



Tsim Sha Tsui Properties Limited

ANNUAL REPORT 2016



Lee Tung Avenue

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 Friendly Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

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

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

Shareholders may at any time choose to change their choice of language and means of receipt (i.e. in printed form or by electronic means through the Company’s website) of all future Corporate Communications from the Company by giving notice in writing by post to the Company’s Share Registrars, Tricor Friendly Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong or by email at tst247-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*
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 entitlement to attend and vote at Annual General Meeting	25th to 28th October, 2016 (both dates inclusive)
Annual General Meeting	28th October, 2016
Closure of Register of Members for dividend entitlement	3rd to 4th November, 2016 (both dates inclusive)
Record Date for final dividend entitlement	4th November, 2016
Last Date for lodging form of election for scrip dividend	25th November, 2016 4:30 p.m.
Interim Dividend Paid	HK13 cents per share 20th April, 2016
Final Dividend Payable	HK38 cents per share 8th December, 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

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 Friendly Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong
Telephone : (852) 2980 1333
Fax : (852) 2861 1465
Email : tst247-ecom@hk.tricorglobal.com

Listing Information

Stock Code 247

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of **Tsim Sha Tsui Properties 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 28th day of October, 2016 at 10:00 a.m. or as soon as the annual general meeting of Sino Land Company Limited closes, whichever is the later, for the following purposes:

1. To receive, consider and adopt the audited Financial Statements and the Directors’ and Independent Auditor’s Reports for the year ended 30th June, 2016.
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, 2017.
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, 15th September, 2016

NOTICE OF ANNUAL GENERAL MEETING *(Continued)*

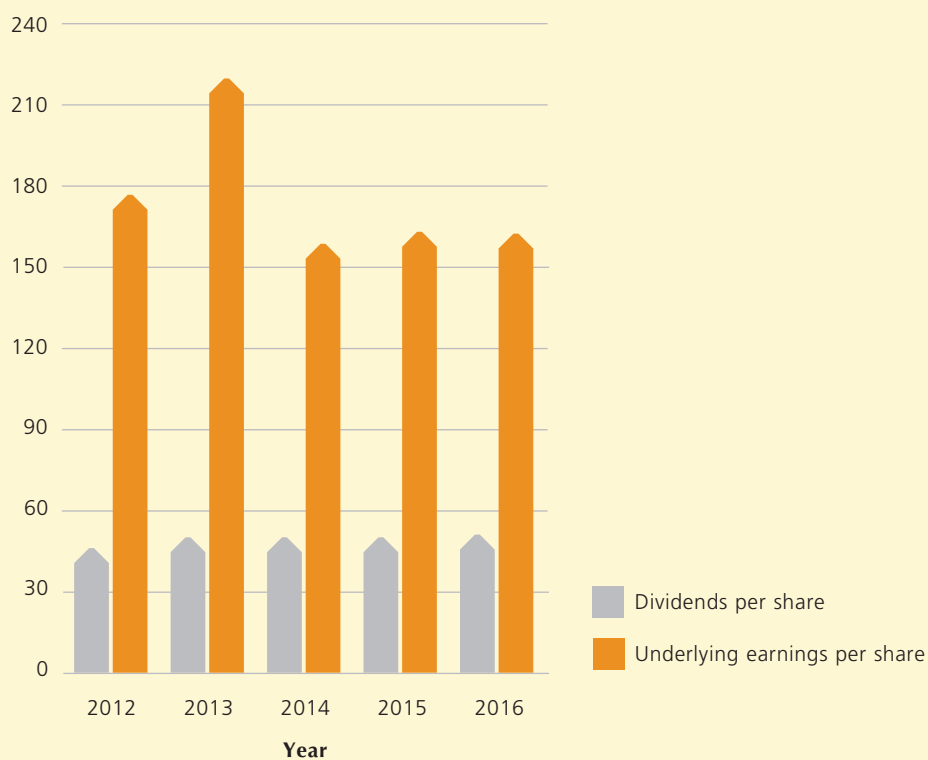
Notes:

- (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 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, 28th October, 2016, the register of members of the Company will be closed from Tuesday, 25th October, 2016 to Friday, 28th October, 2016, 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 Friendly Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24th October, 2016.
- (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, 4th November, 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 3rd November, 2016 to Friday, 4th November, 2016, 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 Friendly Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 2nd November, 2016.
- (f) Regarding the re-election of the Directors of the Company under item 3, separate ordinary resolutions will be considered and, if thought fit, passed at the Annual General Meeting to:
 - (i) re-elect The Honourable Ronald Joseph Arculli as Director of the Company.
 - (ii) re-elect Mr. Daryl Ng Win Kong as Director of the Company.

GROUP FINANCIAL SUMMARY

	2012 HK\$	2013 HK\$	2014 HK\$	2015 HK\$	2016 HK\$
Turnover	<u>8,461,180,724</u>	<u>7,880,161,528</u>	<u>7,510,795,774</u>	<u>21,896,326,522</u>	<u>10,857,439,489</u>
Underlying net profit from operations	<u>2,685,632,210</u>	<u>3,418,141,624</u>	<u>2,535,085,911</u>	<u>2,678,531,476</u>	<u>2,732,913,420</u>
Profit attributable to the Company's shareholders	<u>5,380,812,313</u>	<u>5,977,422,853</u>	<u>4,513,349,683</u>	<u>4,747,169,520</u>	<u>3,622,174,285</u>
Underlying earnings per share (cents)	176.48	219.43	158.39	162.82	162.15
Reported earnings per share (cents)	353.59	383.73	281.98	288.56	214.91
Dividends per share (cents)	46	50	50	50	51

Underlying Earnings & Dividends Per Share (HK cents)

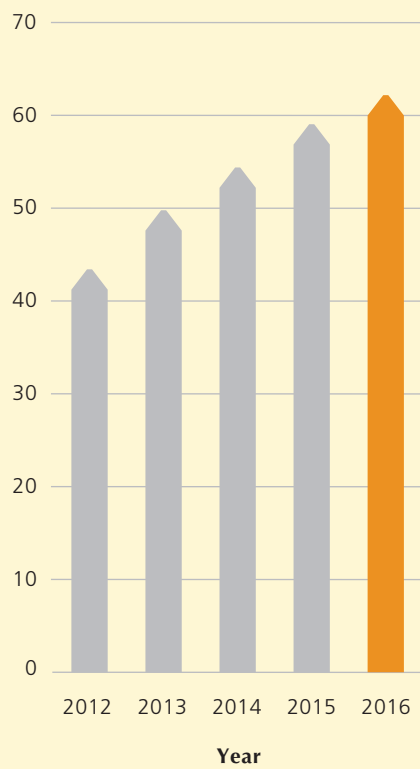


GROUP FINANCIAL SUMMARY *(Continued)*

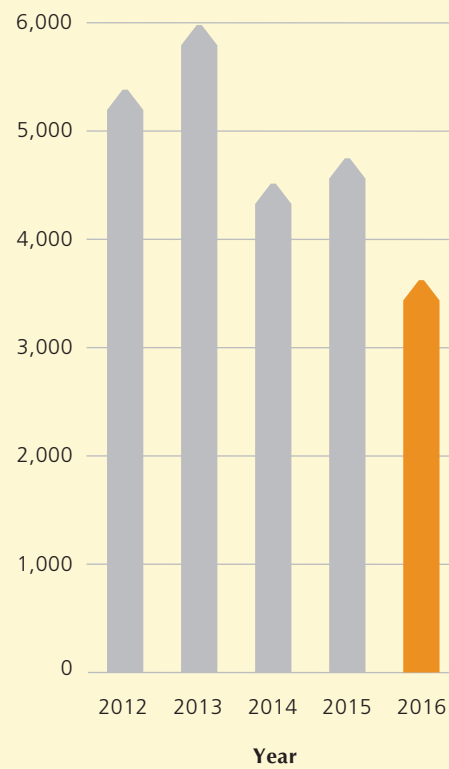
	2012	2013	2014	2015	2016
	HK\$	HK\$	HK\$	HK\$	HK\$
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Non-current assets	79,701,291,867	89,264,552,129	90,958,085,788	91,376,006,542	91,549,114,906
Current assets	35,592,536,246	41,036,091,662	46,945,504,622	51,406,896,037	58,485,356,279
Current liabilities	(8,542,159,782)	(13,571,144,964)	(11,389,898,302)	(13,037,876,383)	(17,842,791,243)
	<u>106,751,668,331</u>	<u>116,729,498,827</u>	<u>126,513,692,108</u>	<u>129,745,026,196</u>	<u>132,191,679,942</u>
Share capital	307,908,314	315,777,382	8,058,064,197	8,869,463,206	9,719,312,922
Reserves	<u>43,094,543,483</u>	<u>49,445,103,971</u>	<u>46,313,553,536</u>	<u>50,160,601,283</u>	<u>52,438,670,660</u>
Shareholders' funds	43,402,451,797	49,760,881,353	54,371,617,733	59,030,064,489	62,157,983,582
Non-controlling interests	47,612,643,070	52,795,221,926	56,254,567,220	58,628,888,325	59,934,117,414
Non-current liabilities	<u>15,736,573,464</u>	<u>14,173,395,548</u>	<u>15,887,507,155</u>	<u>12,086,073,382</u>	<u>10,099,578,946</u>
	<u>106,751,668,331</u>	<u>116,729,498,827</u>	<u>126,513,692,108</u>	<u>129,745,026,196</u>	<u>132,191,679,942</u>
Shareholders' funds at book value per share	<u>28.19</u>	<u>31.52</u>	<u>33.49</u>	<u>35.41</u>	<u>36.44</u>

GROUP FINANCIAL SUMMARY *(Continued)*

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



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

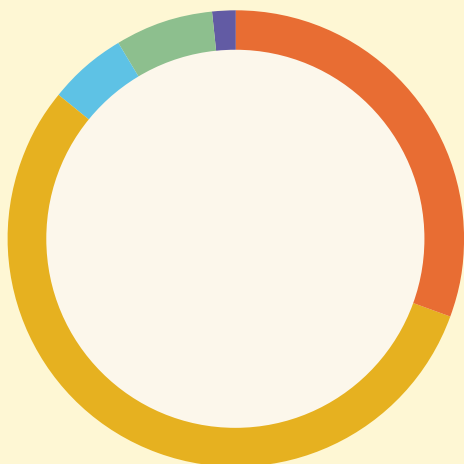


GROUP FINANCIAL SUMMARY *(Continued)*

The Company and its subsidiaries (the "Group")

Breakdown of Segment Results

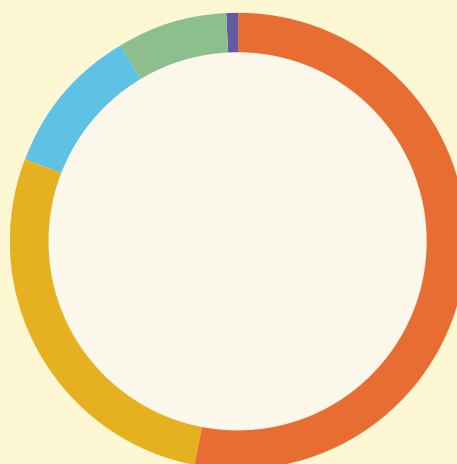
for the year ended 30th June, 2016



- Property sales **30.6%**
- Property rental **55.3%**
- Property management and other services **5.6%**
- Hotel operations **7.0%**
- Investments in securities and financing **1.5%**

Breakdown of Segment Revenue

for the year ended 30th June, 2016



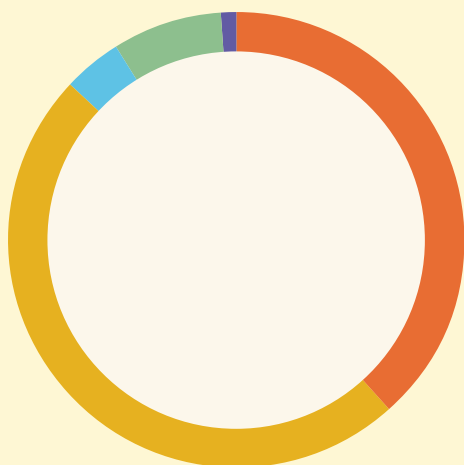
- Property sales **53.1%**
- Property rental **27.8%**
- Property management and other services **10.6%**
- Hotel operations **7.9%**
- Investments in securities and financing **0.6%**

GROUP FINANCIAL SUMMARY *(Continued)*

The Group and attributable share from associates and joint ventures

Breakdown of Segment Results

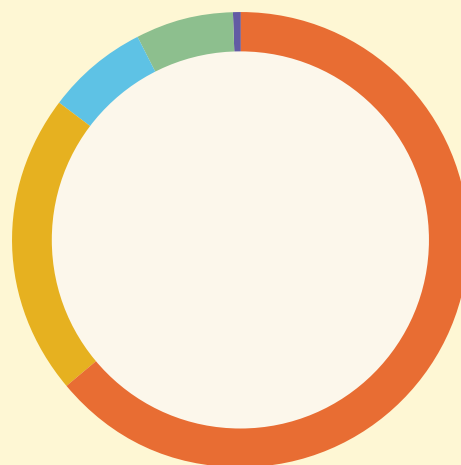
for the year ended 30th June, 2016



- Property sales **38.4%**
- Property rental **48.8%**
- Property management and other services **4.1%**
- Hotel operations **7.7%**
- Investments in securities and financing **1.0%**

Breakdown of Segment Revenue

for the year ended 30th June, 2016



- Property sales **63.9%**
- Property rental **21.6%**
- Property management and other services **7.0%**
- Hotel operations **7.1%**
- Investments in securities and financing **0.4%**

CHAIRMAN'S STATEMENT

I am pleased to present the 2015/2016 Annual Report to shareholders.

FINAL RESULTS

For the year ended 30th June, 2016, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK\$2,732.9 million (2014/2015: HK\$2,678.5 million). Underlying earnings per share was HK\$1.62 (2014/2015: HK\$1.63).

The Group's reported net profit attributable to shareholders was HK\$3,622.1 million (2014/2015: HK\$4,747.1 million). Earnings per share was HK\$2.15 (2014/2015: HK\$2.89). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK\$889.2 million (2014/2015: HK\$2,068.6 million).

DIVIDENDS

The Directors have resolved to recommend a final dividend of 38 cents per share in respect of the year ended 30th June, 2016 to shareholders whose names appear on the Register of Members of the Company on 4th November, 2016. Together with the interim dividend of 13 cents per share, the total dividend for the year ended 30th June, 2016 is 51 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 28th October, 2016; 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 10th November, 2016. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 8th December, 2016.

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 30th June, 2016, Tsim Sha Tsui Properties Limited (the "Company") had 51.42% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

(Continued)

(1) Sales Activities

Total revenue from property sales for the year ended 30th June, 2016, including property sales of associates and joint ventures recognised by Sino Land, was HK\$11,439.4 million (2014/2015: HK\$23,098.6 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, Cluny Park at 53 Conduit Road, Botanica Bay in Lantau and The Avenue Phase 2 in Wan Chai and to date, approximately 95%, 99%, 97%, 44%, 88% and 99% of the units in the respective projects have been sold.

During the financial year 2015/2016, Sino Land launched two new projects for sale, The Mediterranean in Sai Kung and Commune Modern in Fanling and to date, approximately 54% and 98% of the respective projects have been sold.

In China, 2,158 residential units in The Palazzo in Chengdu and 503 residential units in Dynasty Park in Zhangzhou were launched for sale during the financial year 2015/2016. To date, a total of 3,700 residential units in The Palazzo and 1,649 residential units in Dynasty Park have been launched for sale and approximately 69% and 95% of the units in the respective projects have been sold.

(2) Land Bank

As at 30th June, 2016, Sino Land has a land bank of approximately 32.3 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 55.9% is residential; 28.0% commercial; 7.0% industrial; 4.6% car parks and 4.5% hotels. In terms of breakdown of the land bank by status, 19.1 million square feet were properties under development, 11.7 million square feet of properties for investment and hotels, together with 1.5 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 year ended 30th June, 2016, 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

Subsequent to the financial year 2015/2016, Sino Land acquired another site from the HKSAR Government in July 2016 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>
TPTL 228 Fo Yin Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong	Residential	100%	412,530

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

(Continued)

(3) Property Development

During the year ended 30th June, 2016, Sino Land obtained Occupation Permits for three projects in Hong Kong and details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> <i>(Square feet)</i>
1. Corinthia By The Sea 23 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	Residential/ Commercial	60%	291,936
2. Riverwalk 6 Ngan Kwong Wan Road, Mui Wo, Hong Kong	Residential/ Commercial	100%	49,407
3. Paloma Bay 18 Peng Lei Road, Peng Chau, New Territories, Hong Kong	Residential	100%	36,845
			<hr/>
			<u>378,188</u>

(4) Rental Activities

For the year ended 30th June, 2016, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 4.0% to HK\$3,834.1 million (2014/2015: HK\$3,684.4 million) and net rental income increased 2.8% to HK\$3,344.7 million (2014/2015: HK\$3,252.2 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% (2014/2015: 98%) for the year ended 30th June, 2016.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

(4) Rental Activities *(Continued)*

Sino Land's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate at approximately 97% (2014/2015: 98%) for the financial year 2015/2016 mainly due to expiry of leases. Two new malls namely Mayfair Lane in Pak Shek Kok and Lee Tung Avenue in Wan Chai started operations during the financial year 2015/2016. The leasing performance of Sino Land's office portfolio saw stable rental growth while overall occupancy rate was at approximately 98% (2014/2015: 98%) for the year ended 30th June, 2016. The leasing performance of Sino Land's industrial portfolio was steady with occupancy rate at approximately 97% (2014/2015: 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 30th June, 2016, Sino Land has approximately 11.7 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 62.7%, industrial 15.0%, car parks 12.4%, hotels 7.8%, and residential 2.1%.

(5) Hotels

In addition to The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore and Conrad Hong Kong, two more hotels namely, The Westin Sydney and The Olympian Hong Kong were added to Sino Land's hotel portfolio. During the financial year 2015/2016, Sino Land completed the acquisition of 50% equity interest in The Westin Sydney and the development of The Olympian Hong Kong in West Kowloon which commenced business operations in March 2016. Overall business performance of Sino Land's hotels was slightly affected by soft demand and competitive business environment during the year. 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.

The Fullerton Hotel Singapore was gazetted as Singapore's 71st national monument on 7th December, 2015 by the country's National Heritage Board. It is the highest form of recognition given to a building for its national significance.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

(Continued)

(6) China Business

China achieved GDP growth of 6.7% for the first two quarters in 2016 despite a challenging economic environment both domestically and internationally. As China's economy go through a period of rebalancing, shifting from the old drivers of growth to better reforms and economic policy adjustments in areas including household registration system, industrialisation, social welfare, national health services, education and environmental protection. These changes combined will provide greater stability leading to a more sustainable economy.

The property market in China has seen improvements as reflected in the increase in home sales value and volume as well as decreases in inventory levels during the financial year 2015/2016 mainly due to Central Government's accommodative housing policies in most cities. The lowering of the home mortgage interest rates and increase in the loan-to-value ratio and availability of credit to home purchasers are all favourable 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 year ended 30th June, 2015.

FINANCE

As at 30th June, 2016, the Group had cash and bank deposits of HK\$27,538.8 million. After netting off total borrowings of HK\$5,900.1 million, the Group had net cash of HK\$21,638.7 million as at 30th June, 2016. Of the total borrowings, 1.8% was repayable within one year, 88.4% repayable between one and two years and 9.8% repayable between two and five 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 financial year 2015/2016. The majority of the Group's cash are denominated in Hong Kong dollars, with a portion of Renminbi, Australian dollars and US dollars. 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 and participation in 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 its 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 for charity organisations and events as well as green initiatives to promote sustainability, environmental protection, arts and culture and heritage conservation. 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 financial year 2015/2016, Sino Land published its Sustainability Review 2015 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.

Sino Land encourages staff of all levels to serve the community and care for those in needs; this commitment is extended to support staff in joining voluntary service during office hours for at least one day a year. Sino Land is dedicated to playing a part in building a better community through participating in voluntary services and community events, with a strong emphasis on children and youth development for the underprivileged families.

Dedicated to promoting arts and culture to enrich the lives of the public, Sino Land initiated 'Sino Art' in 2006, through which Sino Art provides local and international artists with opportunities to present 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 into community facilities such as hospitals, kindergartens and children's homes, where local artists create community art in collaboration with the underprivileged, children and educators.

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'. The Hotel is one of the winners of the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation'.

PROSPECTS

With key economic indicators showing a gradual recovery in the US and a more positive outlook of the economy, the Federal Open Market Committee in the US approved a quarter-point increase in its target federal funds rate in December 2015 after more than 7 years of accommodative monetary policy. The increase in federal funds rate was well anticipated by the markets and it has sent a positive signal to the market on the future state of the US economy.

