaranteed by Sino Land and will mature on 21st September, 2017.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

20. SHARE CAPITAL

	2015		2014	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares, issued and fully paid with no par value:				
At 1st July	1,666,928,566	8,869,463,206	1,623,406,203	8,058,064,197
Issue of shares in lieu of cash dividend	28,496,903	630,351,494	34,037,738	613,360,038
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December	1,695,425,469	9,499,814,700	1,657,443,941	8,671,424,235

On 3rd December, 2015, the Company issued and allotted a total of 28,496,903 ordinary shares at an issue price of HK\$22.12 per ordinary share in lieu of cash for the 2015 final dividend.

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

21. 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. 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.

22. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$48,803,276 (30th June, 2015: HK\$24,513,013) are unsecured, bear interest ranging from 1% to 6.25% (30th June, 2015: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$496,317,542 (30th June, 2015: HK\$956,241,324) is unsecured and interest-free. The non-controlling interests agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Certain of the financial assets of the Group are measured at fair value at the end of each reporting period. The following table provides an analysis of these financial assets that are measured subsequent to initial recognition at fair value at recurring basis, by reference to quoted market bid price in active liquid markets and grouped into Level 1 based on the degree to which the inputs to the fair value measurements is observable.

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

	31st December, 2015		30th June, 2015	
	Level 1	Total	Level 1	Total
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments:				
Equity securities listed in Hong Kong	562,901,792	562,901,792	623,940,174	623,940,174
Equity securities listed outside Hong Kong	210,141,759	210,141,759	255,113,405	255,113,405
Trading securities:				
Equity securities listed in Hong Kong	8,992,237	8,992,237	12,077,101	12,077,101
Equity securities listed outside Hong Kong	3,130,599	3,130,599	3,611,062	3,611,062
Total	<u>785,166,387</u>	<u>785,166,387</u>	<u>894,741,742</u>	<u>894,741,742</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

24. PLEDGE OF ASSETS

- (a) At 31st December, 2015, the aggregate facilities of bank loans granted to the Group amounting to HK\$655,890,000 (30th June, 2015: HK\$3,302,375,000) were secured by certain of the Group's assets amounting to a total carrying amount of HK\$1,714,725,191 (30th June, 2015: HK\$5,414,434,497). At that date, the facilities were utilised by the Group to the extent of HK\$655,890,000 (30th June, 2015: HK\$2,181,375,000).

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

	31st December, 2015 HK\$	30th June, 2015 HK\$
Investment properties	204,965,625	214,921,875
Hotel properties	784,036,733	828,070,956
Prepaid lease payments	725,722,833	768,352,678
Properties under development	–	2,988,527,831
Bank balances	–	614,292,459
Others	–	268,698
	<u>1,714,725,191</u>	<u>5,414,434,497</u>

- (b) At 31st December, 2015, shares in certain associates and a joint venture with aggregate investment costs amounting to HK\$36 (30th June, 2015: Nil), advances to certain associates and a joint venture in aggregate amounting to approximately HK\$1,851,808,000 (30th June, 2015: HK\$2,587,824,000) and certain assets of the associates and joint venture were pledged to or assigned to secure loan facilities made available by banks to such associates and joint venture. Loan facilities granted to certain associates were jointly guaranteed by Sino Land and the other shareholders of the associates. Details of the relevant guarantees granted are set out in note 25.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

25. CONTINGENT LIABILITIES

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

	31st December, 2015 HK\$	30th June, 2015 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates attributable to the Group		
– Utilised	901,750,000	1,497,783,832
– Unutilised	985,450,000	661,600,000
	<u>1,887,200,000</u>	<u>2,159,383,832</u>
Mortgage loans granted to property purchasers	<u>568,690,426</u>	<u>440,534,499</u>

At 31st December, 2015 and 30th June, 2015, 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 as the Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant.

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.