In the Euro zone, the European Central Bank increased the size and scope of its quantitative easing ("QE") programme as well as extending the period of the QE to March 2017. On 23rd June, 2016, Britain voted in a referendum to exit the European Union, generally known as Brexit, casting uncertainty over issues such as trade between Britain and the rest of Europe, London's status as a world financial capital and the reaction of global financial markets to Brexit. Until the process of Brexit is completed, markets are likely to remain volatile creating more doubt over the recovery of the global economy.

In China, the Central Government adopted the Proposal on Formulating the Thirteenth Five-Year Plan on National Economic and Social Development (the "Plan") in the 5th Plenary Session of the 18th CPC Central Committee. The Plan focuses on maintaining economic growth and social stability while continuing reform efforts. In terms of economic growth, the Plan aims to double GDP and per-capita income by 2020 from the country's base in 2010 with domestic consumption, innovation and technology advancement being the key drivers of growth. In respect of welfare, the Plan contains a variety of measures focused on poverty alleviation and extends coverage of urban welfare services to all residents. On the financial sector side, the continuing efforts to liberalise financial services and the internationalisation of Renminbi will strengthen the position of the currency in the global financial markets. On the whole, the Plan targets to establish a better future for the people in China.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

The Central Government's Belt and Road initiative aims to connect major Asian and European economies through international cooperation, infrastructure developments, trade and investments. The Belt and Road initiative encourages greater circulation of trade flows and economic cooperation extending towards environmental conservation and protection, removal of investment and trade barriers as well as cultural and academic exchanges. In January 2016, Asia Infrastructure Investment Bank commenced operations and together with other supranational financial institutions such as Asian Development Bank and the World Bank, loans have been granted by these banks to finance the infrastructure development of the countries along the Belt and Road. Hong Kong has a role to play in the Belt and Road and can cooperate with other core regions of the Belt and Road to capitalise on this opportunity.

The Hong Kong property market continues to consolidate as a result of economic and property-related policies. Both sales volume and value showed a decrease during the financial year 2015/2016 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.

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. 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.

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 August, 2016

BIOGRAPHICAL DETAILS OF DIRECTORS & SENIOR MANAGEMENT

(I) EXECUTIVE DIRECTORS

Mr. Robert Ng Chee Siong^{N+}, aged 64, an Executive Director since 1978 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 40 years and is also a director of a number of subsidiaries and associated companies of the Company. Mr. Ng is the Chairman of Sino Land Company Limited, the major subsidiary 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^R, JP, aged 38, 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 Sino Land Company 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 Global Leadership 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 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 Council of the University of Hong Kong, a member of the Court of the Hong Kong University of Science and Technology, a member of the Steering Committee on the Promotion of Electric Vehicles of HKSAR and an Associate Member of the Central Policy Unit of HKSAR. He is a Director of The Real Estate Developers Association of Hong Kong. He is the eldest son of the Chairman of the Group Mr. Robert Ng Chee Siong and the eldest grandson of the late substantial shareholder Mr. Ng Teng Fong.

N+: Nomination Committee Chairman R: Remuneration Committee member

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

(II) NON-EXECUTIVE DIRECTOR

The Honourable Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP, aged 77, has been a Director of the Company since 1994 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 Sino Land Company 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, the Honorary Advisory Committee of SVHK Foundation Limited and Common Purpose Charitable Foundation Limited in Hong Kong. He is also a Non-Executive 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 (now known as Armada Holdings Limited).

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

(III) INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Allan Zeman^{A N R}, GBM, GBS, JP, aged 68, an Independent Non-Executive Director of the Company since September 2004. He is also an Independent Non-Executive Director of Sino Land Company Limited. Dr. Zeman is the Chairman of Lan Kwai Fong Group in Hong Kong. Dr. Zeman serves as an Independent Non-Executive Director of Wynn Macau, Limited, Pacific Century Premium Developments Limited, Global Brands Group Holding Limited and Television Broadcasts Limited, all of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited. Dr. Zeman was the Chairman of Hong Kong Ocean Park from July 2003 to June 2014 and is now the Honorary Advisor to the Park. Dr. Zeman serves as a member of the Board of Directors of West Kowloon Cultural District Authority, and is the Chairman of its Performing Arts Committee. He is also a Board member of the Alibaba Entrepreneurs Fund and the Airport Authority Hong Kong, an 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 governor of the Board of Governors of Our Hong Kong Foundation and a representative of Hong Kong China to the APEC Business Advisory Council (ABAC). Dr. Zeman is also a member of the Board of Governors of The Canadian Chamber of Commerce in Hong Kong, a member of the Asian Advisory Board of the Richard Ivey School of Business, The University of Western Ontario and the Vice Patron of The Community Chest of Hong Kong. Dr. Zeman is a holder of Honorary Doctorate of Laws Degree from The University of Western Ontario, Canada. In 2012, he was awarded Honorary Doctorate Degrees of Business Administration from City University of Hong Kong and The Hong Kong University of Science and Technology.

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

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

Mr. Adrian David Li Man-kiu^{A+ N R}, JP, aged 43, 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 Sino Land Company 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 member of the MPF Industry Schemes Committee of the MPFA, 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 BAI Global Banking Innovation Awards. Mr. Li is currently an Independent Non-Executive Director of China State Construction International Holdings Limited and COSCO SHIPPING Ports 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.

Mr. Steven Ong Kay Eng^{A R+}, aged 70, an Independent Non-Executive Director since July 2005. He is also an Independent Non-Executive Director of Sino Land Company Limited and Sino Hotels (Holdings) Limited. He is a Director of Altrade Investments Pte. Ltd. in Singapore and a substantial shareholder of Hwa Hong Corporation Limited, which is listed on the main board of the Singapore Stock Exchange. Mr. Ong has been a veteran banker with extensive experience in banking and finance over 43 years. He was the General Manager and Country Head for American Express Bank in Singapore for nearly 10 years and also the Chief Representative and Country Manager in China for Banca Monte dei Paschi di Siena S.p.A. for 16 years. Mr. Ong remained as the bank's advisor and consultant for 2 years after he left China in 2006 having resided in the country for over 16 years. He was the Chairman of Foreign Bankers' Association in Beijing, PRC from 1999 to 2000.

(IV) SENIOR MANAGEMENT

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

A+: Audit Committee Chairman A: Audit Committee member N: Nomination Committee member

R+: Remuneration Committee Chairman R: Remuneration Committee member

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 control, 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, 2016 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 and internal control strategies.

Board Composition

The current Board has 6 Directors comprising two Executive Directors including the Chairman of the Board, one Non-Executive Director and three Independent Non-Executive Directors, details of which 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 in all corporate communications that disclose the names of Directors of the Company.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Board Diversity

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, including adequacy of systems of financial and internal control, risk management and conduct of business in conformity with applicable laws and regulations. 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 in the Company. The Chairman of the Board provides leadership to the Board and undertakes both roles of chairman and chief executive. 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 three Independent Non-Executive Directors have contributed valuable views and proposals for the board's deliberation and decisions. The Board reviews 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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

Division of Responsibilities *(Continued)*

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.

Every Director is considered to have given sufficient time and attention to the Company's affairs for the year. Each of the Directors is required to disclose to the Company the number and nature of offices he/she 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. During the financial year ended 30th June, 2016, the Board had held four meetings. The attendance records of the Directors to these board meetings are set out below:

Directors	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong (<i>Chairman</i>)	4/4
Mr. Daryl Ng Win Kong	4/4
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	4/4
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	4/4
Mr. Adrian David Li Man-kiu	4/4
Mr. Steven Ong Kay Eng	4/4

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

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

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.

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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

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.

The Directors who are subject to retirement and re-election at the 2016 annual general meeting are set out on page 47 of this Annual Report.

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

Confirmation of Independence

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

DIRECTORS *(Continued)*

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.

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

Directors	Training Matters^(Note)
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	a, b
Mr. Daryl Ng Win Kong	a, b
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	a, b, c, d
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	a, b
Mr. Adrian David Li Man-kiu	a, b, c, d
Mr. Steven Ong Kay Eng	a, b

Note:

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

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The Company's emolument policy is to ensure that the remuneration offered to employees, including Executive Directors and senior management, is based on 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.

Remuneration Committee

The Company established its Remuneration Committee with written terms of reference on 23rd June, 2005. The current written terms of reference 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. 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 existing emolument policy of Directors;
- reviewed the remuneration packages of Executive Directors; and
- made recommendations on Non-Executive Directors' fees.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Remuneration Committee *(Continued)*

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

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

* *Independent Non-Executive Director*

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

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT

Nomination Committee

The Company established its Nomination Committee with written terms of reference on 20th February, 2012. The current written terms of reference 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, which is chaired by the Chairman of the Board, currently comprises three members with the Independent Non-Executive Directors constituting the majority of the Committee.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

NOMINATION OF DIRECTORS AND SENIOR MANAGEMENT *(Continued)*

Nomination Committee *(Continued)* During the year, the Nomination Committee had performed the following works:

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

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

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

* *Independent Non-Executive Director*

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Statements

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

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

The auditor is responsible for auditing and reporting its opinion on the financial statements of the Company and the independent auditor's report for the financial year ended 30th June, 2016 is set out in the section entitled "Independent Auditor's Report" of this Annual Report.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Risk Management and Internal Control

The Board has the responsibility to evaluate and determine the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and to ensure that the Company establishes and maintains appropriate and effective risk management and internal control systems.

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 and significant 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 REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

ACCOUNTABILITY AND AUDIT *(Continued)*

Risk Management and Internal Control *(Continued)*

During the year, the Board, through the Audit Committee, reviewed the appraisal performed by the Internal Audit Department on the Company's risk management and internal control systems, 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 established its Audit Committee with written terms of reference on 23rd September, 1998. The current written terms of reference 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, risk management and internal control. 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 risk management and internal control 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 2015 annual report and audited financial statements and the 2015/2016 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 risk management and internal control systems, including the effectiveness of the risk management and 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 2016/2017;
- usage of annual caps on certain continuing connected transactions of the Company;
- renewal of annual caps on certain continuing connected transactions of the Company for the three years ending 30th June, 2019; and
- re-appointment of the Company's auditor before submitting to the Board.

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

Committee members	Meeting(s) Attended/Held
Mr. Adrian David Li Man-kiu <i>(Committee Chairman)</i>	4/4
Dr. Allan Zeman	4/4
Mr. 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, 2016. 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, 2016 amounted to HK\$5,734,212 and HK\$1,242,000 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 certain continuing connected transactions of the Company;
- reviewed the renewal of annual caps on certain continuing connected transactions of the Company for the three years ending 30th June, 2019;
- reviewed the compliance with the Code through the Compliance Committee; and
- reviewed the effectiveness of the risk management and internal control systems of the Company through the Internal Audit Department and the Audit Committee.

Compliance Committee

The Company established its Compliance Committee with written terms of reference on 30th August, 2004 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 Director 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 REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS

The Company affirms its commitment to maintaining a high degree of corporate transparency, communicating regularly with its shareholders and ensuring in appropriate circumstances, the investment community at large being provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance, risk profile and other material information), 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. The Company continuously enhances its website in order to improve communication with shareholders. Investor/analyst briefings and one-on-one meetings, 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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Shareholders' Meetings (Continued)

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

The last annual general meeting of the Company is the 2015 annual general meeting ("2015 AGM") which was held on 23rd October, 2015 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 2015 AGM. The attendance records of the Directors to the 2015 AGM are set out below:

	Meeting(s) Attended/Held
<i>Executive Directors</i>	
Mr. Robert Ng Chee Siong	1/1
Mr. Daryl Ng Win Kong	1/1
<i>Non-Executive Director</i>	
The Honourable Ronald Joseph Arculli	1/1
<i>Independent Non-Executive Directors</i>	
Dr. Allan Zeman	1/1
Mr. Adrian David Li Man-kiu	1/1
Mr. Steven Ong Kay Eng	1/1

The Company's notice to shareholders for the 2015 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 2015 AGM were contained in the circular of the Company to its shareholders, which was dispatched together with the 2015 annual report, and were further explained at the 2015 AGM prior to the polls being taken. Simultaneous translation from English to Cantonese was available at the 2015 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 2015 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, 2015 are set out below:

Resolutions proposed at the 2015 AGM		Percentage of Votes
1	Adoption of the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2015	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	100%
3(ii)	Re-election of Dr. Allan Zeman as Director	100%
3(iii)	Authorization of the Board to fix the Directors' remuneration for the financial year ending 30th June, 2016	100%
4	Re-appointment of Deloitte Touche Tohmatsu as Auditor for the ensuing year and to authorize the Board to fix their remuneration	100%
5(i)	Share buy-back mandate up to 10% of the Company's issued shares	100%
5(ii)	Share issue mandate up to 20% of the Company's issued shares	99.99%
5(iii)	Extension of share issue mandate to the shares bought back under the share buy-back mandate	99.99%

All resolutions put to shareholders at the 2015 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.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Communication Strategies *(Continued)*

Shareholders' Meetings (Continued) The latest version of the Articles of Association of the Company is available at the Company's website www.sino.com and the Stock Exchange's website. No changes have been made to the Company's 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. 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 REPORT *(Continued)*

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 office address or by email to the 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. The Company appreciates the potential climate impact due to building development and operation, and strives to enhance the environmental performance of its properties through eco-friendly building design, operational measures, green management as well as supporting a number of external charters with regard to energy efficiency and carbon emission reduction. The Company has launched various 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.

Relationships with Stakeholders

The Company appreciates that our employees, customers and business associates are key to our sustainability journey. We strive to build a better community 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 is committed to providing a fair workplace through promoting non-discrimination and diversity to our staff, together with competitive remunerations and benefits, as well as opportunities for career advancement based on merits and performances. 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 all business lines. 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 external experts.

CORPORATE GOVERNANCE REPORT *(Continued)*

CORPORATE GOVERNANCE PRACTICES *(Continued)*

CORPORATE SOCIAL RESPONSIBILITIES *(Continued)*

Relationships with Stakeholders *(Continued)*

To enhance customer satisfaction and promote a customer-oriented culture within the Company, we take “Customer First” as one of our Core Values and include it in our Service Pledge. We value 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 complaint handling, which is 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 and professional manner and in accordance with the established standards.

We believe that our suppliers (including contractors) are equally important in driving delivery of quality excellence of our projects. 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 “Policies & Procedures for Group Approved Contractors/Suppliers List” 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 performances of our suppliers through supplier approval process and by conducting regular monitoring and annual performance reviews on registered suppliers.

Further information of the Company’s relationships with stakeholders can be found in the Company’s annual Sustainability Review available on the Group’s corporate website www.sino.com/sustainability-report.

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company for the year ended 30th June, 2016.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 52 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 11 to 19 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 11 to 19. 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, 2016, if any, are provided in the Notes 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 10 of this Annual Report. In addition, discussions on the Group's environmental policies and relationships with its key stakeholders are contained in the Chairman's Statement and the Corporate Governance Report on pages 11 to 19 and pages 24 to 45 respectively and in the Sustainability Review available on the Group's corporate website.

The Group has set up proper procedures to ensure adherence to the relevant laws and regulations which have a significant impact on the Group in conduct of its business, including but not limited to the Residential Properties (First-hand Sales) Ordinance, Competition Ordinance, Personal Data (Privacy) Ordinance, Minimum Wage Ordinance, Employment Ordinance and Occupational Safety and Health Ordinance in Hong Kong. The Group also complies with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), the Companies Ordinance and the Securities and Futures Ordinance ("SFO"). Any new enactment of or changes in the relevant laws and regulations would be communicated to the relevant departments and staff to ensure compliance. Reminders on the compliance would also be sent out regularly where necessary.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 64.

An interim dividend of HK13 cents per share amounting to HK\$220,405,311, including HK\$907,089 by way of cash dividends and HK\$219,498,222 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\$648,224,116 payable to shareholders whose names appear on the Register of Members of the Company on 4th November, 2016.

MAJOR PROPERTIES

Details of the major properties of the Group at 30th June, 2016 are set out on pages 175 to 194.

DIRECTORS' REPORT *(Continued)*

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Details of the Company's principal subsidiaries, associates and joint ventures at 30th June, 2016 are set out in Notes 52, 53 and 25 to the consolidated financial statements, respectively.

SHARE CAPITAL

Details of shares issued by the Company during the year are set out in Note 37 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

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 RESERVE OF THE COMPANY

The Company's reserve available for distribution to shareholders as at 30th June, 2016 was the retained profits of HK\$5,172,738,895 (2015: HK\$4,468,292,786).

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 basis. Bank borrowings and other loans repayable on demand or within one year are classified as current liabilities. Repayment analyses of bank borrowings and other loans as at 30th June, 2016 are set out in Notes 35 and 36 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$22,443,215.

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

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

In accordance with the Company's Articles of Association and pursuant to Appendix 14 to the Listing Rules, The Honourable Ronald Joseph Arculli and Mr. Daryl Ng Win Kong 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, 2016 during the year and up to the date of this report is available on the Company's website www.sino.com. You may access the list by clicking the hyperlink www.sino.com/CorporateGovernance/TSTP/en.

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS

As at 30th June, 2016, 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 SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were as follows:

(A) Long Positions in Shares of the Company

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	1,228,838,065 <i>(Note)</i>	Beneficial owner of 659,921 shares and trustee interest in 1,228,178,144 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 1,228,178,144 shares comprises:

- (a) *1,131,247,189 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 117,253,749 shares by Fanlight Investment Limited, 158,895,935 shares by Nippomo Limited, 3,651,261 shares by Orient Creation Limited, 312,514,866 shares by Strathallan Investment Limited, 466,357,045 shares by Tamworth Investment Limited and 72,574,333 shares by Transpire Investment Limited; and*
- (b) *96,930,955 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.*

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

(B) Long Positions in Shares of Associated Corporations

(i) 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	3,319,621,926 <i>(Note)</i>	Beneficial owner of 190,130 shares, spouse interest in 4,068,250 shares and trustee interest in 3,315,363,546 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	53.84%
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	108,984	Beneficial owner	≈ 0%

Note:

The trustee interest in 3,315,363,546 shares comprises:

- (a) 1,416,229,024 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) 48,167,848 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) 1,705,715,856 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 107,034,961 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 175,896 shares by Fanlight Investment Limited, 171,140 shares by Garford Nominees Limited, 38,513,539 shares by Karaganda Investments Inc., 16,610,724 shares by Orient Creation Limited, 8,073,215 shares by Strathallan Investment Limited, 24,332,822 shares by Strong Investments Limited, 18,646,288 shares by Tamworth Investment Limited and 511,337 shares by Transpire Investment Limited; and
- (d) 38,215,857 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

DIRECTORS' REPORT (Continued)

DIRECTORS' INTERESTS (Continued)

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

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTERESTS *(Continued)*

(B) Long Positions in Shares of Associated Corporations *(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, 2016, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT *(Continued)*

SHARE OPTION SCHEMES

The Company and its subsidiaries have no share option schemes.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, 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 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 three Independent Non-Executive Directors, the Group operates its businesses independently of, and at arm's length from, the businesses of the aforesaid companies.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Apart from the transactions disclosed under the heading "Related Party Disclosures" as set out in Note 48 to the consolidated financial statements, there were no other 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 his/her connected entities had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

PERMITTED INDEMNITY PROVISION

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) 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 during the year.

SERVICE CONTRACTS

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

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS

(A) Continuing Connected Transactions up to 30th June, 2016

The Company and its major subsidiary, Sino Land Company Limited ("Sino Land"), jointly announced on 28th June, 2013 that Sino Land and/or its subsidiaries ("Sino Land Group") had entered into agreements on 28th June, 2013 ("Agreements" or individually, "Agreement") relating to the following continuing connected transactions between Sino Land 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 Sino Land jointly on 10th June, 2014, Sino Land 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 Sino Land Group for the three financial years ended 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, 2016 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, 2016
	Service Provider	Recipient				
1. Building Cleaning Services	Best Result Environmental Services Limited ("BRESL"), a wholly-owned subsidiary of Sino Land	Ng Family	Provision of building cleaning services and cleaning consultancy services by Sino Land 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\$84.29 million
2. Car Park Management Services	Sino Parking Services Limited ("SPSL"), a company held as to 50% by Sino Land and 50% by the Ng Family	Sino Land 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 Sino Land 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	HK\$49 million	HK\$28.79 million

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(A) Continuing Connected Transactions up to 30th June, 2016 (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, 2016
	Service Provider	Service Recipient				
3. Estate Management and General Administrative Services	Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of Sino Land	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by Sino Land 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	HK\$43 million	HK\$25.15 million
4. Security Guard Services	Sino Security Services Limited ("SSSL"), a wholly-owned subsidiary of Sino Land	Ng Family	Provision of security guard services by Sino Land 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\$61.10 million
5. Lease of Properties	Sino Land Group	Ng Family	Lease of properties by: <ul style="list-style-type: none"> (i) Sino Land Group of properties owned or to be owned by the Ng Family; and (ii) the Ng Family of properties owned or to be owned by Sino Land Group 	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of particular properties	For the period from 1st July, 2015 to 30th June, 2016, HK\$141.4 million comprising: <ul style="list-style-type: none"> (i) HK\$121.4 million for lease of properties by Sino Land Group; and (ii) HK\$20 million for lease of properties by the Ng Family 	HK\$56.82 million, comprising: <ul style="list-style-type: none"> (i) HK\$46.20 million for lease of properties by Sino Land Group; and (ii) HK\$10.62 million for lease of properties by the Ng Family

DIRECTORS' REPORT *(Continued)*

CONNECTED TRANSACTIONS *(Continued)*

(A) **Continuing Connected Transactions up to 30th June, 2016** *(Continued)*

The Ng Family and its associates are connected persons of the Company and Sino Land by virtue of the Ng Family being the controlling shareholder of both the Company and Sino Land. Therefore, the above transactions constituted continuing connected transactions of each of the Company and Sino Land 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 (Revised) "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.

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(B) Renewal of Continuing Connected Transactions

Reference is made to the continuing connected transactions mentioned in section (A) above. The Agreements expired on 30th June, 2016 and the continuing connected transactions were carried out upon the terms set out therein. New agreements ("New Agreements" or individually, "New Agreement") were entered into on 28th June, 2016 to continue such continuing connected transactions for a term of three years commencing from 1st July, 2016 and ending on 30th June, 2019 with annual caps fixed for each of these years. Particulars of the New Agreements are disclosed herein:

Nature of Services provided under the New Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Annual Cap(s) under the New Agreement
	Service Provider	Service Recipient			
1. Building Cleaning Services	BRESL	Ng Family	Provision of building cleaning services and cleaning consultancy services by Sino Land 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	(i) HK\$135 million for the period from 1st July, 2016 to 30th June, 2017; (ii) HK\$148 million for the period from 1st July, 2017 to 30th June, 2018; and (iii) HK\$163 million for the period from 1st July, 2018 to 30th June, 2019
2. Car Park Management Services	SPSL	Sino Land 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 Sino Land 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	(i) HK\$51 million for the period from 1st July, 2016 to 30th June, 2017; (ii) HK\$58 million for the period from 1st July, 2017 to 30th June, 2018; and (iii) HK\$63 million for the period from 1st July, 2018 to 30th June, 2019

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(B) Renewal of Continuing Connected Transactions (Continued)

Nature of Services provided under the New Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Annual Cap(s) under the New Agreement
	Service Provider	Service Recipient			
3. Estate Management and General Administrative Services	SEML	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by Sino Land 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	(i) HK\$43 million for the period from 1st July, 2016 to 30th June, 2017; (ii) HK\$47 million for the period from 1st July, 2017 to 30th June, 2018; and (iii) HK\$51 million for the period from 1st July, 2018 to 30th June, 2019
4. Security Services	SSSL	Ng Family	Provision of security services by Sino Land 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	(i) HK\$112 million for the period from 1st July, 2016 to 30th June, 2017; (ii) HK\$123 million for the period from 1st July, 2017 to 30th June, 2018; and (iii) HK\$136 million for the period from 1st July, 2018 to 30th June, 2019

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(B) Renewal of Continuing Connected Transactions (Continued)

Nature of Services provided under the New Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Annual Cap(s) under the New Agreement
	Service Provider	Service Recipient			
5. Lease of Properties	Sino Land Group	Ng Family	Lease of properties by: (i) Sino Land Group of properties owned or to be owned by the Ng Family; and (ii) the Ng Family of properties owned or to be owned by Sino Land Group	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of particular properties	(i) For the period from 1st July, 2016 to 30th June, 2017, HK\$159.8 million comprising: (a) HK\$137.2 million for lease of properties by Sino Land Group; and (b) HK\$22.6 million for lease of properties by the Ng Family; (ii) For the period from 1st July, 2017 to 30th June, 2018, HK\$180.5 million comprising: (a) HK\$155 million for lease of properties by Sino Land Group; and (b) HK\$25.5 million for lease of properties by the Ng Family; and (iii) For the period from 1st July, 2018 to 30th June, 2019, HK\$204.1 million comprising: (a) HK\$175.2 million for lease of properties by Sino Land Group; and (b) HK\$28.9 million for lease of properties by the Ng Family

DIRECTORS' REPORT (Continued)

CONNECTED TRANSACTIONS (Continued)

(B) Renewal of Continuing Connected Transactions (Continued)

Basis of the abovementioned annual caps was by reference to, where applicable, the nature and value of these transactions for the three years ended 30th June, 2016, the existing scale and operations of the business, the potential increase in the cost of staff, the anticipated development and growth of such businesses and changes of general economic conditions for the next three years, with consideration of annual inflation, and additional services to be provided, which management deemed reasonable.

Details of the above continuing connected transactions have been disclosed in accordance with Chapter 14A of the Listing Rules and are set out in the respective announcements of the Company which are available at the Stock Exchange's website and the Company's website at www.sino.com.

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 30th June, 2016, 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	1,230,716,276 <i>(Notes 1, 2, 3 and 4)</i>	Interest of controlled corporations in 2,538,132 shares and trustee interest in 1,228,178,144 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	1,228,838,065 <i>(Notes 2, 3 and 4)</i>	Beneficial owner of 659,921 shares and trustee interest in 1,228,178,144 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	466,357,045 <i>(Note 3)</i>	Beneficial owner	27.33%
Strathallan Investment Limited	312,514,866 <i>(Note 3)</i>	Beneficial owner	18.32%

DIRECTORS' REPORT (Continued)

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS (Continued)

Long Positions in Shares of the Company (Continued)

Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Nippomo Limited	158,895,935 (Note 3)	Beneficial owner	9.31%
Fanlight Investment Limited	117,253,749 (Note 3)	Beneficial owner	6.87%

Notes:

- 2,538,132 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 2,211,258 shares by Far East Ventures Pte. Ltd. and 326,874 shares by Western Properties Pte Ltd.
- The trustee interest in 1,228,178,144 shares comprises:
 - 1,131,247,189 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 117,253,749 shares by Fanlight Investment Limited, 158,895,935 shares by Nippomo Limited, 3,651,261 shares by Orient Creation Limited, 312,514,866 shares by Strathallan Investment Limited, 466,357,045 shares by Tamworth Investment Limited and 72,574,333 shares by Transpire Investment Limited; and
 - 96,930,955 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
- 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.
- 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 30th June, 2016, 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\$6,449,000.

EQUITY-LINKED AGREEMENTS

For the year ended 30th June, 2016, the Company has not entered into any equity-linked agreement.

DIRECTORS' REPORT *(Continued)*

MAJOR SUPPLIERS AND CUSTOMERS

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 71% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 30% 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 24 to 45.

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, 2016 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, 24th August, 2016

INDEPENDENT AUDITOR'S REPORT



**TO THE SHAREHOLDERS OF
TSIM SHA TSUI PROPERTIES LIMITED**
尖沙咀置業集團有限公司
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Tsim Sha Tsui Properties Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 64 to 173, which comprise the consolidated statement of financial position as at 30th June, 2016, 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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**AUDITOR'S
RESPONSIBILITY**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

INDEPENDENT AUDITOR'S REPORT *(Continued)*

AUDITOR'S RESPONSIBILITY *(Continued)*

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

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

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, 2016, 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 Hong Kong Companies Ordinance.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30th June, 2016

	NOTES	2016 HK\$	2015 HK\$
Turnover	7	10,857,439,489	21,896,326,522
Cost of sales		(3,613,369,102)	(13,631,420,045)
Direct expenses		(2,487,574,737)	(2,438,761,280)
Gross profit		4,756,495,650	5,826,145,197
Change in fair value of investment properties	19	1,301,819,986	3,224,578,500
Other income and other gains or losses		87,511,759	77,522,982
Fair value gain on non-current interest-free unsecured other loans		11,743,586	18,590,490
(Loss) gain arising from change in fair value of trading securities		(3,012,560)	15,085,775
Gain on disposal of investment properties		470,005,091	34,837,046
Administrative expenses		(966,971,206)	(695,453,727)
Other operating expenses		(159,425,528)	(178,585,111)
Finance income	9	490,101,104	504,713,481
Finance costs	10	(235,396,444)	(276,508,473)
Less: Interest capitalised	10	22,443,215	32,838,550
Finance income, net		277,147,875	261,043,558
Share of results of associates	11	1,884,575,901	1,162,974,740
Share of results of joint ventures	12	96,048,080	866,758,262
Profit before taxation	13	7,755,938,634	10,613,497,712
Income tax expense	16	(597,691,330)	(1,152,558,224)
Profit for the year		7,158,247,304	9,460,939,488
Attributable to:			
The Company's shareholders		3,622,174,285	4,747,169,520
Non-controlling interests		3,536,073,019	4,713,769,968
		7,158,247,304	9,460,939,488
Earnings per share (reported earnings per share)			
Basic	18(a)	2.149	2.886

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30th June, 2016

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Profit for the year	<u>7,158,247,304</u>	<u>9,460,939,488</u>
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	(212,299,161)	(128,517,536)
Exchange differences arising on translation of foreign operations	<u>(1,137,772,610)</u>	<u>(193,915,937)</u>
Other comprehensive expense for the year	<u>(1,350,071,771)</u>	<u>(322,433,473)</u>
Net comprehensive income for the year	<u>5,808,175,533</u>	<u>9,138,506,015</u>
Net comprehensive income attributable to:		
The Company's shareholders	2,928,017,417	4,593,451,684
Non-controlling interests	<u>2,880,158,116</u>	<u>4,545,054,331</u>
	<u>5,808,175,533</u>	<u>9,138,506,015</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30th June, 2016

	NOTES	2016 HK\$	2015 HK\$
Non-current assets			
Investment properties	19	59,255,635,189	58,409,286,223
Hotel properties	20	1,987,487,748	1,695,741,835
Property, plant and equipment	21	156,754,620	139,070,293
Goodwill	22	739,233,918	739,233,918
Prepaid lease payments – non-current	23	1,165,234,108	1,177,613,796
Interests in associates	24	16,233,160,710	15,630,975,681
Interests in joint ventures	25	3,200,426,596	3,100,573,692
Available-for-sale investments	26	737,994,601	910,567,069
Advances to associates	24	6,372,606,832	8,270,997,179
Advances to joint ventures	25	966,095,260	1,058,033,279
Advance to an investee company	28	16,405,349	16,354,049
Long-term loans receivable	29	718,079,975	227,559,528
		91,549,114,906	91,376,006,542
Current assets			
Properties under development	47	22,686,748,390	20,454,301,162
Stocks of completed properties		4,479,080,881	7,258,620,820
Hotel inventories		19,098,824	17,357,382
Prepaid lease payments – current	23	20,151,711	20,710,267
Trading securities	30	12,796,905	15,688,163
Amounts due from associates	24	188,609,710	500,370,877
Amounts due from joint ventures	25	545,462,658	20,176,534
Amount due from a non-controlling interest	27	81,274,836	–
Accounts and other receivables	31	2,687,575,011	2,896,447,101
Current portion of long-term loans receivable	29	16,324,945	5,276,127
Taxation recoverable		209,374,914	98,649,164
Restricted bank deposits	32	545,689,072	194,566,781
Time deposits	32	23,275,843,911	13,869,914,839
Bank balances and cash	32	3,717,324,511	5,737,816,820
		58,485,356,279	51,089,896,037
Assets classified as held for sale	33	–	317,000,000
		58,485,356,279	51,406,896,037
Current liabilities			
Accounts and other payables	34	5,802,571,667	8,228,563,195
Deposits received on sales of properties		9,404,171,155	1,229,453,253
Amounts due to associates	24	1,132,981,774	1,177,213,063
Amounts due to joint ventures	25	226,643	–
Amounts due to non-controlling interests	27	147,634,967	367,503,811
Taxation payable		1,246,891,654	1,136,081,255
Bank loans – secured	35	–	801,295,227
Other loans – unsecured	36	108,313,383	97,766,579
		17,842,791,243	13,037,876,383
Net current assets		40,642,565,036	38,369,019,654
Total assets less current liabilities		132,191,679,942	129,745,026,196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

At 30th June, 2016

	NOTES	2016 HK\$	2015 HK\$
Capital and reserves			
Share capital	37	9,719,312,922	8,869,463,206
Reserves		52,438,670,660	50,160,601,283
Equity attributable to the Company's shareholders		62,157,983,582	59,030,064,489
Non-controlling interests	42	59,934,117,414	58,628,888,325
Total equity		122,092,100,996	117,658,952,814
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	35	4,442,167,268	5,238,278,939
Other loans – due after one year	36	1,349,617,278	2,136,489,301
Deferred taxation	38	1,941,369,421	2,044,659,435
Advances from associates	39	1,876,123,504	1,685,891,370
Advances from non-controlling interests	40	490,301,475	980,754,337
		10,099,578,946	12,086,073,382
		132,191,679,942	129,745,026,196

The consolidated financial statements on pages 64 to 173 were approved and authorised for issue by the Board of Directors on 24th August, 2016 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, 2016

	Attributable to the Company's shareholders					Attributable to the Company's shareholders HK\$	Non-controlling interests HK\$	Total HK\$
	Share capital HK\$	Capital reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$			
At 1st July, 2014	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 year	-	-	-	-	4,747,169,520	4,747,169,520	4,713,769,968	9,460,939,488
Other comprehensive expense:								
- loss on fair value change of available-for-sale investments	-	-	(65,131,857)	-	-	(65,131,857)	(63,385,679)	(128,517,536)
- exchange differences arising on translation of foreign operations	-	-	-	(88,585,979)	-	(88,585,979)	(105,329,958)	(193,915,937)
Net comprehensive (expense) income for the year	-	-	(65,131,857)	(88,585,979)	4,747,169,520	4,593,451,684	4,545,054,331	9,138,506,015
Shares issued in lieu of cash dividends	811,399,009	-	-	-	-	811,399,009	-	811,399,009
Acquisition of additional interest in a listed subsidiary	-	69,383,693	-	-	-	69,383,693	(143,369,319)	(73,985,626)
Distribution before liquidation of a subsidiary (Note 49)	-	-	-	-	-	-	(933,213,815)	(933,213,815)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	373,659,063	373,659,063
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	-	-	-	-	-	-	(1,488,793,190)	(1,488,793,190)
Final dividend - 2014	-	-	-	-	(616,894,357)	(616,894,357)	-	(616,894,357)
Interim dividend - 2015	-	-	-	-	(198,893,273)	(198,893,273)	-	(198,893,273)
At 30th June, 2015	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 year	-	-	-	-	3,622,174,285	3,622,174,285	3,536,073,019	7,158,247,304
Other comprehensive expense:								
- loss on fair value change of available-for-sale investments	-	-	(109,080,446)	-	-	(109,080,446)	(103,218,715)	(212,299,161)
- exchange differences arising on translation of foreign operations	-	-	-	(585,076,422)	-	(585,076,422)	(552,696,188)	(1,137,772,610)
Net comprehensive (expense) income for the year	-	-	(109,080,446)	(585,076,422)	3,622,174,285	2,928,017,417	2,880,158,116	5,808,175,533
Shares issued in lieu of cash dividends	849,849,716	-	-	-	-	849,849,716	-	849,849,716
Acquisition of additional interest in a listed subsidiary	-	203,890,126	-	-	-	203,890,126	(281,437,770)	(77,547,644)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	220,072,087	220,072,087
Deemed capital contribution from non-controlling interests in relation to interest-free advances from non-controlling interests	-	-	-	-	-	-	11,815,848	11,815,848
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,525,379,192)	(1,525,379,192)
Final dividend - 2015	-	-	-	-	(633,432,855)	(633,432,855)	-	(633,432,855)
Interim dividend - 2016	-	-	-	-	(220,405,311)	(220,405,311)	-	(220,405,311)
At 30th June, 2016	9,719,312,922	720,274,780	23,009,423	499,169,694	51,196,216,763	62,157,983,582	59,934,117,414	122,092,100,996

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30th June, 2016

	2016 HK\$	2015 HK\$
OPERATING ACTIVITIES		
Profit before taxation	7,755,938,634	10,613,497,712
Adjustments for:		
Finance costs	212,953,229	243,669,923
Amortisation and depreciation of property, plant and equipment and hotel properties	82,639,990	89,742,495
Release of prepaid lease payments	20,091,421	21,599,205
Loss (gain) on disposal of property, plant and equipment	804,696	(626,004)
Property, plant and equipment written off	–	6,361
Recognition (reversal) of impairment loss on trade receivables	789,814	(1,958,767)
Share of results of associates	(1,884,575,901)	(1,162,974,740)
Share of results of joint ventures	(96,048,080)	(866,758,262)
Increase in fair value of investment properties	(1,301,819,986)	(3,224,578,500)
Finance income	(490,101,104)	(504,713,481)
Loss (gain) arising from change in fair value of trading securities	2,999,231	(15,085,775)
Gain on disposal of investment properties	(470,005,091)	(34,837,046)
Fair value gain on non-current interest-free unsecured other loans	(11,743,586)	(18,590,490)
Interest income from loans receivable	(3,234,035)	(1,155,640)
Dividend income from listed investments	(34,976,847)	(35,126,032)
Dividend income from unlisted investments	(28,853,025)	(25,163,750)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	3,754,859,360	5,076,947,209
Increase in long-term loans receivable	(501,569,265)	(179,206,106)
Increase in properties under development	(3,694,333,548)	(4,661,322,332)
Decrease in stocks of completed properties	3,714,078,240	9,563,329,897
(Increase) decrease in hotel inventories	(1,741,442)	1,351,439
(Increase) decrease in trading securities	(107,973)	558,635,825
Decrease (increase) in accounts and other receivables	255,449,535	(1,726,598,025)
Increase (decrease) in accounts and other payables and deposits received on sales of properties	5,748,612,794	(94,757,484)
	<hr/>	<hr/>
Cash generated from operations	9,275,247,701	8,538,380,423
Hong Kong Profits Tax paid	(314,646,072)	(399,017,407)
Taxation in other jurisdictions paid	(315,647,150)	(337,337,813)
Interest received from loans receivable	3,234,035	1,155,640
Dividends received from listed investments	34,976,847	35,126,032
Dividends received from unlisted investments	28,853,025	25,163,750
	<hr/>	<hr/>
NET CASH FROM OPERATING ACTIVITIES	8,712,018,386	7,863,470,625

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2016

	NOTE	2016 HK\$	2015 HK\$
INVESTING ACTIVITIES			
Repayments from associates		2,617,975,445	1,509,669,091
Repayments from joint ventures		889,759,246	968,129,988
Dividends received from associates		725,956,100	3,082,407,460
Dividends received from joint ventures		180,500,000	104,000,000
Installments received for the sale of a subsidiary and assignment of loan	24	1,050,000,000	–
Placement of restricted bank deposits		(431,415,478)	–
Withdrawal of restricted bank deposits		80,293,187	218,417,174
Interest received		298,774,267	197,407,203
Proceeds from disposal of investment properties		1,129,802,671	155,677,603
(Advance to) repayment from an investee company		(51,300)	1,263,177
Proceeds from disposal of property, plant and equipment		1,204,047	975,884
Cash outflow arising on bank balances and cash disposal on voluntary liquidation of a subsidiary		–	(38,118,168)
Advances to associates		(1,379,530,794)	(1,153,903,462)
Repayments from non-controlling interests		–	96,082,492
Advances to joint ventures		(1,483,008,276)	(492,799,146)
Additions to investment properties		(111,790,878)	(240,478,829)
Additions to hotel properties		(2,696,967)	(319,185)
Additions to property, plant and equipment		(73,082,987)	(77,732,206)
Additions to available-for-sale investments		(39,726,693)	(26,206,380)
Additions to time deposits with original maturity over three months		(14,964,353,283)	(773,901,419)
Acquisition of additional interest in a joint venture		(8)	–
Acquisition of additional interests in associates		(82,448)	(61,659)
NET CASH (USED IN) FROM INVESTING ACTIVITIES		(11,511,474,149)	3,530,509,618
FINANCING ACTIVITIES			
New bank and other loans		9,971,498	2,320,751,466
Repayments of bank and other loans		(2,403,362,141)	(4,756,645,213)
Advances from associates		432,746,813	88,740,496
Advances from joint ventures		226,643	–
Repayments to non-controlling interests		(920,937,360)	(584,447,149)
Advances from non-controlling interests		222,431,502	358,416,289
Advance to a non-controlling interest		(81,274,836)	–
Dividends paid to ordinary shareholders of the Company		(3,988,450)	(4,388,622)
Repayments to associates		(322,406,958)	(2,711,608,615)
Interest paid		(167,084,904)	(184,565,904)
Acquisition of additional interest in a listed subsidiary		(26,759,502)	(45,143,707)
Repurchase of its own shares by a listed subsidiary		(46,738,635)	(31,315,239)
Dividends paid to non-controlling interests		(1,305,307,135)	(1,113,500,037)
NET CASH USED IN FINANCING ACTIVITIES		(4,612,483,465)	(6,663,706,235)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the year ended 30th June, 2016

	2016 HK\$	2015 HK\$
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(7,411,939,228)	4,730,274,008
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	18,332,412,925	13,589,827,929
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>(226,422,352)</u>	<u>12,310,988</u>
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>10,694,051,345</u>	<u>18,332,412,925</u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Restricted bank deposits	545,689,072	194,566,781
Time deposits	23,275,843,911	13,869,914,839
Bank balances and cash	<u>3,717,324,511</u>	<u>5,737,816,820</u>
Deposits, bank balances and cash in the consolidated statement of financial position	27,538,857,494	19,802,298,440
Less: Time deposits with original maturity more than three months	(16,299,117,077)	(1,275,318,734)
Restricted bank deposits	<u>(545,689,072)</u>	<u>(194,566,781)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>10,694,051,345</u>	<u>18,332,412,925</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30th June, 2016

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”). 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 52.