26. 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 Sino Land) 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 in prior year. No gain or loss arose in this transaction. As at 31st December, 2015, the liquidation of Firm Wise was still in process.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2015

27. CAPITAL COMMITMENTS

On 25th May, 2015, Sino Land 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 its direct wholly-owned subsidiary (the “JV’s Subsidiary”), participated in a private bidding process, and entered into a share sale agreement with a vendor, an independent third party, on 25th May, 2015 under which the JV’s Subsidiary agreed to purchase all of the issued shares of the then hotel owner of a hotel in Sydney for the total consideration of AUD445,333,000 (approximately HK\$2,739,000,000) subject to adjustments, if necessary, according to the relevant completion accounts as at the date of completion (the “Acquisition”).

As at 30th June, 2015, the estimated total capital expenditure of the Group in respect of the Acquisition contracted but not provided for in the consolidated financial statements was approximately AUD227,700,000 (approximately HK\$1,349,000,000).

The Acquisition was completed on 31st July, 2015. The final consideration payable by the Group was approximately AUD223,982,000 (approximately HK\$1,267,000,000) and was fully settled by cash during the period. The Group had no material capital commitments to be disclosed as at 31st December, 2015.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 10th March, 2016 to Monday, 14th March, 2016, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Monday, 14th March, 2016.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrars, Tricor Friendly Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 9th March, 2016.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the interim period.

DIRECTORS' INTERESTS

As at 31st December, 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 of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("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	1,221,295,628 <i>(Note)</i>	Beneficial owner of 655,871 shares and trustee interest in 1,220,639,757 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.03%
The Honourable Ronald Joseph Arculli	60,000	Beneficial owner	≈0%
Dr. Allan Zeman	—	—	—
Mr. Adrian David Li Man-kiu	—	—	—
Mr. Steven Ong Kay Eng	—	—	—
Mr. Daryl Ng Win Kong	—	—	—

Note:

The trustee interest in 1,220,639,757 shares comprises:

- (a) 1,124,303,751 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 116,534,062 shares by Fanlight Investment Limited, 157,920,654 shares by Nippomo Limited, 3,628,851 shares by Orient Creation Limited, 310,596,692 shares by Strathallan Investment Limited, 463,494,610 shares by Tamworth Investment Limited and 72,128,882 shares by Transpire Investment Limited; and*
- (b) 96,336,006 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.*

DIRECTORS' INTERESTS (Continued)

(B) Long Positions in Shares of Associated Corporations

(i) Subsidiary

Sino Land Company Limited

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	3,282,530,716 (Note)	Beneficial owner of 188,028 shares, spouse interest in 4,023,255 shares and trustee interest in 3,278,319,433 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.63%
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. Daryl Ng Win Kong	107,779	Beneficial owner	≈0%

Note:

The trustee interest in 3,278,319,433 shares comprises:

- (a) 1,400,565,442 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) 47,635,109 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) 1,686,474,741 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 105,850,953 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 173,863 shares by Fanlight Investment Limited, 169,248 shares by Garford Nominees Limited, 38,087,578 shares by Karaganda Investments Inc., 16,427,009 shares by Orient Creation Limited, 7,983,925 shares by Strathallan Investment Limited, 24,063,700 shares by Strong Investments Limited, 18,440,059 shares by Tamworth Investment Limited and 505,571 shares by Transpire Investment Limited; and
- (d) 37,793,188 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

DIRECTORS' INTERESTS (Continued)

(B) Long Positions in Shares of Associated Corporations (Continued)

(ii) Associates and joint ventures

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

Name of Company	Number of Ordinary Shares	% of Issued Shares
Brighton Land Investment Limited	1,000,002 (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 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%

Notes:

- 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.*
- The shares were held by Erleigh Investment Limited, a company 55% controlled by Osborne.*
- The shares were held by Jade Result Limited, a company 50% controlled by Osborne.*
- The share(s) was(were) held by Osborne.*
- The shares were held by Standard City Limited, a wholly-owned subsidiary of Osborne.*
- The share was held by Smart Link Limited in which Mr. Robert Ng Chee Siong had a 100% control.*
- The shares were held by Goegan Godown Limited, a wholly-owned subsidiary of Osborne.*
- 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.*
- The shares were held by Deansky Investments Limited.*

DIRECTORS' INTERESTS (Continued)