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”)

New and revised HKFRSs in issue but not yet effective

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

Amendments to HKAS 1	Disclosure Initiative ¹
Amendments to HKAS 7	Disclosure Initiative ²
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ²
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ³
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying Consolidated Exception ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to HKFRS 15	Clarification to HKFRS 15 Revenue from Contracts with Customers ³
HKFRS 9	Financial Instruments ³
HKFRS 15	Revenue from Contracts with Customers ³
HKFRS 16	Leases ⁵

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

² Effective for annual periods beginning on or after 1st January, 2017

³ Effective for annual periods beginning on or after 1st January, 2018

⁴ Effective date to be determined

⁵ Effective for annual periods beginning on or after 1st January, 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

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

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. Amendments issued in June 2016 add guidance on (i) determining whether promised goods or services are distinct; (ii) principal versus agent considerations and (iii) licensing. 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

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

HKFRS 16 “Leases”

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases”, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the HKAS 17, in terms of which specific disclosures are required to be made in respect of lease commitments.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Directors anticipate that the application of HKFRS 16 in the future may affect amounts reported and related disclosure. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 16 until the Group performs a detailed review.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation *(Continued)*

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

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

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

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

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

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Goodwill

Goodwill arising on acquisitions prior to 1st January, 2005

Goodwill arising on an acquisition of net assets and operations of another entity for which the agreement date is before 1st January, 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant acquiree at the date of acquisition.

For previously capitalised goodwill arising on acquisitions of net assets and operations of another entity after 1st July, 2001, the Group has discontinued amortisation from 1st July, 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired.

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

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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, 2016

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, 2016

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interests in joint operations

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

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

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment properties *(Continued)*

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

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

Hotel properties and property, plant and equipment

Hotel properties and property, plant and equipment including leasehold land (classified as finance leases) and 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 amortisation and depreciation and accumulated impairment losses. Amortisation and depreciation are 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.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing

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

The Group as lessor

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

The Group as lessee

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

Leasehold land and building

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

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets

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

Effective interest method

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

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

Financial assets at fair value through profit or loss

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including accounts and other receivables, advances to associates/joint ventures/an investee company, loans receivable, amounts due from associates/joint ventures/a non-controlling interest, restricted bank deposits, time deposits and 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 debentures) as available-for-sale financial assets.

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

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

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

Impairment of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

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

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

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

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

Equity instruments

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

Effective interest method

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

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

Financial liabilities

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

Financial guarantee contracts

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Derecognition

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

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

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

Revenue recognition

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

(a) Revenue from sale of properties in the ordinary course of business is recognised when all of the following criteria are met:

- the significant risks and rewards of ownership of the properties are transferred to buyers;
- neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the properties are retained;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

(b) Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

- (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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

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.

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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Foreign currencies *(Continued)*

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

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 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\$22,686,748,390 (2015: HK\$20,454,301,162).

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\$4,479,080,881 (2015: HK\$7,258,620,820).

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 36 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, 2016, the carrying amount of the hotel properties is HK\$1,987,487,748 net of accumulated amortisation and depreciation of HK\$249,760,171 (2015: HK\$1,695,741,835 net of accumulated depreciation of HK\$218,776,335). Details of the movements of the hotel properties are disclosed in Note 20.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

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

Key sources of estimation uncertainty *(Continued)*

Fair value of investment properties

Investment properties are carried in the consolidated statement of financial position at 30th June, 2016 at their fair value of HK\$59,255,635,189 (2015: HK\$58,409,286,223). 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.

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, other loans, advances from associates/non-controlling interests, amounts due to associates/joint ventures/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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2016 HK\$	2015 HK\$
Financial assets		
Trading securities (fair value through profit or loss)	12,796,905	15,688,163
Available-for-sale investments	737,994,601	910,567,069
Loans and receivables (including cash and cash equivalents)	38,430,790,873	32,322,374,815
Financial liabilities		
Amortised cost	13,739,635,330	18,167,328,326

Financial risk management objectives and policies

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Currency risk (Continued)

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:

	2016 HK\$	2015 HK\$
Assets		
Renminbi ("RMB")	3,373,184,123	2,349,283,924
United States Dollars ("USD")	861,050,277	67,001,395
Australian Dollars ("AUD")	678,230,172	1,283,417,293
New Zealand Dollars ("NZD")	24,885,194	22,549,519
	<hr/>	<hr/>
Liabilities		
RMB	527,689,032	628,954,734
	<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, 2016

6. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Market risk (Continued)

Foreign currency sensitivity analysis (Continued)

	2016 HK\$	2015 <i>HK\$</i>
RMB	118,799,420	71,823,744
AUD	28,316,110	53,582,672
NZD	1,038,957	941,442

Certain available-for-sale investments are denominated in foreign currency of the group entities. For available-for-sale investments amounted to HK\$197,049,204 (2015: HK\$220,478,083) as at 30th June, 2016, 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\$9,852,460 (2015: HK\$11,023,904) in the Group's investment revaluation reserve.

Interest rate risk

Long-term loans receivable, other loans, advances to associates, advances to joint ventures, advance to an investee company, certain 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, prime rate arising from the loans receivable and market rate arising from other loans.

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 an investee company, certain accounts and other payables, other loans 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\$215,906 (2015: HK\$8,528,500).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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.

	2016 HK\$	2015 <i>HK\$</i>
Available-for-sale investments		
Increase (decrease) in investment revaluation reserve		
– as a result of increase in equity price	34,492,440	43,952,679
– as a result of decrease in equity price	(34,492,440)	(43,952,679)
Trading securities		
Increase (decrease) in profit for the year		
– as a result of increase in equity price	534,271	654,981
– as a result of decrease in equity price	(534,271)	(654,981)

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 44. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

6. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

With respect to credit risk arising from advances to associates/joint ventures/an investee company and amounts due from associates/joint ventures/a non-controlling interest, 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/an investee company and amounts due from associates/joint ventures/a non-controlling interest.

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/an investee company and amounts due from associates/joint ventures/a non-controlling interest, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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\$
2016									
Accounts and other payables									
– non-interest bearing	N/A	651,394,444	1,789,797,419	281,474,283	1,251,509,377	202,586,684	6,150	4,176,768,357	4,176,768,357
– variable rate	5.00	15,500,681	-	-	-	-	-	15,500,681	15,500,681
Other liabilities									
– non-interest bearing	2.89	1,133,208,417	147,634,967	-	2,406,239,444	-	-	3,687,082,828	3,630,691,653
– fixed rate	3.92	54,200	108,400	487,802	16,576,710	-	-	17,227,112	16,576,710
Borrowings									
– non-interest bearing	N/A	-	-	-	1,349,617,278	-	-	1,349,617,278	1,349,617,278
– variable rate	1.33	639,571	1,279,141	114,175,712	7,674,847	581,443,989	-	705,213,260	683,096,676
– fixed rate	3.25	10,723,827	21,447,655	96,514,446	3,898,697,655	-	-	4,027,383,583	3,867,383,975
Financial guarantee contracts	N/A	1,022,802,309	-	-	445,600,000	1,441,600,000	-	2,910,002,309	-
		<u>2,834,323,449</u>	<u>1,960,267,582</u>	<u>492,652,243</u>	<u>9,375,915,311</u>	<u>2,225,630,673</u>	<u>6,150</u>	<u>16,888,795,408</u>	<u>13,739,635,330</u>
2015									
Accounts and other payables									
– non-interest bearing	N/A	578,132,351	1,782,373,345	238,919,647	2,846,862,012	210,021,145	12,439,208	5,668,747,708	5,668,747,708
– 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	-	2,066,695,406	656,908,494	-	4,268,320,775	4,186,849,568
– fixed rate	4.00	75,004	150,009	675,038	24,513,013	-	-	25,413,064	24,513,013
Borrowings									
– non-interest bearing	N/A	-	-	-	2,136,489,301	-	-	2,136,489,301	2,136,489,301
– variable rate	2.60	1,712,304	3,424,608	915,647,969	20,547,648	1,380,712,304	-	2,322,044,833	2,278,061,806
– 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>2,221,779,040</u>	<u>2,174,899,428</u>	<u>1,251,757,100</u>	<u>8,275,977,140</u>	<u>7,253,539,598</u>	<u>12,439,208</u>	<u>21,190,391,514</u>	<u>18,167,328,326</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

6. FINANCIAL INSTRUMENTS (Continued)

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.

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.

	2016 HK\$	2015 HK\$
Available-for-sale investments	689,848,806	879,053,579
Trading securities:		
Equity securities listed in Hong Kong	9,003,213	12,077,101
Equity securities listed elsewhere	3,793,692	3,611,062
Total	<u>702,645,711</u>	<u>894,741,742</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, 2016

7. TURNOVER

	2016 HK\$	2015 HK\$
Sales of properties held for sale	5,760,087,495	16,956,959,680
Gross rental income from properties	3,016,086,680	2,919,958,974
Property management and service fee income	1,155,574,334	1,073,178,651
Hotel operations	858,627,073	884,783,794
Interest income from loans receivable	3,234,035	1,155,640
Dividend income		
listed investments	34,976,847	35,126,033
unlisted investments	28,853,025	25,163,750
	10,857,439,489	21,896,326,522

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, 2016

	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	5,760,087,495	1,422,471,217	5,679,321,527	1,206,558,555	11,439,409,022	2,629,029,772
Property rental	3,016,086,680	2,570,497,104	858,866,971	763,930,597	3,874,953,651	3,334,427,701
	8,776,174,175	3,992,968,321	6,538,188,498	1,970,489,152	15,314,362,673	5,963,457,473
Property management and other services	1,155,574,334	261,356,403	96,810,854	18,606,433	1,252,385,188	279,962,836
Hotel operations	858,627,073	326,012,542	418,224,553	199,709,905	1,276,851,626	525,722,447
Investment in securities	63,829,872	63,829,872	3,900	3,900	63,833,772	63,833,772
Financing	3,234,035	3,234,035	1,881,010	1,881,010	5,115,045	5,115,045
	10,857,439,489	4,647,401,173	7,055,108,815	2,190,690,400	17,912,548,304	6,838,091,573

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

8. OPERATING SEGMENTS (Continued)

Segment Assets

As at 30th June, 2016

	The Company and its subsidiaries <i>HK\$</i>	Associates and joint ventures <i>HK\$</i>	Total <i>HK\$</i>
Property			
Property sales	29,619,353,654	4,184,380,460	34,235,902,756
Property rental	<u>59,717,544,341</u>	<u>13,901,090,208</u>	<u>73,183,216,376</u>
	89,336,897,995	18,085,470,668	107,419,119,132
Property management and other services	287,465,974	63,347,799	348,103,778
Hotel operations	3,412,796,172	897,854,019	4,310,650,191
Investments in securities	921,808,960	379,755,205	1,307,616,724
Financing	<u>8,893,682,370</u>	<u>7,159,615</u>	<u>8,900,748,952</u>
Segment assets	<u>102,852,651,471</u>	<u>19,433,587,306</u>	122,286,238,777
Restricted bank deposits, time deposits, bank balances and cash			27,538,857,494
Taxation recoverable			<u>209,374,914</u>
Total assets			<u>150,034,471,185</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

8. OPERATING SEGMENTS (Continued)

Other Information

For the year ended 30th June, 2016

	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	8,789,637	1,990,527	10,503,644	49,989,713	1,809,466	-	73,082,987
- Investment properties	-	356,159,222	-	-	-	-	356,159,222
- Hotel properties	-	-	-	2,696,967	-	-	2,696,967
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	-	1,301,819,986	-	-	-	-	1,301,819,986

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

8. OPERATING SEGMENTS (Continued)

Segment Results

For the year ended 30th June, 2015

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue <i>HK\$</i>	Results <i>HK\$</i>	Share of revenue <i>HK\$</i>	Share of results <i>HK\$</i>	Segment revenue <i>HK\$</i>	Segment results <i>HK\$</i>
Property						
Property sales	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	2,919,958,974	2,510,827,210	806,107,637	748,232,191	3,726,066,611	3,259,059,401
	19,876,918,654	5,056,854,744	6,947,791,823	1,438,950,709	26,824,710,477	6,495,805,453
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	60,289,783	60,289,783	3,900	3,900	60,293,683	60,293,683
Financing	1,155,640	1,155,640	1,401,344	1,401,344	2,556,984	2,556,984
	21,896,326,522	5,708,289,789	7,274,325,206	1,582,968,507	29,170,651,728	7,291,258,296

Segment Assets

As at 30th June, 2015

	The Company and its subsidiaries <i>HK\$</i>	Associates and joint ventures <i>HK\$</i>	Total <i>HK\$</i>
Property			
Property sales	30,309,365,242	2,107,020,423	32,416,385,665
Property rental	59,161,273,957	13,800,199,946	72,961,473,903
	89,470,639,199	15,907,220,369	105,377,859,568
Property management and other services	249,099,587	59,683,153	308,782,740
Hotel operations	3,096,368,279	705,333,742	3,801,702,021
Investments in securities	1,071,960,545	2,054,147,799	3,126,108,344
Financing	10,262,337,992	5,164,310	10,267,502,302
Segment assets	104,150,405,602	18,731,549,373	122,881,954,975
Restricted bank deposits, time deposits, bank balances and cash			19,802,298,440
Taxation recoverable			98,649,164
Total assets			142,782,902,579

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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	203,046	-	77,732,206
- Investment properties	-	810,243,756	-	-	-	-	810,243,756
- 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

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 before taxation 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, fair value gain on non-current interest-free unsecured other loans and certain finance income net of finance costs. The profit before taxation 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, 2016

8. OPERATING SEGMENTS (Continued)

Reconciliation of profit before taxation

	2016 HK\$	2015 HK\$
Segment profit	6,838,091,573	7,291,258,296
Other income and other gains or losses	82,308,408	69,896,536
Change in fair value of investment properties	1,301,819,986	3,224,578,500
Gain on disposal of investment properties	470,005,091	34,837,046
(Loss) gain arising from change in fair value of trading securities	(3,012,560)	15,085,775
Administrative expenses and other operating expenses	(1,011,855,618)	(748,253,015)
Fair value gain on non-current interest-free unsecured other loans	11,743,586	18,590,490
Finance income, net	276,904,587	260,739,589
Results shared from associates and joint ventures		
– Other income and other gains or losses	43,808,294	30,395,686
– Change in fair value of investment properties	482,716,220	1,075,912,389
– Gain on disposal of investment properties	91,003,825	48,411,905
– Administrative expenses and other operating expenses	(304,212,443)	(219,721,611)
– Finance costs, net	(167,491,895)	(223,898,801)
– Income tax expense	(355,890,420)	(264,335,073)
	<u>(210,066,419)</u>	<u>446,764,495</u>
Profit before taxation	<u>7,755,938,634</u>	<u>10,613,497,712</u>

During the year ended 30th June, 2016, inter-segment sales of HK\$43,613,521 (2015: HK\$34,328,740) 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, 2016

8. OPERATING SEGMENTS (Continued)

Geographical information

The Group operates in four principal geographical areas – Hong Kong, the PRC, Singapore and Australia.

The Group's revenue from external customers and share of revenue from associates and joint ventures by location of operations and information about its non-current assets by location of assets, excluding financial instruments, are detailed below:

	The Company's and its subsidiaries' external revenue		Share of revenue from associates and joint ventures		The Group's non-current assets	
	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$
Hong Kong	9,433,461,934	19,180,842,564	6,641,506,259	6,904,043,400	73,557,865,569	71,449,577,037
The PRC	405,806,482	1,652,090,274	210,089,573	370,281,806	4,787,966,248	5,268,318,860
Singapore	1,018,171,073	1,063,393,684	-	-	4,159,716,273	4,174,599,541
Australia	-	-	203,512,983	-	232,384,799	-
	10,857,439,489	21,896,326,522	7,055,108,815	7,274,325,206	82,737,932,889	80,892,495,438

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

	2016 HK\$	2015 HK\$
Interest income on:		
advances to associates and joint ventures	104,446,273	25,394,490
advance to an investee company	816,300	840,572
bank deposits	240,878,953	211,390,431
Imputed interest income on non-current interest-free advances to associates and joint ventures	143,959,578	267,087,988
	490,101,104	504,713,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

10. FINANCE COSTS

	2016 HK\$	2015 HK\$
Interest and other finance costs on:		
bank loans	46,128,553	71,721,938
other loans	130,559,242	130,976,389
Imputed interest expense on non-current interest-free advances from associates	40,118,159	37,638,031
Imputed interest expense on non-current interest-free unsecured other loans	18,590,490	36,172,115
	<u>235,396,444</u>	<u>276,508,473</u>
Less: Amounts capitalised to properties under development	(22,443,215)	(32,838,550)
	<u>212,953,229</u>	<u>243,669,923</u>

11. SHARE OF RESULTS OF ASSOCIATES

	2016 HK\$	2015 HK\$
Share of results of associates comprises:		
Share of profits of associates	2,224,190,194	1,334,976,022
Share of taxation of associates	(339,614,293)	(172,001,282)
	<u>1,884,575,901</u>	<u>1,162,974,740</u>

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\$405,183,839 (2015: HK\$585,598,241) recognised in the statement of profit or loss of the associates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

12. SHARE OF RESULTS OF JOINT VENTURES

	2016 HK\$	2015 HK\$
Share of results of joint ventures comprises:		
Share of profits of joint ventures	112,324,207	959,092,053
Share of taxation of joint ventures	<u>(16,276,127)</u>	<u>(92,333,791)</u>
	<u>96,048,080</u>	<u>866,758,262</u>

The Group's share of results of joint ventures included the Group's share of change in fair value of investment properties of the joint ventures of HK\$77,862,381 (2015: HK\$487,344,148) recognised in the statement of profit or loss of the joint ventures.

13. PROFIT BEFORE TAXATION

	2016 HK\$	2015 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Staff costs including Directors' remuneration:		
Staff salaries and other benefits	1,522,625,110	1,414,345,009
Retirement benefit scheme contributions	<u>78,342,247</u>	<u>61,372,097</u>
Total staff costs	<u>1,600,967,357</u>	<u>1,475,717,106</u>
Release of prepaid lease payments (included in other operating expenses)	20,091,421	21,599,205
Auditor's remuneration		
– audit services		
– current year provision	5,771,217	5,169,502
– (over)underprovision of previous years	(37,005)	91,273
– non-audit services	1,242,000	1,275,000
Cost of hotel inventories consumed (included in direct expenses)	109,131,456	110,510,255
Cost of properties sold	3,613,369,102	13,631,420,045
Amortisation and depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	82,639,990	89,742,495
Loss (gain) on disposal of property, plant and equipment	804,696	(626,004)
Property, plant and equipment written off	–	6,361
Recognition (reversal) of impairment loss on trade receivables	<u>789,814</u>	<u>(1,958,767)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

14. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS

The emoluments paid or payable to each of the six (2015: six) Directors of the Company, which include the Chairman, were disclosed pursuant to section 383(1)-(4) of the Hong Kong Companies Ordinance and Hong Kong Companies (Disclosure of Information about Benefits of Directors) Regulation. Emoluments of the Directors of the Company in respect of their qualifying services including:

2016

	Mr. Robert Ng Chee Siong [^] <i>HK\$</i> <i>(Notes ii and iii)</i>	Mr. Daryl Ng Win Kong [^] <i>HK\$</i>	The Honourable Ronald Joseph Arculli ^z <i>HK\$</i> <i>(Note iv)</i>	Dr. Allan Zeman* <i>HK\$</i> <i>(Note v)</i>	Mr. Adrian David Li Man-kiu* <i>HK\$</i>	Mr. Steven Ong Kay Eng* <i>HK\$</i>	Total <i>HK\$</i>
Fees	90,000	60,000	260,000	540,000	540,000	520,000	2,010,000
Salaries and other benefits	1,226,760	866,970	-	-	-	-	2,093,730
Retirement benefit scheme contributions	18,000	18,000	-	-	-	-	36,000
Discretionary bonus <i>(Note i)</i>	-	724,988	-	-	-	-	724,988
Total emoluments	1,334,760	1,669,958	260,000	540,000	540,000	520,000	4,864,718

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

14. DIRECTORS' AND CHAIRMAN'S EMOLUMENTS (Continued)

2015

	Mr. Robert Ng Chee Siong [^] HK\$ (Note ii)	Mr. Daryl Ng Win Kong [^] HK\$	The Honourable Ronald Joseph Arculli [†] HK\$ (Note iv)	Dr. Allan Zeman [*] HK\$	Mr. Adrian David Li Man-kiu [*] HK\$	Mr. Steven Ong Kay Eng [*] HK\$	Total HK\$
Fees	90,000	60,000	160,000	440,000	440,000	420,000	1,610,000
Salaries and other benefits	1,226,760	835,777	-	-	-	-	2,062,537
Retirement benefit scheme contributions	18,000	18,000	-	-	-	-	36,000
Discretionary bonus (Note i)	-	659,080	-	-	-	-	659,080
Total emoluments	1,334,760	1,572,857	160,000	440,000	440,000	420,000	4,367,617

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 of 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 retired by rotation and was re-appointed as an Executive Director of the Company on 23rd October, 2015.

Note iv: A consultancy fee of HK\$2,083,330 (2015: HK\$2,083,330), including HK\$1,666,664 (2015: HK\$1,666,664) paid directly by Sino Land Company Limited ("Sino Land"), was paid to Ronald Arculli and Associates, of which The Honourable Ronald Joseph Arculli is the sole proprietor.

Note v: Dr. Allan Zeman retired by rotation and was re-appointed as an Independent Non-Executive Director of the Company on 23rd October, 2015.

([^] Executive Directors)

([†] Non-Executive Director)

(* Independent Non-Executive Directors)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

15. EMPLOYEES' EMOLUMENTS

None (2015: none) of the five individuals with the highest emoluments in the Group is a Director of the Company whose emoluments are included in Note 14 above. The emoluments of five (2015: five) individuals disclosed pursuant to the Listing Rules are as follows:

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Salaries and other emoluments (including basic salaries, housing allowances and other allowances)	22,874,075	21,685,002
Retirement benefit scheme contributions	114,000	138,000
Discretionary bonus	5,650,245	5,707,192
	28,638,320	27,530,194

The emoluments were within the following bands:

	Number of individuals	
HK\$	2016	2015
4,500,001 – 5,000,000	–	1
5,000,001 – 5,500,000	1	2
5,500,001 – 6,000,000	2	1
6,000,001 – 6,500,000	2	–
6,500,001 – 7,000,000	–	1

For the years ended 30th June, 2016 and 2015, 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, 2016

16. INCOME TAX EXPENSE

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
The charge (credit) comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2015: 16.5%)	543,194,118	626,347,976
Underprovision in previous years	22,316,109	6,801,117
	565,510,227	633,149,093
Taxation in other jurisdictions		
Provision for the year	62,528,154	99,556,820
(Over)underprovision in previous years	(9,105,296)	230,403
Land Appreciation Tax	11,444,786	81,201,684
	64,867,644	180,988,907
Deferred taxation <i>(Note 38)</i>	630,377,871 (32,686,541)	814,138,000 338,420,224
	597,691,330	1,152,558,224
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, 2016

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:

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Profit before taxation	7,755,938,634	10,613,497,712
Tax charge at Hong Kong Profits Tax rate of 16.5% (2015: 16.5%)	1,279,729,875	1,751,227,122
Tax effect of share of results of associates and joint ventures	(326,802,957)	(334,905,945)
Tax effect of expenses not deductible for tax purpose	52,366,818	53,219,903
Tax effect of income not taxable for tax purpose	(445,110,422)	(564,666,426)
Underprovision in previous years	13,210,813	7,031,520
Tax effect of tax losses not recognised	17,842,062	15,695,270
Tax effect of deductible temporary differences not recognised	60,779,242	61,209,251
Utilisation of tax losses previously not recognised	(67,179,392)	(11,790,045)
Utilisation of deductible temporary differences previously not recognised	(36,170,874)	(86,878,854)
Effect of different tax rates of subsidiaries operating in other jurisdictions	37,581,379	181,214,744
Land Appreciation Tax	11,444,786	81,201,684
Tax charge for the year	597,691,330	1,152,558,224

17. DIVIDENDS

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Dividends recognised as distribution during the year:		
Final dividend for the year ended 30th June, 2015: HK38 cents (2015: HK38 cents for the year ended 30th June, 2014) per share	633,432,855	616,894,357
Interim dividend for the year ended 30th June, 2016: HK13 cents (2015: HK12 cents for the year ended 30th June, 2015) per share	220,405,311	198,893,273
	853,838,166	815,787,630

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

17. DIVIDENDS (Continued)

During the year, scrip dividends were offered in respect of the 2015 final and 2016 interim dividends. These scrip alternatives were accepted by the certain shareholders, as follows:

	2016 Interim dividend <i>HK\$</i>	2015 Final dividend <i>HK\$</i>
Dividends:		
Cash	907,089	3,081,361
Scrip alternatives	<u>219,498,222</u>	<u>630,351,494</u>
	<u>220,405,311</u>	<u>633,432,855</u>

A final dividend of HK38 cents (2015: HK38 cents) per share for the year ended 30th June, 2016, totalling to HK\$648,224,116 based on 1,705,852,938 shares (2015: HK\$633,432,855 based on 1,666,928,566 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 8th December, 2016.

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:

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Earnings for the purpose of basic earnings per share	<u>3,622,174,285</u>	<u>4,747,169,520</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,685,408,413</u>	<u>1,645,120,351</u>

No diluted earnings per share has been presented for the years ended 30th June, 2016 and 2015 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, 2016

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\$2,732,913,420 (2015: HK\$2,678,531,476) 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:

	2016 HK\$	2015 HK\$
Earnings for the purpose of basic earnings per share	<u>3,622,174,285</u>	<u>4,747,169,520</u>
Change in fair value of investment properties	1,301,819,986	3,224,578,500
Effect of corresponding deferred taxation charges	(41,295,120)	(205,274,726)
Share of results of associates		
– Change in fair value of investment properties	404,853,839	588,568,241
– Effect of corresponding deferred taxation credit (charges)	330,000	(2,970,000)
Share of results of joint ventures		
– Change in fair value of investment properties	<u>77,862,381</u>	<u>487,344,148</u>
	1,743,571,086	4,092,246,163
Amount attributable to non-controlling interests	(854,310,221)	(2,023,608,119)
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	<u>889,260,865</u>	<u>2,068,638,044</u>
Underlying profit attributable to the Company's shareholders	<u>2,732,913,420</u>	<u>2,678,531,476</u>
Underlying earnings per share	<u>1.621</u>	<u>1.628</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

19. INVESTMENT PROPERTIES

	Investment properties in Hong Kong <i>HK\$</i>	Investment properties under redevelopment in Hong Kong <i>HK\$</i>	Investment properties in the PRC <i>HK\$</i>	Investment properties in Singapore <i>HK\$</i>	Total <i>HK\$</i>
FAIR VALUE					
At 1st July, 2014	52,883,815,910	393,999,999	1,677,984,226	1,325,552,250	56,281,352,385
Exchange realignment	–	–	12,057,668	(104,796,000)	(92,738,332)
Additions	209,670,750	30,047,951	760,128	–	240,478,829
Transfer from properties under development	438,156,979	–	131,607,948	–	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 49)	(1,368,000,000)	–	–	–	(1,368,000,000)
Adjustments to construction costs	(7,678,868)	–	(630,661)	–	(8,309,529)
Increase in fair value	<u>2,894,112,171</u>	<u>6,952,050</u>	<u>323,514,279</u>	<u>–</u>	<u>3,224,578,500</u>
At 30th June, 2015	54,612,236,385	431,000,000	2,145,293,588	1,220,756,250	58,409,286,223
Exchange realignment	–	–	(167,548,926)	7,348,500	(160,200,426)
Additions	75,799,852	35,412,578	578,448	–	111,790,878
Transfer from properties under development	244,368,344	–	–	–	244,368,344
Transfer to hotel properties	(308,500,000)	–	–	–	(308,500,000)
Disposals	(342,797,580)	–	–	–	(342,797,580)
Adjustments to construction costs	(28,386)	–	(103,850)	–	(132,236)
Increase (decrease) in fair value	<u>1,261,355,316</u>	<u>(19,412,578)</u>	<u>59,877,248</u>	<u>–</u>	<u>1,301,819,986</u>
At 30th June, 2016	<u>55,542,433,931</u>	<u>447,000,000</u>	<u>2,038,096,508</u>	<u>1,228,104,750</u>	<u>59,255,635,189</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

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, 2016 and 2015, 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, 2016 and 2015 have been arrived at on the basis of valuations carried out as at those dates by Knight Frank Petty Limited, Knight Frank Pte Ltd. and Colliers International Consultancy & Valuation (Singapore) Pte Ltd., firms of independent qualified professional valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. In estimating the fair value of the properties, the highest and the best use of the properties is their current use.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

19. INVESTMENT PROPERTIES (Continued)

Fair value measurement of investment properties (Continued)

Level 3 valuation methodologies

Below is a table which presents the significant unobservable input:

Investment properties	Range of capitalisation rates (%)
In Hong Kong	
– Office/Industrial	3% – 6% (2015: 3% – 6%)
– Residential	2% – 4% (2015: 2% – 5%)
– Retail	3% – 6% (2015: 3% – 6%)
Outside Hong Kong	
– Office	5% – 8% (2015: 5% – 9%)

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, 2016 and 2015 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, 2016

20. HOTEL PROPERTIES

	Leasehold land in Hong Kong <i>HK\$</i>	Hotel property in Hong Kong <i>HK\$</i>	Hotel properties in Singapore <i>HK\$</i>	Total <i>HK\$</i>
COST				
At 1st July, 2014	–	–	2,098,814,960	2,098,814,960
Exchange realignment	–	–	(184,615,975)	(184,615,975)
Additions	–	–	319,185	319,185
At 30th June, 2015	–	–	1,914,518,170	1,914,518,170
Exchange realignment	–	–	11,532,782	11,532,782
Additions	–	–	2,696,967	2,696,967
Transfer from investment properties	92,900,000	215,600,000	–	308,500,000
At 30th June, 2016	92,900,000	215,600,000	1,928,747,919	2,237,247,919
DEPRECIATION				
At 1st July, 2014	–	–	207,551,524	207,551,524
Exchange realignment	–	–	(17,594,787)	(17,594,787)
Provided for the year	–	–	28,819,598	28,819,598
At 30th June, 2015	–	–	218,776,335	218,776,335
Exchange realignment	–	–	1,397,183	1,397,183
Provided for the year	858,199	1,991,686	26,736,768	29,586,653
At 30th June, 2016	858,199	1,991,686	246,910,286	249,760,171
CARRYING VALUES				
At 30th June, 2016	92,041,801	213,608,314	1,681,837,633	1,987,487,748
At 30th June, 2015	–	–	1,695,741,835	1,695,741,835

The leasehold land and hotel properties are amortised or depreciated on a straight-line basis over the relevant terms of the leases of 36 to 96 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

21. PROPERTY, PLANT AND EQUIPMENT

	Computer systems <i>HK\$</i>	Furniture, fixtures, equipment and hotel operating equipment <i>HK\$</i>	Leasehold improvements <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Plant and machinery <i>HK\$</i>	Total <i>HK\$</i>
COST						
At 1st July, 2014	90,074,761	357,855,705	45,782,651	28,077,132	10,446,019	532,236,268
Exchange realignment	(2,582,346)	(25,115,527)	6,394	(702,640)	(53,620)	(28,447,739)
Additions	13,375,588	50,346,548	1,201,033	9,391,271	3,417,766	77,732,206
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)
At 30th June, 2015	99,344,939	380,663,567	46,505,757	34,339,784	13,420,301	574,274,348
Exchange realignment	(244,042)	1,037,858	(143,139)	(317,849)	(186,848)	145,980
Additions	10,340,476	54,802,499	1,753,382	3,416,702	2,769,928	73,082,987
Write off	(4,570)	(521,677)	–	–	–	(526,247)
Disposals	(2,014,296)	(3,783,684)	(1,784,469)	(2,542,652)	(1,123,056)	(11,248,157)
At 30th June, 2016	107,422,507	432,198,563	46,331,531	34,895,985	14,880,325	635,728,911
DEPRECIATION						
At 1st July, 2014	76,046,513	258,113,616	39,339,634	21,548,193	7,655,475	402,703,431
Exchange realignment	(2,325,799)	(18,496,843)	6,394	(665,905)	(49,974)	(21,532,127)
Provided for the year	8,353,128	44,481,681	2,321,921	4,047,559	1,718,608	60,922,897
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)
At 30th June, 2015	80,632,892	281,822,414	41,183,628	22,621,288	8,943,833	435,204,055
Exchange realignment	(180,783)	938,381	(96,516)	(176,466)	(2,056)	482,560
Provided for the year	8,729,612	36,530,321	2,014,927	4,077,687	1,700,790	53,053,337
Write off	(4,570)	(521,677)	–	–	–	(526,247)
Eliminated on disposals	(1,985,178)	(3,520,496)	(776,936)	(2,185,729)	(771,075)	(9,239,414)
At 30th June, 2016	87,191,973	315,248,943	42,325,103	24,336,780	9,871,492	478,974,291
CARRYING VALUES						
At 30th June, 2016	20,230,534	116,949,620	4,006,428	10,559,205	5,008,833	156,754,620
At 30th June, 2015	18,712,047	98,841,153	5,322,129	11,718,496	4,476,468	139,070,293

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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% – 25%
Plant and machinery	10% – 33 $\frac{1}{3}$ %

Included in furniture, fixtures, equipment and hotel operating equipment, the carrying value of HK\$90,145,619 (2015: HK\$75,399,225) as at 30th June, 2016 represents furniture, fixtures and equipment relating to the hotel operations of the Group.

22. GOODWILL/DEEMED DISPOSAL/ACQUISITION OF INTEREST IN A LISTED SUBSIDIARY

HK\$

GROSS AMOUNT

At 1st July, 2014, 30th June, 2015 and 30th June, 2016

739,233,918

Goodwill as at 30th June, 2016 and 2015 arose from increase in the Group's ownership in a listed subsidiary through further acquisition of the interests by the repurchase of its own shares by the listed subsidiary itself as well as the issue of scrip dividends by the listed subsidiary in prior years.

During the year ended 30th June, 2016, management of the Group performed an impairment review in respect of goodwill. Sino Land is the Company's major operating arm in respect of the Group's six operating divisions as set out in Note 8. The recoverable amount of these operating divisions (which are also the cash generating units) that takes into account the fair value of the underlying assets and liabilities of the listed subsidiary is not less than the carrying amount of the cash generating units, and hence the management determined that there is no impairment on goodwill as at 30th June, 2016. The amounts of goodwill are allocated to respective operating divisions disclosed in Note 8.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

23. PREPAID LEASE PAYMENTS

	2016 HK\$	2015 HK\$
The Group's prepaid lease payments comprise:		
Leasehold land for hotel properties outside Hong Kong	1,185,385,819	1,198,324,063
Analysed for reporting purposes as:		
Current assets	20,151,711	20,710,267
Non-current assets	1,165,234,108	1,177,613,796
	1,185,385,819	1,198,324,063

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

	2016 HK\$	2015 HK\$
Interests in associates:		
Unlisted shares, at cost	3,646,424,152	3,646,228,952
Share of post-acquisition profits, net of dividends received	12,586,736,558	11,984,746,729
	16,233,160,710	15,630,975,681
Advances to associates	7,775,637,320	9,703,132,655
Less: allowance	(1,403,030,488)	(1,432,135,476)
	6,372,606,832	8,270,997,179

Included in the cost of investment in associates is goodwill of HK\$142,498,716 (2015: 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, 2016, out of the Group's advances to associates net of allowance, HK\$1,735,951,345 (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\$4,636,655,487 (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 CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

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

As at 30th June, 2016, 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.

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 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 in total of HK\$1,050,000,000, being 30% of the total consideration, was paid by the Purchaser during the year. 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.

Particulars of the principal associates at 30th June, 2016 and 2015 are set out in Note 53. 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, 2016

24. 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.

Pembroke Development Investments Limited

Pembroke Development Investments 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.

	2016 HK\$	2015 HK\$
Current assets	<u>2,569,714,061</u>	<u>8,183,657,271</u>
Current liabilities	<u>943,276,969</u>	<u>4,453,158,735</u>
Non-current liabilities	<u>–</u>	<u>3,826,301,096</u>
	For the year ended 30th June,	
	2016 HK\$	2015 HK\$
Turnover	<u>11,793,200,761</u>	<u>–</u>
Profit (loss) and total comprehensive income (expense) for the year	<u>2,422,239,652</u>	<u>(95,720,509)</u>
Dividend paid	<u>700,000,000</u>	<u>–</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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

Summarised financial information of material associates (Continued)

Pembroke Development Investments Limited (Continued)

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

	2016 HK\$	2015 HK\$
Net assets (liabilities) of Pembroke Development Investments Limited	1,626,437,092	(95,802,560)
Proportion of the Group's ownership interest in Pembroke Development Investments Limited	40%	40%
Carrying amount of the Group's interest in Pembroke Development Investments Limited	<u>650,574,837</u>	<u>–</u>
Cumulative losses in excess of cost of investment in Pembroke Development Investments Limited recognised against advance to an associate	<u>–</u>	<u>(38,321,024)</u>

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.

	2016 HK\$	2015 HK\$
Current assets	<u>56,673,004</u>	<u>172,747,790</u>
Non-current assets	<u>9,241,774,628</u>	<u>8,971,640,684</u>
Current liabilities	<u>248,398,468</u>	<u>241,738,249</u>
Non-current liabilities	<u>4,258,953,674</u>	<u>4,675,091,485</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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

Summarised financial information of material associates (Continued)

Wide Harvest Investment Limited (Continued)

	For the year ended 30th June,	
	2016 HK\$	2015 HK\$
Turnover	419,059,493	400,506,101
Profit and total comprehensive income for the year	563,536,750	831,190,216

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:

	2016 HK\$	2015 HK\$
Net assets of Wide Harvest Investment Limited	4,791,095,490	4,227,558,740
Proportion of the Group's ownership interest in Wide Harvest Investment Limited	25%	25%
Carrying amount of the Group's interest in Wide Harvest Investment Limited	1,197,773,873	1,056,889,685

Aggregate information of associates that are not individually material

	2016 HK\$	2015 HK\$
The Group's share of profit and total comprehensive income for the year	774,795,853	993,465,390
Aggregate carrying amount of the Group's interests in these associates	14,384,812,000	14,574,085,996

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

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

	2016 HK\$	2015 HK\$
Interests in joint ventures:		
Unlisted shares	423,859,973	130,684,154
Share of post-acquisition profits, net of dividends received	2,776,566,623	2,969,889,538
	3,200,426,596	3,100,573,692
Advances to joint ventures	966,095,260	1,058,033,279

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 30th June, 2016, out of the Group's advances to joint ventures, HK\$597,102,205 (2015: HK\$365,578,217) bear interest ranging from 1% to 12% (2015: 1% to 2%) per annum and the remaining balance of HK\$368,993,055 (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/to joint ventures of the Group grouped under current assets/liabilities are unsecured, interest-free and are expected to be repaid within one year from the end of the reporting period.

The Directors are of the opinion that a complete list of all joint ventures will be of excessive length and therefore the following list contains only the particulars of joint ventures at 30th June, 2016 and 2015 which materially affected the results of the year or form a substantial portion of the net assets of the Group. 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
				2016 %	2015 %	
<i>Indirect:</i>						
Empire Funds Limited	Hong Kong	Ordinary	HK\$2	50	50	Property trading
Enterprico Investment Limited	Hong Kong	Ordinary	HK\$100,000	52.5	50	Loan financing
Famous Empire Properties Limited	Hong Kong	Ordinary	HK\$10,000	50	50	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNTS DUE FROM/TO JOINT VENTURES (Continued)

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
				2016 %	2015 %	
<i>Indirect: (Continued)</i>						
Grand Site Development Limited	Hong Kong	Ordinary	HK\$2	50	50	Property development and investment
Lee Tung Avenue Management Company Limited	Hong Kong	Ordinary	HK\$2	50	50	Building management
Martin Heritage Management Pty Ltd	Australia	Ordinary	AUD100	50	–	Trustee
Precious Heritage Pte. Limited	British Virgin Islands	Ordinary	US\$2	50	50	Investment holding
Rich Century Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	50	50	Property investment
Wise Link Management Limited	Hong Kong	Ordinary	HK\$2	50	50	Building management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNTS DUE FROM/TO JOINT VENTURES (Continued)

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.