Save as disclosed above, as at 31st December, 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31st December, 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	1,223,162,311 <i>(Notes 1, 2, 3 and 4)</i>	Interest of controlled corporations in 2,522,554 shares and trustee interest in 1,220,639,757 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.14%
Mr. Robert Ng Chee Siong	1,221,295,628 <i>(Notes 2, 3 and 4)</i>	Beneficial owner of 655,871 shares and trustee interest in 1,220,639,757 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.03%
Tamworth Investment Limited	463,494,610 <i>(Note 3)</i>	Beneficial owner	27.33%
Strathallan Investment Limited	310,596,692 <i>(Note 3)</i>	Beneficial owner	18.31%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Nippomo Limited	157,920,654 <i>(Note 3)</i>	Beneficial owner	9.31%
Fanlight Investment Limited	116,534,062 <i>(Note 3)</i>	Beneficial owner	6.87%

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS (Continued)

Long Positions in Shares of the Company (Continued)

Notes:

1. 2,522,554 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 2,197,686 shares by Far East Ventures Pte. Ltd. and 324,868 shares by Western Properties Pte Ltd.
2. The trustee interest in 1,220,639,757 shares comprises:
 - (a) 1,124,303,751 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 116,534,062 shares by Fanlight Investment Limited, 157,920,654 shares by Nippomo Limited, 3,628,851 shares by Orient Creation Limited, 310,596,692 shares by Strathallan Investment Limited, 463,494,610 shares by Tamworth Investment Limited and 72,128,882 shares by Transpire Investment Limited; and
 - (b) 96,336,006 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. The interests of Tamworth Investment Limited, Strathallan Investment Limited, Nippomo Limited and Fanlight Investment Limited were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong.
4. 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.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 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.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31st December, 2015, the Company owned 51.21% share interests in Sino Land Company Limited (“Sino Land”). On a consolidated basis, the Company also had a general disclosure obligation under Rule 13.22 of the Listing Rules with respect to the advances to, and guarantees given for the benefits of its affiliated companies by the Company (through Sino Land and/or its subsidiaries). In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies of Sino Land and/or its subsidiaries as at the end of the most recent financial period.

	At 31st December, 2015 HK\$	At 30th June, 2015 HK\$
Sino Land's share of total indebtedness of its affiliated companies		
– Bank loans	1,692,447,948	1,673,277,152
Advances from Sino Land and its subsidiaries	11,056,340,344	11,361,028,340
	12,748,788,292	13,034,305,492
Sino Land's share of capital commitments and contingent liabilities of its affiliated companies	–	–

Note: “Affiliated companies” mentioned above refers to associates and joint ventures of the Group.

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

Directors' Updated Biographical Details

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

The Honourable Ronald Joseph Arculli

- retired as the Chairman of Hong Kong Arts Festival Society Limited.

Mr. Daryl Ng Win Kong

- retired as a member of Executive Committee of The Boys' & Girls' Clubs Association of Hong Kong; and
- appointed as a member of the Council of the University of Hong Kong.

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

Directors' Emoluments

During the interim period, the Executive Director Mr. Daryl Ng Win Kong received a discretionary bonus in the amount of HK\$724,988 from the Company's subsidiary, Sino Land, for which he is one of the Executive Directors.

The basis of determining the Directors' emoluments (including bonus payments) remain unchanged during the six months ended 31st December, 2015.

Save as disclosed above, as at 31st December, 2015, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION COMMITTEE

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

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. 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 Mr. Steven Ong Kay Eng (Committee Chairman), Dr. Allan Zeman and Mr. Adrian David Li Man-kiu, all of whom are Independent Non-Executive Directors, and Mr. Daryl Ng Win Kong, an Executive Director.

NOMINATION COMMITTEE

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

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board and making 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 enabling it to discharge its duties.

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

AUDIT COMMITTEE

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

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, internal controls and risk management. The Committee meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties.

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

In the first quarter of 2016, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2015.

COMPLIANCE COMMITTEE

The Company has set up its Compliance Committee with written terms of reference 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.

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. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2015, the Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

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

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 24th February, 2016

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF TSIM SHA TSUI PROPERTIES LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Tsim Sha Tsui Properties Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 12 to 32, which comprise the condensed consolidated statement of financial position as of 31st December, 2015 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
24th February, 2016