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.

	2016 HK\$	2015 HK\$
Current assets	<u>37,990,715</u>	<u>82,861,049</u>
Non-current assets	<u>5,080,313,733</u>	<u>4,940,378,804</u>
Current liabilities	<u>118,435,536</u>	<u>107,216,807</u>
Non-current liabilities	<u>552,806,842</u>	<u>520,455,262</u>

For the year ended 30th June,

	2016 HK\$	2015 HK\$
Turnover	<u>264,261,035</u>	<u>244,520,067</u>
Profit and total comprehensive income for the year	<u>292,494,286</u>	<u>413,536,717</u>
Dividend paid	<u>241,000,000</u>	<u>188,000,000</u>

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:

	2016 HK\$	2015 HK\$
Net assets of Rich Century Investment Limited	<u>4,447,062,070</u>	<u>4,395,567,784</u>
Proportion of the Group's ownership interest in Rich Century Investment Limited	<u>50%</u>	<u>50%</u>
Consolidation adjustment at Group level	<u>29,000</u>	<u>29,000</u>
Carrying amount of the Group's interest in Rich Century Investment Limited	<u>2,223,560,035</u>	<u>2,197,812,892</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNTS DUE FROM/TO JOINT VENTURES (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.

	2016 HK\$	2015 HK\$
Current assets	<u>1,783,351,275</u>	<u>3,170,084,371</u>
Non-current assets	<u>1,617,600,000</u>	<u>1,614,600,000</u>
Current liabilities	<u>2,043,708,282</u>	<u>3,399,384,711</u>
Non-current liabilities	<u>2,675,391</u>	–

For the year ended 30th June,

	2016 HK\$	2015 HK\$
Turnover	<u>777,492,742</u>	<u>9,106,415,198</u>
(Loss) profit and total comprehensive (expense) income for the year	<u>(30,732,058)</u>	<u>1,285,362,764</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:

	2016 HK\$	2015 HK\$
Net assets of Grand Site Development Limited	<u>1,354,567,602</u>	1,385,299,660
Proportion of the Group's ownership interest in Grand Site Development Limited	50%	50%
Consolidation adjustment at Group level	<u>–</u>	<u>109,277,761</u>
Carrying amount of the Group's interest in Grand Site Development Limited	<u>677,283,801</u>	<u>801,927,591</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

25. INTERESTS IN JOINT VENTURES/ADVANCES TO JOINT VENTURES/AMOUNTS DUE FROM/TO JOINT VENTURES (Continued)

Summarised financial information of material joint ventures (Continued)

Aggregate information of joint ventures that are not individually material

	2016 HK\$	2015 HK\$
The Group's share of (loss) profit and total comprehensive (expense) income for the year	<u>(34,833,034)</u>	<u>17,308,521</u>
Aggregate carrying amount of the Group's interests in these joint ventures	<u>299,582,760</u>	<u>100,833,209</u>

26. AVAILABLE-FOR-SALE INVESTMENTS

Available-for-sale investments comprise:

	2016 HK\$	2015 HK\$
Listed investments:		
Equity securities listed in		
Hong Kong	465,515,859	623,940,174
Singapore	224,332,947	255,113,405
	<u>689,848,806</u>	<u>879,053,579</u>
Unlisted securities:		
Equity securities	47,530,795	30,898,490
Club debentures	615,000	615,000
	<u>48,145,795</u>	<u>31,513,490</u>
Total	<u>737,994,601</u>	<u>910,567,069</u>

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

27. AMOUNTS DUE FROM/TO NON-CONTROLLING INTERESTS

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

28. 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.

29. LONG-TERM LOANS RECEIVABLE

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Total long-term variable-rate loans receivable	734,404,920	232,835,655
Less: Current portion shown under current assets	<u>(16,324,945)</u>	<u>(5,276,127)</u>
	<u>718,079,975</u>	<u>227,559,528</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, 2016 is HK\$734,404,920 net of accumulated impairment loss of HK\$12,646,510 (2015: carrying amount of HK\$232,835,655 net of accumulated impairment loss of HK\$12,646,510).

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

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Within one year	16,324,945	5,276,127
In more than one year but not more than five years	68,949,039	10,658,883
In more than five years	<u>649,130,936</u>	<u>216,900,645</u>
	<u>734,404,920</u>	<u>232,835,655</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

29. LONG-TERM LOANS RECEIVABLE (Continued)

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/minus 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 25 years (2015: ranging from within 1 to 20 years).

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

At 30th June, 2016 and 2015, 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.

30. TRADING SECURITIES

Trading securities comprise:

	2016 HK\$	2015 HK\$
Listed investments:		
Equity securities listed in Hong Kong	9,003,214	12,077,101
Equity securities listed elsewhere	3,793,691	3,611,062
Total	12,796,905	15,688,163

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

31. ACCOUNTS AND OTHER RECEIVABLES

At 30th June, 2016, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$1,681,010,701 (2015: HK\$2,166,321,388), of which HK\$1,537,371,655 (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.

	2016 HK\$	2015 <i>HK\$</i>
Trade receivables	1,702,012,410	2,186,533,283
Less: Allowance for doubtful debts	(21,001,709)	(20,211,895)
	1,681,010,701	2,166,321,388
Other receivables	1,006,564,310	730,125,713
	2,687,575,011	2,896,447,101

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

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) 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:

	2016 HK\$	2015 <i>HK\$</i>
Not yet due	1,537,371,655	1,866,123,067
Overdue:		
1 – 30 days	87,785,375	239,661,625
31 – 60 days	16,251,136	21,604,473
61 – 90 days	9,668,844	8,955,887
Over 90 days	29,933,691	29,976,336
	1,681,010,701	2,166,321,388

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

31. ACCOUNTS AND OTHER RECEIVABLES (Continued)

Movements in the allowance for doubtful debts

	2016 HK\$	2015 HK\$
Balance at the beginning of the year	20,211,895	22,170,662
Recognition (reversal) of impairment loss on trade receivables	789,814	(1,958,767)
Balance at the end of the year	21,001,709	20,211,895

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

	2016 HK\$	2015 HK\$
Overdue within 30 days	87,785,375	239,661,625
Overdue between 31 days to 60 days	16,251,136	21,604,473
Overdue between 61 days to 90 days	9,668,844	8,955,887
Overdue more than 90 days	29,933,691	29,976,336
	143,639,046	300,198,321

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\$29,933,691 (2015: HK\$29,976,336) 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, 2016 and 2015 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\$162,000,000 (2015: HK\$142,000,000), prepayments for operating expenses of approximately HK\$77,000,000 (2015: HK\$45,000,000) and interest receivables of approximately HK\$87,000,000 (2015: HK\$40,000,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

32. RESTRICTED BANK DEPOSITS/TIME DEPOSITS/BANK BALANCES AND CASH

Included in restricted bank deposits amounted to HK\$545,085,956 (2015: HK\$193,964,020) 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 is 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 2.40% (2015: 0.001% to 1.50%) per annum.

33. 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 during the year ended 30th June, 2016.

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 consolidated statement of profit or loss during the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

34. ACCOUNTS AND OTHER PAYABLES

At 30th June, 2016, included in accounts and other payables of the Group are trade payables of HK\$206,305,733 (2015: HK\$103,021,517).

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

	2016 HK\$	2015 HK\$
0 – 30 days	108,365,035	68,032,709
31 – 60 days	59,589,950	16,762,681
61 – 90 days	1,559,204	1,261,730
Over 90 days	36,791,544	16,964,397
	206,305,733	103,021,517

Other payables mainly comprise construction cost payable of approximately HK\$982,000,000 (2015: HK\$2,053,000,000), rental and utilities deposits received of approximately HK\$917,000,000 (2015: HK\$751,000,000) and rental receipt in advance of approximately HK\$145,000,000 (2015: HK\$156,000,000).

35. BANK AND OTHER BORROWINGS

	2016 HK\$	2015 HK\$
Short-term bank loans – secured	–	801,295,227
Long-term unsecured other borrowings		
More than one year but not exceeding two years	3,867,383,975	–
More than two years but not exceeding three years	–	3,859,278,939
	3,867,383,975	3,859,278,939
Long-term secured bank borrowings		
More than two years but not exceeding three years	574,783,293	1,379,000,000
	574,783,293	1,379,000,000
Total bank and other borrowings – due after one year	4,442,167,268	5,238,278,939
Total bank and other borrowings	4,442,167,268	6,039,574,166

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

35. BANK AND OTHER BORROWINGS (Continued)

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, 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) 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 Sino Land and will mature on 21st September, 2017.

36. OTHER LOANS

	2016 HK\$	2015 HK\$
Unsecured other loans		
On demand or within one year	108,313,383	97,766,579
More than one year but not exceeding two years	<u>1,349,617,278</u>	<u>2,136,489,301</u>
	1,457,930,661	2,234,255,880
Less: Current portion shown under current liabilities	<u>(108,313,383)</u>	<u>(97,766,579)</u>
	<u>1,349,617,278</u>	<u>2,136,489,301</u>
Total other loans – due after one year	<u>1,349,617,278</u>	<u>2,136,489,301</u>
Total other loans	<u>1,457,930,661</u>	<u>2,234,255,880</u>

The secured other loans of the Group carry contractual interest rates (which are also the effective interest rates) at market rate per annum.

The unsecured other loans are interest-free and out of which an aggregate amount of HK\$1,349,617,278 (2015: HK\$2,136,489,301) are included in non-current liability as the lender has agreed not to demand repayment within the next twelve months from the end of the reporting period. The effective interest rate for imputed interest expenses is determined based on the cost-of-funds of the Group plus a margin per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

37. SHARE CAPITAL

	2016		2015	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid:				
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 dividends	38,924,372	849,849,716	<u>43,522,363</u>	<u>811,399,009</u>
At 30th June – ordinary shares with no par value	<u>1,705,852,938</u>	<u>9,719,312,922</u>	<u>1,666,928,566</u>	<u>8,869,463,206</u>

On 3rd December, 2015 and 20th April, 2016, the Company issued and allotted a total of 28,496,903 (2015: 34,037,738) ordinary shares and 10,427,469 (2015: 9,484,625) ordinary shares at an issue price of HK\$22.120 (2015: HK\$18.020) and HK\$21.050 (2015: HK\$20.880) per ordinary share, to the shareholders in lieu of cash for the 2015 final and 2016 interim dividends (2015: 2014 final and 2015 interim dividends) respectively.

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, 2016

38. 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 <i>HK\$</i>	Revaluation of investment properties <i>HK\$</i>	Undistributed profits of subsidiaries and associates <i>HK\$</i>	Tax losses <i>HK\$</i>	Others <i>HK\$</i>	Total <i>HK\$</i>
At 1st July, 2014	670,850,946	984,827,650	42,919,505	(55,563,207)	88,149,296	1,731,184,190
Exchange realignment	-	-	283,386	-	(4,800,990)	(4,517,604)
Released upon distribution of properties (<i>Note 49</i>)	(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
At 30th June, 2015	696,639,223	1,230,351,772	108,274,935	(37,202,692)	46,596,197	2,044,659,435
Exchange realignment	-	(67,881,049)	(3,479,015)	-	756,591	(70,603,473)
(Credited) charged to profit or loss for the year	(3,617,972)	43,572,153	(26,883,456)	(18,181,560)	(27,575,706)	(32,686,541)
At 30th June, 2016	693,021,251	1,206,042,876	77,912,464	(55,384,252)	19,777,082	1,941,369,421

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

At 30th June, 2016, the Group had unused tax losses of HK\$1,128,416,763 (2015: HK\$1,317,239,612) available for offset against future profits. A deferred taxation asset has been recognised in respect of HK\$335,662,131 (2015: HK\$225,470,861) of such losses. No deferred taxation asset has been recognised in respect of the remaining HK\$792,754,632 (2015: HK\$1,091,768,751) due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

At 30th June, 2016, the Group had deductible temporary differences of HK\$405,127,173 (2015: HK\$255,985,552). 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\$682,517,981 (2015: HK\$651,641,508). 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, 2016

39. 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.

40. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$16,576,710 (2015: HK\$24,513,013) are unsecured, bear interest ranging from 1% to 6.25% (2015: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$473,724,765 (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.

The interest-free advances from non-controlling interests of the Group had been initially reduced to its present value based on management's estimates of future cash payments with a corresponding adjustment of HK\$11,815,848 (2015: HK\$20,984,035) which was regarded as a deemed contribution from the non-controlling interests during the year ended 30th June, 2016. 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, 2016

41. 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, 2016 and 2015, 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:

	2016 HK\$	2015 <i>HK\$</i>
Investment properties	10,783,105,550	10,508,422,836
Other non-current assets	985,102	1,296,339
Current assets	6,857,669,757	6,701,496,865
	17,641,760,409	17,211,216,040
Non-current liabilities	583,452,804	385,829,961
Current liabilities	3,209,743,079	4,990,242,526
	3,793,195,883	5,376,072,487
Income	738,332,051	3,915,791,800
Expenses	113,365,064	2,915,018,404

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

42. NON-CONTROLLING INTERESTS

The table below shows details of a non-wholly owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of equity interests and voting rights held by non-controlling interests		Profit and total comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
		2016 %	2015 %	2016 HK\$	2015 HK\$	2016 HK\$	2015 HK\$
Sino Land Company Limited	Hong Kong	48.62	49.05	3,465,480,902	4,608,628,108	59,374,190,746	58,149,858,891

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Sino Land Company Limited

	2016 HK\$	2015 HK\$
Current assets	58,287,413,047	51,203,621,770
Non-current assets	90,771,041,127	90,598,939,732
Current liabilities	17,649,712,727	12,842,536,270
Non-current liabilities	8,734,520,887	9,934,443,265
Equity attributable to the Company's shareholders	122,131,170,658	118,558,010,771
Non-controlling interests	543,049,902	467,571,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

42. NON-CONTROLLING INTERESTS (Continued)

	For the year ended 30th June,	
	2016 HK\$	2015 HK\$
Turnover	10,803,690,687	21,838,516,109
Profit and total comprehensive income attributable to the Company's shareholders	7,090,436,987	9,371,985,144
Profit and total comprehensive income attributable to the non-controlling interests	68,505,049	102,943,063
Profit and total comprehensive income for the year	7,158,942,036	9,474,928,207
Dividend paid	3,107,359,211	3,013,632,206

43. PLEDGE OF ASSETS

- (a) At 30th June, 2016, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$576,575,000 (2015: HK\$3,302,375,000) were secured by certain of the Group's assets amounting to a total carrying amount of HK\$1,793,851,313 (2015: HK\$5,414,434,497). At that date, the facilities were utilised by the Group to the extent of approximately HK\$576,575,000 (2015: HK\$2,181,375,000).

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

	2016 HK\$	2015 HK\$
Investment properties	216,215,625	214,921,875
Hotel properties	819,502,035	828,070,956
Prepaid lease payments	758,133,653	768,352,678
Properties under development	–	2,988,527,831
Bank balances	–	614,292,459
Others	–	268,698
	1,793,851,313	5,414,434,497

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

43. PLEDGE OF ASSETS (Continued)

- (b) At 30th June, 2016, shares in certain associates and a joint venture with aggregate investment costs amounting to HK\$36 (2015: Nil), advances to certain associates and a joint venture in aggregate amounting to approximately HK\$1,971,333,000 (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 44.

44. CONTINGENT LIABILITIES

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

	2016 HK\$	2015 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates attributable to the Group		
– Utilised	907,521,893	1,497,783,832
– Unutilised	979,678,107	661,600,000
	1,887,200,000	2,159,383,832
Mortgage loans granted to property purchasers	1,022,802,309	440,534,499

At 30th June, 2016 and 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

45. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Property rental income earned during the year, net of outgoings of HK\$445,589,575 (2015: HK\$409,131,764), was HK\$2,570,497,105 (2015: HK\$2,510,827,210). 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:

	2016 HK\$	2015 HK\$
Within one year	2,236,056,185	2,091,852,393
In the second to fifth year inclusive	2,562,103,636	2,676,175,052
After five years	45,134,629	500,414,576
	<u>4,843,294,450</u>	<u>5,268,442,021</u>

The Group as lessee

Minimum lease payments paid under operating leases during the year was HK\$45,943,779 (2015: HK\$48,846,567).

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:

	2016 HK\$	2015 HK\$
Within one year	24,292,968	38,027,247
In the second to fifth year inclusive	2,377,206	20,354,650
	<u>26,670,174</u>	<u>58,381,897</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, 2016

46. 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 Hong Kong 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.

47. PROPERTIES UNDER DEVELOPMENT

At the end of the reporting period, properties under development amounting to approximately HK\$16,104,863,000 (2015: HK\$16,428,839,000) 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, 2016

48. RELATED PARTY DISCLOSURES

The Group had the following transactions with related parties:

(a) Related companies

	2016 HK\$	2015 HK\$
Service fees received (Note i)	181,167,153	161,363,593
Rental paid (Notes i & iv)	46,195,168	49,417,205
Consultancy fee paid (Note ii)	2,083,330	2,083,330
Fair value gain on non-current interest-free unsecured other loans (Note iii)	11,743,586	18,590,490
Imputed interest expense on non-current interest-free unsecured other loans (Note iii)	18,590,490	36,172,115
	18,590,490	36,172,115

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: All the unsecured other loans of the Group amounting to HK\$1,457,930,661 (2015: HK\$2,234,255,880) were borrowed from a related company owned by Mr. Philip Ng Chee Tat, the son of the late controlling shareholder of the Company, Mr. Ng Teng Fong and the co-executor of the estate of the late Mr. Ng Teng Fong.

Note iv: 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 45.

(b) Associates and joint ventures

	2016 HK\$	2015 HK\$
Service fees paid	28,787,518	26,823,595
Administrative fees received	46,578,594	44,165,774
Interest income received	104,446,373	25,394,490
Imputed interest income on non-current interest-free advances to associates and joint ventures	143,959,578	267,087,988
Imputed interest expense on non-current interest-free advances from associates	40,118,159	37,638,031
	40,118,159	37,638,031

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

48. RELATED PARTY DISCLOSURES (Continued)

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 53 to 59 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\$4,646,816,103 (2015: HK\$4,697,742,782), HK\$1,705,573 (2015: HK\$46,569,738), HK\$1,587,241,130 (2015: HK\$1,579,878,557), HK\$177,106,597 (2015: HK\$162,433,299) and HK\$445,695,092 (2015: HK\$414,504,904) 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 as well as interest-free unsecured other loans at the end of the reporting period are set out in the Group's consolidated statement of financial position and in Notes 24, 25, 27, 39 and 40.

In addition, as set out in Notes 43 and 44, the Group has granted guarantees and pledged certain assets to banks for facilities granted to the associates.

Compensation of key management personnel

The remuneration of Directors during the year was as follows:

	2016 HK\$	2015 <i>HK\$</i>
Short-term benefits	4,828,718	4,331,617
Retirement benefit scheme contributions	36,000	36,000
	4,864,718	4,367,617

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

49. 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”) (see Note 19). The Distribution was completed during the year ended 30th June, 2015. No gain or loss arose in this transaction. As at 30th June, 2016, the liquidation of Firm Wise was still in process.

50. 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 current year. The Group had no material capital commitments to be disclosed as at 30th June, 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

For the year ended 30th June, 2016

51. STATEMENT OF FINANCIAL POSITION AND MOVEMENTS OF THE RETAINED PROFITS OF THE COMPANY

Statement of financial position of the Company

	2016 <i>HK\$</i>	2015 <i>HK\$</i>
Non-current assets		
Investments in subsidiaries <i>(Note)</i>	6,027,379,810	5,752,947,042
Advances to subsidiaries	<u>8,803,866,393</u>	<u>7,498,566,929</u>
	14,831,246,203	13,251,513,971
Current assets		
Accounts and other receivables	144,633	57,693
Time deposits, bank balances and cash	<u>63,951,999</u>	<u>89,198,366</u>
	64,096,632	89,256,059
Current liabilities		
Accounts and other payables	<u>3,084,048</u>	2,795,516
Net current assets	<u>61,012,584</u>	86,460,543
Total assets less current liabilities	14,892,258,787	<u>13,337,974,514</u>
Capital and reserves		
Share capital	9,719,312,922	8,869,463,205
Retained profits	<u>5,172,738,895</u>	<u>4,468,292,786</u>
Total equity	14,892,051,817	13,337,755,991
Non-current liability		
Advances from subsidiaries	<u>206,970</u>	218,523
	14,892,258,787	<u>13,337,974,514</u>

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

Approved and authorised for issue by the Board of Directors on 24th August, 2016 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, 2016

51. STATEMENT OF FINANCIAL POSITION AND MOVEMENTS OF THE RETAINED PROFITS OF THE COMPANY (Continued)

Movements of the retained profits the Company	
	<i>HK\$</i>
At 1st July, 2014	<u>3,759,905,025</u>
Profit and total comprehensive income for the year	<u>1,524,175,391</u>
Final dividend – 2014	(616,894,357)
Interim dividend – 2015	<u>(198,893,273)</u>
At 30th June, 2015	<u>4,468,292,786</u>
Profit and total comprehensive income for the year	<u>1,558,284,275</u>
Final dividend – 2015	(633,432,855)
Interim dividend – 2016	<u>(220,405,311)</u>
At 30th June, 2016	<u>5,172,738,895</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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, 2016 and 2015 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
				2016		Total %	2015 Total %	
				Directly %	Indirectly %			
Able Way Investments Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Acclaim Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Accomplishment Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Ackerley Estates Limited	Hong Kong	Ordinary	HK\$20,000,000	–	100	100	100	Property investment
Active Success Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Advance Profit Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Alfaso Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Allbright Global Investments, S.A.	British Virgin Islands/ Hong Kong	Ordinary	US\$200	100	–	100	100	Share investment
Allways Success Finance Limited	Hong Kong	Ordinary	HK\$10	–	100	100	100	Mortgage loan financing
Ample Way Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Apex Speed Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Asian View Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Beauty Plaza Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Benefit Bright Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Best General Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Provision of financial services
Best Origin Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Best Result Environmental Services Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Cleaning services
Bestone Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Bright Land Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Brighter Investment Company Limited	Hong Kong	Ordinary	HK\$400,000	100	–	100	100	Share investment
Brighton Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Capital Faith (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Central Wisdom Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Century Link (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Century Profit Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Champion Asia Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Champion Rise Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Champion Top Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Cheer Asia Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property investment
Cheer Result Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Citywalk Management Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Building management
Citywalk 2 Management Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Building management
Corinthia By The Sea Finance Company Limited	Hong Kong	Ordinary	HK\$1	–	60	60	60	Mortgage loan financing
Crenshaw Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Dragon (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
e.Sino Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Investment holding
Elegant Lane Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Entertainment City Limited	Hong Kong	Ordinary	HK\$4,500,000	–	100	100	100	Property investment
Ever Champion Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Ever Success Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Excel Wisdom Development Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Falcon City Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Falcon Land Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Famous General Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Famous Palace Properties Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Far Gain Limited	Hong Kong	Ordinary	HK\$10,000	–	100	100	100	Property investment
Forlink Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Fortune Glory Investments Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Free Champion Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Fu King Investment Limited	Hong Kong	Ordinary	HK\$1,000,000	–	100	100	100	Investment holding
Full Fair Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Fullerton Hotels & Resorts Pte. Ltd.	Singapore	Ordinary	S\$10,000	–	100	100	100	Management services
Fung Yuen Construction Company Limited	Hong Kong	Ordinary	HK\$1,000,000	–	100	100	100	Building construction
Global Honest Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Mortgage loan financing
Globaland Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Glorypark Limited	Hong Kong	Ordinary	HK\$1,000	–	100	100	100	Property investment
Golden Leaf Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Good Champion Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Grace Rays Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Grand Creator Investment (BVI) Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$10	–	60	60	60	Investment holding
Grand Creator Investment Limited	Hong Kong	Ordinary	HK\$2	–	60	60	60	Property trading
Grand Empire Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Project management
Grand Rise Investments Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Grand Start Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Grandeal Limited	Hong Kong/ PRC	Ordinary	HK\$2	–	100	100	100	Property trading
Handsome Lift Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Hang Hau Station (Project Management) Limited	Hong Kong	Ordinary	HK\$2	–	60	60	60	Project management
Harvest Sun Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Harvestrade Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
HCP Hong Kong Fully Co Ltd	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Hickson Limited	Hong Kong	Ordinary	HK\$20	–	100	100	100	Property investment
High Elite Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Mortgage loan financing
High Elite Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Hong Kong Elite Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Jade Bird Development Limited	Hong Kong	Ordinary	HK\$100,000	–	100	100	100	Property trading and investment
Jade Line Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Jade Mate Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Jade Pine Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Jet Fame (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Jet Rise Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Jet Union Development Limited	Hong Kong	Ordinary	HK\$1	–	60	60	60	Property investment and development
Joint Prospect Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property Investment
Joint Rise Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Joy Rise Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Ka Fai Land Investment Limited	Hong Kong	Ordinary	HK\$500,000	100	–	100	100	Share investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
King Century Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
King Chance Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Investment holding
King Regent Limited	Hong Kong	Ordinary	HK\$1	–	85	85	85	Property trading and investment
Kingdom Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Kingsfield International Investments Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property investment
Land Success Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Lucky Fortress Inc.	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Share investment
Mayfair By The Sea I Finance Company Limited	Hong Kong	Ordinary	HK\$1	–	85	85	85	Financing
Mailcoach Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Main Earn Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Mega Sino Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Morbest Profits Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Share investment
Multipurpose Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property trading and investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Nam Lung Properties Development Company Limited	Hong Kong	Ordinary	HK\$10,000,001	100	–	100	100	Investment holding
Nam Lung (Singapore) Pte. Ltd.	Singapore	Ordinary	S\$2	100	–	100	100	Share dealing
New Realm Enterprises Limited	British Virgin Islands	Ordinary	US\$1	–	100	100	100	Investment holding
Nice Scene International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Ocean Treasure (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Octerworth Enterprises Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Olympian City 1 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Project management
Olympian City 2 Finance Company Limited	Hong Kong	Ordinary	HK\$1,000	–	100	100	100	Mortgage loan financing
Olympian City 2 (Project Management) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Project management
Orchard Centre Holdings (Private) Limited	Singapore	Ordinary	S\$8,400,000	–	95	95	95	Property trading
Orchard Place (Pte.) Ltd.	Singapore	Ordinary	S\$1,000,000	–	95	95	95	Property trading
Orient Field Holdings Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Orient Harvest International Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Parkland (Hong Kong) Limited	Hong Kong	Ordinary	HK\$10	–	60	60	100	Tender for the development and operation of the hotel
Park Summit Commercial Management Company Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Building management
Peace Success Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Perfect Green Supplies Company Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Cleaning services
Perfect Sun Properties Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Precious Land Pte. Limited	Singapore	Ordinary	S\$2	–	100	100	100	Property investment
Precious Quay Pte. Ltd.	Singapore	Ordinary	S\$10,000	–	100	100	100	Hotel operation, property investment and development
Precious Treasure Pte Ltd	Singapore	Ordinary	S\$20,000,000	–	100	100	100	Hotel operation and property investment
Premium Living Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Premium living services
Pridegate (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Prime Harvest (Administration Services) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Consultant services provider

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Prime Harvest Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Primewin Properties Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Profit Falcon Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Financing
Pui Chee Enterprises Limited	Hong Kong	Ordinary	HK\$1,000,000	100	–	100	100	Share investment
Rainbow City Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Ramage Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Rankchief Company Limited	Hong Kong	Ordinary	HK\$200	–	100	100	100	Property trading
Real Maker Development Limited	Hong Kong	Ordinary	HK\$200,000	–	90	90	90	Property investment
Regal Crown Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	–	Property development
Regent Profit Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Region One Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Rich Tact International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Rich Treasure Investments Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Mortgage Loan financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Rickson Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Roystar Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Ruddiman Trading Company Limited	Hong Kong	Ordinary	HK\$100,000	–	100	100	100	Investment holding
Saky Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Santander Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Serenity Park Building Management Limited	Hong Kong	Ordinary	HK\$10	–	100	100	100	Building management
Sharp Rise Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Shine Harvest International Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
Sidak Investment Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Silver Palm Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Silver Target Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Sincere Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Sing-Ho Finance Company Limited	Hong Kong	Ordinary	HK\$30,000,000	–	100	100	100	Financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Sino (MTN) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Notes issuer
Sino (Xiamen) Realty Development Co., Ltd. (Note i)	PRC	Registered	HK\$290,000,000	–	100	100	100	Property development, trading and investment
Sino Administration Services Limited	Hong Kong	Ordinary	HK\$3	–	100	100	100	Administration services
Sino Estates Management Limited	Hong Kong	Ordinary	HK\$6,500,000	–	100	100	100	Building management
Sino Estates Services Limited	Hong Kong	Ordinary	HK\$20	–	100	100	100	Building management
Sino Fortune Garden Inc.	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Share investment
Sino Land Company Limited (Listed in Hong Kong)	Hong Kong	Ordinary	HK\$38,657,017,941	22.97	28.41	51.38	50.94	Investment holding
Sino Land Finance Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Deposit placing
Sino Land (Fuzhou) Co., Ltd. (Note i)	PRC	Registered	HK\$50,000,000	–	100	100	100	Property investment
Sino Land (Guangzhou) Company Limited (Note i)	PRC	Registered	US\$3,200,000	–	100	100	100	Property investment
Sino Land (Zhangzhou) Company Limited (Note i)	PRC	Registered	HK\$374,150,000	–	100	100	100	Property development, trading and investment
Sino Land Investment (Holdings) Ltd.	Cayman Islands/ Hong Kong	Ordinary	US\$6,000,000	–	100	100	100	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Sino Security Services Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Security services
Sky Target (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Sky Vision Development Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Smart Champion (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Spangle Investment Limited	Hong Kong	Ordinary	HK\$2	100	–	100	100	Share investment
Sparkling Investment Company Limited	Hong Kong	Ordinary	HK\$200	100	–	100	100	Share investment
Standard Union Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Share investment
Star Talent Development Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property development
Success One Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Sunfairs International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Sunny Force Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Sunrise Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Super One Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Thousand Growth Development Limited	Hong Kong	Ordinary	HK\$20,000	–	100	100	100	Property investment
Timeshare Development (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Top Gallant Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Property trading and investment
Top Route Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Financing
Trans China Investment Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Triple Reach International (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Triumph One Limited	Hong Kong	Ordinary	HK\$10,000	–	100	100	100	Property trading and investment
Union Century (Hong Kong) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Union Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading
Union Harvest Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property development
Union Rich Development Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Union Score Investments Limited	Hong Kong	Ordinary	HK\$10	–	90	90	90	Property development
Union Top Properties Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Union Vision Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
United Link Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Vantage Plus Investments Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$100	–	85	85	85	Investment holding
Vasilon Pte Ltd	Singapore	Ordinary	S\$2	–	100	100	100	Investment holding
Victory Top Properties Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Vista Commercial Management Company Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property management
Weiland Development Company Limited	Hong Kong	Ordinary	HK\$33,140,000	–	100	100	100	Property investment
Well Growth International Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Well Victory Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Wellord Investments Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Wendia Limited	Hong Kong	Ordinary	HK\$20	–	100	100	100	Property investment
Will Glory Company (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
Win Chanford Enterprises Limited	Hong Kong	Ordinary	HK\$1,000,000	–	52.63	52.63	52.63	Property investment
Win Harvest (HK) Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

52. 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
				2016		2015 Total %		
				Directly %	Indirectly %		Total %	
Winchamp Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Winning Limited	Hong Kong	Ordinary	HK\$1	–	100	100	100	Investment holding
Wisdom Power Holdings Limited	British Virgin Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Investment holding
Wise Century Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
Wise Grand Limited	Hong Kong	Ordinary	HK\$1	–	52.63	52.63	52.63	Property investment
Wise Mate Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property trading and investment
World Ace Limited	Hong Kong	Ordinary	HK\$2	–	100	100	100	Property investment
World Empire Investment (CI) Limited	Cayman Islands/ Hong Kong	Ordinary	US\$1	–	100	100	100	Property investment
World Talent (Hong Kong) Limited	Hong Kong	Ordinary	HK\$1	–	100	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	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 35, none of the subsidiaries had issued any debt securities at 30th June, 2016 and 2015.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

53. 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, 2016 and 2015 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 indirectly by the Company		Principal activities
			2016 Total %	2015 Total %	
Ace Glory Limited	Hong Kong	Ordinary	25	25	Property trading and investment
Astoria Estate Management Company Limited	Hong Kong	Ordinary	50	50	Building management
Best Profit Limited	Hong Kong	Ordinary	50	50	Property investment
Beverhill Limited	Hong Kong	Ordinary	20	20	Property investment
Boatswain Enterprises Limited	Hong Kong	Ordinary	20	20	Property investment
Brisbane Trading Company Limited	Hong Kong	Ordinary and non-voting deferred	50	50	Property trading
Century Rise Limited	Hong Kong	Ordinary	50	50	Property trading and investment
Cheer City Properties Limited	Hong Kong	Ordinary	20	20	Property investment
C.H.K.C. Building Management Limited	Hong Kong	Ordinary	25	25	Building management
Cosmos Door Limited	Hong Kong	Ordinary	50	50	Property investment
Credit World Limited	Hong Kong	Ordinary	20	20	Property trading
Direct Win Development Limited	Hong Kong	Ordinary	33.3	33.3	Property trading
Dramstar Company Limited	Hong Kong	Ordinary	22	22	Property trading
Eternal Honest Finance Company Limited	Hong Kong	Ordinary	50	50	Mortgage loan financing

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

53. 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 indirectly by the Company		Principal activities
			2016 Total %	2015 Total %	
Finedale Industries Limited	Hong Kong	Ordinary	33.3	33.3	Property investment
Full Raise International Limited	British Virgin Islands/ Hong Kong	Ordinary	25	25	Investment holding
Gloryland Limited	Hong Kong	Ordinary	33.3	33.3	Property investment
Grace Sign Limited	Hong Kong	Ordinary	30	30	Property trading
Grand Palisades Finance Company Limited	Hong Kong	Ordinary	20	20	Mortgage loan financing
Great Maker Limited	Hong Kong	Ordinary	30	30	Property development
Greenroll Limited	Hong Kong	Ordinary	30	30	Hotel operation
Hua Qing Holdings Pte Ltd	Singapore	Ordinary	23.5	23.5	Investment holding
Island Resort Estate Management Company Limited	Hong Kong	Ordinary	45	45	Building management
Lead Bright Finance Limited	Hong Kong	Ordinary	20	20	Mortgage loan financing
Lead Bright Limited	Hong Kong	Ordinary	20	20	Property trading
Million Success Limited	Hong Kong	Ordinary	25	25	Property investment
More Treasure Company Limited	Hong Kong	Ordinary	25	25	Property investment
Murdoch Investments Inc.	British Virgin Islands/ Hong Kong	Ordinary	45	45	Property investment

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

53. 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 indirectly by the Company		Principal activities
			2016 Total %	2015 Total %	
Nimble Limited	British Virgin Islands/ Hong Kong	Ordinary	45	45	Investment holding
Pacific Bond Limited	Hong Kong	Ordinary	35	35	Property trading and investment
Pembroke Development Investments Limited	British Virgin Islands/ Hong Kong	Ordinary and non-voting deferred	40	40	Property development
Providence Bay Finance Company Limited	Hong Kong	Ordinary	35	35	Mortgage loan financing
Providence Bay Property Management Company Limited	Hong Kong	Ordinary	35	35	Building management
Providence Peak Finance Company Limited	Hong Kong	Ordinary	25	25	Mortgage loan financing
Providence Peak Property Management Company Limited	Hong Kong	Ordinary	25	25	Building management
Pui Hay Enterprises Limited	Hong Kong	Ordinary	50	50	Property trading
Sea Dragon Limited	Hong Kong	Ordinary	30	30	Property investment
Silver Link Investment Limited	Hong Kong	Ordinary	45	45	Property trading and investment
Sino Parking Services Limited	Hong Kong	Ordinary	50	50	Carpark operation
Sino Real Estate Agency Limited	Hong Kong	Ordinary	50	50	Real estate agency
Tat Lee Construction Company Limited	Hong Kong	Ordinary	25	25	Building construction

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the year ended 30th June, 2016

53. 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 indirectly by the Company		Principal activities
			2016 Total %	2015 Total %	
Teamer International Limited	Hong Kong	Ordinary	35	35	Property trading
The Coronation Estates Management Limited	Hong Kong	Ordinary	45	45	Building management
The Graces – Providence Bay Finance Company Limited	Hong Kong	Ordinary	50	50	Mortgage loan financing
The Graces – Providence Bay Property Management Company Limited	Hong Kong	Ordinary	50	50	Building management
The Hermitage Estates Management Limited	Hong Kong	Ordinary	50	50	Building management
Union King (Hong Kong) Limited	Hong Kong	Ordinary	45	45	Property investment
United Best Hong Kong Limited	Hong Kong	Ordinary	40	40	Property development
Victory World Limited	Hong Kong	Ordinary	50	50	Property trading and investment
Wide Harvest Investment Limited	Hong Kong	Ordinary	25	25	Property investment
Wisekey Investment Limited	British Virgin Islands/ Hong Kong	Ordinary	50	50	Investment holding
中海信和(成都)物業發展 有限公司	PRC	Registered	20	20	Property development and trading

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 30th June, 2016, the Company owned 51.42% 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“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. This information has been extracted from the relevant audited financial statements of the affiliated companies.

	At 30th June, 2016 HK\$	At 30th June, 2015 HK\$
Sino Land’s share of total indebtedness of its affiliated companies		
– Bank loans	1,707,790,644	1,673,277,152
Advances from Sino Land and its subsidiaries	9,081,238,087	11,361,028,340
	<u>10,789,028,731</u>	<u>13,034,305,492</u>
Sino Land’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, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
1. No. 1 Chatham Path Mid-levels, Hong Kong	2072	51.38%	–	4,008	R	Completed	Existing
2. 38 Repulse Bay Road Hong Kong	2084	51.38%	16,176	6,231	R	Completed	Existing
3. 148 Electric Road North Point, Hong Kong	2047	51.38%	13,160	101,434	C	Completed	Existing
4. Central Plaza 18 Harbour Road, Wan Chai, Hong Kong	2047	5.14%	77,824	71,939	C	Completed	Existing
5. The Centrium 60 Wyndham Street, Central, Hong Kong	2047	35.97%	17,061	92,050	C	Completed	Existing
6. Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong	2047	15.42%	–	85,045	H	Completed	Existing
7. Harbour Centre Harbour Road & Fleming Road, Hong Kong	2128	8.99%	32,626	21,628	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
8. The Hennessy 256 Hennessy Road, Wan Chai, Hong Kong	2127	51.38%	4,791	36,926	C	Completed	Existing
9. Hollywood Centre 233 Hollywood Road, Hong Kong	2128	27.04%	6,706	25,449	C	Completed	Existing
10. Island Resort Mall 28 Siu Sai Wan Road, Chai Wan, Hong Kong	2047	23.12%	275,470	43,747 <u>30,986*</u> <u>74,733</u>	C P	Completed	Existing
				* 277 carparks			
11. The Johnston Suites Hong Kong 74-80 Johnston Road, Wan Chai, Hong Kong	2047	51.38%	5,353	23,807 <u>6,052</u> <u>29,859</u>	R C	Completed	Existing
12. Lee Tung Avenue 200 Queen's Road East, Wan Chai, Hong Kong	2060	Joint Venture	75,176	87,720 [†]	C	Completed	Existing
13. Marina House 68 Hing Man Street, Shau Kei Wan, Hong Kong	2047	51.38%	7,818	61,301	C	Completed	Existing
14. One Capital Place 18 Luard Road, Wan Chai, Hong Kong	2127	51.38%	5,315	37,739	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
HONG KONG							
15. Pacific Palisades 1 Braemar Hill Road, Hong Kong	2047	10.28%	165,550	48,071	R	Completed	Existing
16. Pacific Plaza 418 Des Voeux Road West, Hong Kong	2860	51.38%	9,450	84,508	C	Completed	Existing
17. 25/F United Centre Queensway, Hong Kong	2128	25.69%	–	5,254	C	Completed	Existing
KOWLOON							
18. No. 1 Hung To Road Kwun Tong, Kowloon	2047	17.11%	60,970	91,124	I	Completed	Existing
19. The Astrid 180 Argyle Street, Kowloon	2047	51.38%	61,118	5,062	R	Completed	Existing
20. The Avery 12, 16 and 18 Hau Wong Road, Kowloon	2047	51.38%	3,967	5,372	C	Completed	Existing
21. Cameron Plaza 23 Cameron Road, Tsim Sha Tsui, Kowloon	2038	51.38%	5,413	33,683	C	Completed	Existing
22. The Camphora 51-52 Haiphong Road, Kowloon	2863	51.38%	1,800	9,271	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
23. China Hong Kong City 33 Canton Road, Tsim Sha Tsui, Kowloon	2135	12.85%	165,334	184,694	C	Completed	Existing
24. Coronation Circle 1 Yau Cheung Road, South West Kowloon, Kowloon	2057	23.12%	86,758	20,061	C	Completed	Existing
25. Corporation Square 8 Lam Lok Street, Kowloon Bay, Kowloon	2047	51.38%	21,745	80,114	I	Completed	Existing
26. Exchange Tower 33 Wang Chiu Road, Kowloon Bay, Kowloon	2055	51.38%	50,752	133,345	C	Completed	Existing
27. Fullerton Centre 19 Hung To Road, Kwun Tong, Kowloon	2047	51.38%	10,394	58,750	I	Completed	Existing
28. Futura Plaza 111-113 How Ming Street, Kwun Tong, Kowloon	2047	51.38%	18,783	115,820	C	Completed	Existing
29. Hong Kong Pacific Centre 28 Hankow Road, Tsim Sha Tsui, Kowloon	2039	51.38%	18,028	119,524	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
30. Kwun Tong Harbour Plaza 182 Wai Yip Street, Kwun Tong, Kowloon	2047	51.38%	31,018	67,174 <u>102,132*</u> <u>169,306</u>	C P	Completed	Existing
				* 244 carparks			
31. Kwun Tong Plaza 68 Hoi Yuen Road, Kwun Tong, Kowloon	2047	51.38%	25,995	99,016*	P	Completed	Existing
				* 188 carparks			
32. Maison Rosé 270 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon	2047	51.38%	4,490	3,532	C	Completed	Existing
33. Olympian City 1 11 Hoi Fai Road, MTR Olympic Station, Kowloon	2047	Joint Venture	712,614	139,931 [†]	C	Completed	Existing
34. Olympian City 2 18 Hoi Ting Road, MTR Olympic Station, Kowloon	2047	Joint Venture	708,577	511,287 [†]	C	Completed	Existing
35. Olympian City 3 1 Hoi Wang Road, South West Kowloon, Kowloon	2055	25.69%	146,131	30,534	C	Completed	Existing
36. The Olympian Hong Kong 18 Hoi Fai Road, Kowloon	2052	51.38%	112,484	22,486 <u>35,176</u> <u>57,662</u>	H C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
37. Omega Plaza 32 Dundas Street, Kowloon	2047	51.38%	5,385	41,506	C	Completed	Existing
38. One Madison 305 Castle Peak Road, Kowloon	2047	51.38%	7,200	6,577	C	Completed	Existing
39. One New York 468 Castle Peak Road, Kowloon	2047	51.38%	6,448	4,944	C	Completed	Existing
40. Park Ivy 8 Ivy Street, Kowloon	2061	Joint Venture	6,032	9,042 [†]	C	Completed	Existing
41. Park Summit Shopping Arcade, 88 Beech Street, Kowloon	2058	Joint Venture	25,058	37,588 [†]	C	Completed	Existing
42. Remington Centre 23 Hung To Road, Kwun Tong, Kowloon	2047	51.38%	10,370	58,632	I	Completed	Existing
43. Skyline Tower 39 Wang Kwong Road, Kowloon Bay, Kowloon	2047	25.69%	68,986	212,690	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
KOWLOON							
44. Sunshine Plaza Shopping Arcade, 17 Sung On Street, Hung Hom, Kowloon	2047	51.38%	26,598	30,259	C	Completed	Existing
45. Tsim Sha Tsui Centre Salisbury Road, Tsim Sha Tsui, Kowloon	2127	23.12%	42,835	118,858	C	Completed	Existing
46. Vista Shopping Arcade, 188 Fuk Wa Street, Sham Shui Po, Kowloon	2054	Joint Venture	14,895	22,335 [†]	C	Completed	Existing
47. Westley Square 48 Hoi Yuen Road, Kwun Tong, Kowloon	2047	51.38%	21,110	122,392	I/O	Completed	Existing
48. Yau Tong Industrial City 17 Ko Fai Road, Yau Tong, Kowloon	2047	46.25%	100,580	238,748	I	Completed	Existing
NEW TERRITORIES							
49. Avon Park Shopping Mall, 15 Yat Ming Street, Fanling, New Territories	2047	51.38%	145,649	52,402	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
50. Citywalk 1 Yeung Uk Road, Tsuen Wan, New Territories	2052	Joint Venture	207,659	245,419 [†]	C	Completed	Existing
51. Citywalk 2 18 Yeung Uk Road, Tsuen Wan, New Territories	2054	Joint Venture	77,823	191,568 [†]	C	Completed	Existing
52. Corporation Park 11 On Lai Road, Shatin, New Territories	2047	15.42%	43,056	63,053	I	Completed	Existing
53. Golden Plaza 28 Shui Che Kwun Street, Yuen Long, New Territories	2047	51.38%	21,420	16,535 89,189* <u>105,724</u>	C P	Completed	Existing
* 225 carparks							
54. The Graces • Providence Bay Shopping Arcade, 9 Fo Chun Road, Tai Po, New Territories	2057	25.69%	107,941	5,545	C	Completed	Existing
55. Grand Regentville Shopping Arcade, 9 Wo Mun Street, Fanling, New Territories	2049	51.38%	131,448	36,721 76,200* <u>112,921</u>	C P	Completed	Existing
* 213 carparks							

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
56. Lake Silver Shopping Arcade, 599 Sai Sha Road, Ma On Shan, New Territories	2055	Joint Venture	367,601	43,056 [†]	C	Completed	Existing
57. Mansfield Industrial Centre 19 Hong Yip Street, Tung Tau, Yuen Long, New Territories	2047	51.38%	52,582	57,167	I	Completed	Existing
58. Mayfair By The Sea I 23 Fo Chun Road, Tai Po, New Territories	2059	43.68%	225,237	19,675	C	Completed	Existing
59. Mayfair Lane 21 Fo Chun Road, Tai Po, New Territories	2059	51.38%	225,237	23,147	C	Completed	Existing
60. Oceania Heights Shopping Mall, 2 Hoi Chu Road, Tuen Mun, New Territories	2052	51.38%	65,552	14,944	C	Completed	Existing
61. The Palazzo Shopping Arcade, 28 Lok King Street, Shatin, New Territories	2053	Joint Venture	287,258	21,528 [†]	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
62. Parklane Centre 25 Kin Wing Street, Tuen Mun, New Territories	2047	51.38%	26,522	43,671 <u>85,800*</u> <u>129,471</u>	I P	Completed	Existing
* 60 carparks							
63. Ping Wui Centre 13-17 Ping Wui Street, Yuen Long, New Territories	2047	51.38%	20,376	10,483 <u>89,033*</u> <u>99,516</u>	C P	Completed	Existing
* 231 carparks							
64. Riverwalk 6 Ngan Kwong Wan Road, Mui Wo, New Territories	2062	51.38%	24,327	16,649 <u>8,739</u> <u>25,388</u>	R C	Completed	Existing
65. Rosedale Gardens Shopping Arcade, 133 Castle Peak Road, Tuen Mun, New Territories	2047	51.38%	29,956	18,094	C	Completed	Existing
66. Shatin Galleria 18-24 Shan Mei Street, Fo Tan, Shatin, New Territories	2047	51.38%	38,234	138,122 <u>48,143*</u> <u>186,265</u>	C P	Completed	Existing
* 138 carparks							
67. Springdale Villas Shopping Arcade, 80 Ma Tin Road, Yuen Long, New Territories	2047	51.38%	45,273	20,383 <u>44,757*</u> <u>65,140</u>	C P	Completed	Existing
* 134 carparks							

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
NEW TERRITORIES							
68. Sunley Centre 9 Wing Yin Street, Tsuen Wan, New Territories	2047	51.38%	17,362	87,647	I	Completed	Existing
69. Tuen Mun Town Plaza, Phase I 1 Tuen Shun Street & 1 Tuen Shing Street, Tuen Mun, New Territories	2047	51.38%	262,715	438,597 80,846* <u>519,443</u>	C P	Completed	Existing
* 270 carparks							
70. The Waterside Shopping Mall, 15 On Chun Street, Ma On Shan, Shatin, New Territories	2047	25.69%	69,428	14,534	C	Completed	Existing
MAINLAND CHINA							
71. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2045	51.38%	1,004,199	13,182	C	Completed	Existing
72. Greenfields Chuangye Road, Guangzhou Economic & Technology Development District, Guangzhou	2054	51.38%	53,131	7,672 6,609* <u>14,281</u>	C P	Completed	Existing
* 27 carparks							
73. Le Sommet 279 Jiahe Road, Xiamen	2041	51.38%	33,188	8,208	C	Completed	Existing
74. Park Place 130 Jiahe Road, Xiamen	2039	51.38%	44,118	5,493	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties for investment and hotels							
MAINLAND CHINA							
75. Raffles City Shanghai Plot 105 A&B, 228 Xizang Road Central, Huangpu District, Shanghai	2044 2046	11.49%	163,624	154,743	C	Completed	Existing
76. Sino International Plaza 137 Wusi Road, Fuzhou	2059	51.38%	58,126	256,492	C	Completed	Existing
OVERSEAS - SINGAPORE & AUSTRALIA							
77. Clifford Pier 80 Collyer Quay, Singapore	2067	51.38%	70,397	7,056	C	Completed	Existing
78. Customs House 70 Collyer Quay, Singapore	2067	51.38%	44,348	7,616	C	Completed	Existing
79. The Fullerton Hotel Singapore 1 Fullerton Square, Singapore	2096	51.38%	139,469	239,671	H	Completed	Existing
80. The Fullerton Bay Hotel 80 Collyer Quay, Singapore	2067	51.38%	38,965	40,639	H	Completed	Existing
81. The Fullerton Waterboat House 3 Fullerton Road, Singapore	2032	51.38%	16,921	11,173	C	Completed	Existing
82. One Fullerton 1 Fullerton Road, Singapore	2096	51.38%	92,646	41,330	C	Completed	Existing
83. The Westin Sydney 1 Martin Place, Sydney, Australia	Freehold 2096	25.69%	–	79,683 15,273 <u>94,956</u>	H C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
HONG KONG							
1. The Avenue 200 Queen's Road East/ 33 Tai Yuen Street, Wan Chai, Hong Kong	2060	Joint Venture	88,652	19,038 [†]	R	Completed	Existing
2. Cluny Park 53 Conduit Road, Hong Kong	2065	51.38%	24,930	22,427	R	Completed	Existing
3. Far East Finance Centre 16 Harcourt Road, Hong Kong	2130	9.81%	34,595	5,071	C	Completed	Existing
4. Marinella 9 Welfare Road, Aberdeen, Hong Kong	2057	17.98%	68,922	5,139 [#]	R	Completed	Existing
KOWLOON							
5. Chevalier Commercial Centre Wang Hoi Road, Kowloon Bay, Kowloon	2047	17.11%	44,350	5,901	C	Completed	Existing
6. Hewlett Centre 54 Hoi Yuen Road, Kwun Tong, Kowloon	2047	51.38%	38,000	7,759	I	Completed	Existing
7. Kowloon Plaza 485 Castle Peak Road, Cheung Sha Wan, Kowloon	2047	51.38%	19,375	13,207	I	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
KOWLOON							
8. Metro Centre 32 Lam Hing Street, Kowloon Bay, Kowloon	2047	51.38%	27,125	9,452	I	Completed	Existing
9. Pan Asia Centre 137 Wai Yip Street, Kwun Tong, Kowloon	2047	51.38%	5,760	34,177	I	Completed	Existing
10. Westin Centre 26 Hung To Road, Kwun Tong, Kowloon	2047	25.69%	17,280	53,222	I	Completed	Existing
NEW TERRITORIES							
11. The Balmoral 1 Ma Shing Path, Tai Po, New Territories	2055	51.38%	63,603	7,799 [#]	R	Completed	Existing
12. Botanica Bay 3 Cheung Fu Street, South Lantau Coast, New Territories	2057	51.38%	178,542	23,306 [#]	R	Completed	Existing
13. Cambridge Plaza 188 San Wan Road, Sheung Shui, New Territories	2047	51.38%	–	89,594	I	Completed	Existing
14. Corinthia By The Sea 23 Tong Yin Street, Tseung Kwan O, New Territories	2062	30.83%	139,016	128,579	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP *(Continued)*

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
NEW TERRITORIES							
15. Dragons Range 33 Lai Ping Road, Shatin, New Territories	2061	20.55%	248,175	19,426#	R	Completed	Existing
16. Lincoln Centre 20 Yip Fung Street, Fanling, New Territories	2047	51.38%	21,163	31,419	I	Completed	Existing
17. Mayfair By The Sea I 23 Fo Chun Road, Tai Po, New Territories	2059	43.68%	225,237	14,951#	R	Completed	Existing
18. Mayfair By The Sea II 21 Fo Chun Road, Tai Po, New Territories	2059	51.38%	225,237	31,805#	R	Completed	Existing
19. Poly Centre 15 Yip Fung Street, Fanling, New Territories	2047	51.38%	18,191	5,359	I	Completed	Existing
20. Providence Bay 5 Fo Chun Road, Tai Po, New Territories	2057	17.98%	238,164	19,193#	R	Completed	Existing
21. Providence Peak 8 Fo Chun Road, Tai Po, New Territories	2057	12.85%	214,225	7,228#	R	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
NEW TERRITORIES							
22. The Graces • Providence Bay 9 Fo Chun Road, Tai Po, New Territories	2057	25.69%	107,941	3,716#	R	Completed	Existing
23. Raleigh Centre 9 Yip Cheong Street, Fanling, New Territories	2047	51.38%	10,194	4,309	I	Completed	Existing
24. Sea Crest Terrace Mui Wo, Lantau Island, New Territories	2047	51.38%	7,976	411 <u>3,853</u> 4,264	R C	Completed	Existing
25. Technology Plaza 29-35 Sha Tsui Road, Tsuen Wan, New Territories	2047	51.38%	20,000	7,948	I	Completed	Existing
MAINLAND CHINA							
26. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2074	10.28%	14,253,628	8,390	C	Completed	Existing
27. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2075	51.38%	962,939	2,087	R	Completed	Existing
28. The Palazzo, Chengdu 9 The Second Yufeng Road, Chenghua District, East Chengdu	2078 2048	51.38%	2,673,385	146,895 <u>30,700</u> 177,595	R C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Completed properties for sale							
OVERSEAS – SINGAPORE							
29. Far East Shopping Centre 545 Orchard Road, Singapore	2870	95.00%	36,017	57,694	C	Completed	Existing
30. Orchard Plaza 150 Orchard Road, Singapore	2076	95.00%	44,455	32,886	C	Completed	Existing
31. Orchard Shopping Centre 321 Orchard Road, Singapore	Freehold	95.00%	12,409	18,550	C	Completed	Existing

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
HONG KONG							
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	51.38%	4,482	14,600 <u>4,726</u> <u>19,326</u>	R C	Basement works in progress	January 2017
2. Sik On Street, Wan Chai, Hong Kong Inland Lot No. 9049	2063	51.38%	2,239	5,753	R	Foundation works in progress	September 2017
KOWLOON							
3. Junction of Cheung Yip Street, Sheung Yee Road and Wai Yip Street, Kowloon Bay, Kowloon New Kowloon Inland Lot No. 6313	2065	15.42%	40,849	75,566	C	Foundation works in progress	August 2018
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 [†]	R	Basement works in progress	September 2020
NEW TERRITORIES							
5. Paloma Cove Peng Lei Road, Peng Chau, New Territories Lot No. 674 in Demarcation District	2062	51.38%	19,163	7,385	R	Superstructure works in progress	October 2016

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
NEW TERRITORIES							
6. The Mediterranean 8 Tai Mong Tsai Road, Sai Kung, New Territories Lot No. 1949 in Demarcation District No. 221	2063	51.38%	166,089	128,017	R	Superstructure works in progress	March 2017
7. Park Mediterranean 9 Hong Tsuen Road, Sai Kung, New Territories Lot No. 1180 in Demarcation District No. 215	2063	51.38%	86,898	89,305	R	Superstructure works in progress	May 2017
8. The Spectra 8 Kwong Yip Street, Yuen Long, New Territories Yuen Long Town Lot No. 513	2063	Joint Venture	106,564	523,938 [†]	R	Superstructure works in progress	July 2017
9. Commune Modern 28 Wo Fung Street, Luen Wo Hui, Fanling, New Territories Fanling Sheung Shui Town Lot No. 255	2064	51.38%	30,440	69,829 17,644 <u>20,387</u> <u>107,860</u>	R C P	Foundation works in progress	July 2018
10. Hong Kin Road, Tui Min Hoi, Sai Kung, New Territories Lot No. 1181 in Demarcation District No. 215	2065	51.38%	36,856	26,510	R	Ground investigation works completed	August 2018
11. Junction of Wang Yip Street West, and Hong Yip Street, Tung Tau Industrial Area, Yuen Long, New Territories Yuen Long Town Lot No. 532	2066	51.38%	99,524	255,702	C	Planning stage	March 2021

MAJOR PROPERTIES HELD BY THE GROUP (Continued)

Dated at 30th June, 2016

Description	Lease expiry	Group's interest	Approx. site area (sq.ft.)	Approx. floor area attributable to the group (sq. ft.)	Type	Stage of completion	Estimated completion date
Properties under development							
MAINLAND CHINA							
12. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	2044	10.28%	14,253,628	20,203	C	Superstructure works in progress	June 2017
13. Mayfair By The Lake, Xiamen 26 North Hubin Road, Xiamen	2066 2038	51.38%	64,905	260,205 <u>10,395</u>	R C	Superstructure works in progress	June 2017
				<u>270,600</u>			
14. The Palazzo, Chengdu 9 The Second Yufeng Road, Chenghua District, East Chengdu	2078 2048	51.38%	2,673,385	5,399,234 333,638 <u>273,036</u>	R C H	Foundation works in progress	April 2022
				<u>6,005,908</u>			
15. Dynasty Park, Zhangzhou 298 Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province	2075 2045	51.38%	962,939	1,892,767 <u>76,134</u>	R C	Foundation works in progress	June 2022
				<u>1,968,901</u>			

Note: C : Commercial
R : Residential
I : Industrial
I/O : Industrial/Office
H : Hotel
P : Multi-storey carpark
(*) : Property under redevelopment
† : it represents the total approximate floor area of the property
: it represents the saleable floor area

Tsim Sha Tsui Properties Limited

Proxy Form for use at the Annual General Meeting (or at any adjournment thereof)

I/We ^(Note 1) _____
of _____
being the registered holder(s) of ^(Note 2) _____
ordinary shares of the above-named Company, **HEREBY APPOINT** the Chairman of the Meeting or ^(Note 3) _____

of _____
as my/our proxy to act for me/us at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at The Pacific Rooms, 9th Floor, Towers Wing, The Royal Pacific Hotel & Towers, 33 Canton Road, Tsim Sha Tsui, Kowloon on Friday, the 28th day of October, 2016 at 10:00 a.m. or as soon as the annual general meeting of Sino Land Company Limited closes, whichever is the later, 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.

	For ^(Note 4)	Against ^(Note 4)
1. To receive, consider and adopt the audited Financial Statements and the Directors' and Independent Auditor's Reports for the year ended 30th June, 2016.		
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 Mr. Daryl Ng Win Kong as Director. (iii) To authorise the Board to fix the Directors' remuneration for the financial year ending 30th June, 2017.		
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 ^(Note 5) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of ordinary shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the ordinary shares of the Company registered in your name(s).
3. If any proxy other than the Chairman of the Meeting is preferred, strike out the words "the Chairman of the Meeting or" herein inserted and insert the name and address of the proxy desired in the space provided. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, TICK IN THE RELEVANT BOX MARKED "AGAINST".** Failure to complete the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
6. In order to be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company, 12th Floor, Tsim Sha Tsui Centre, Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting (as the case may be).
7. In the case of joint holders, any one of such joint holders may vote at the Meeting, either personally or by proxy, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons whose name stands first on the register of members in respect of the relevant shares shall alone be entitled to vote in respect thereof.
8. Any 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.

PERSONAL INFORMATION COLLECTION STATEMENT

"Personal Data" in this statement has the same meaning as "personal data" defined in the Personal Data (Privacy) Ordinance, Cap 486 ("PDPO"), which will include your and your appointed proxy's name and mailing address.

Your supply of Personal Data is on a voluntary basis for the purpose of processing your request for the appointment of a proxy (or proxies), your voting instructions for the Meeting of the Company and your other instructions (the "Purposes"). However, failure to supply your Personal Data may result in us or our third party service providers unable to process your request for the Purposes. We may transfer your Personal Data to our subsidiaries, Share Registrars, agent, contractor, third party service provider and/or other bodies who provides administrative, computer and other services to us for use in connection with the Purposes and to such parties who are authorised by law to request the information or are otherwise relevant for the Purposes and need to receive the information. Your Personal Data will be retained for such period as may be necessary to fulfil the Purposes and for our verification and record purposes.

You and your appointed proxy have the right to request access to and/or correction of the respective Personal Data in accordance with the provisions of the PDPO. Any such request for access to and/or correction of the Personal Data should be in writing and sent by mail to Tricor Friendly Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong or by email at tst247-ecom@hk.tricorglobal.com.



