



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

2016-2017
INTERIM REPORT
二零一六至二零一七年度
中期報告



The Palazzo (Chengdu)
成都信和·御龍山

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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 Interim Report posted on the Company’s website will upon request be sent the Interim Report in printed form free of charge.

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CORPORATE INFORMATION

Board of Directors

Robert Ng Chee Siong, Chairman
Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP[#]
Allan Zeman, GBM, GBS, JP^{*}
Adrian David Li Man-kiu, JP^{*}
Steven Ong Kay Eng^{*}
Daryl Ng Win Kong, JP

([#] Non-Executive Director)

(^{*} Independent Non-Executive Directors)

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

Authorized Representatives

Robert Ng Chee Siong
Daryl Ng Win Kong, JP

Chief Financial Officer and Company Secretary

Velencia Lee

Auditor

Deloitte Touche Tohmatsu
Certified Public Accountants, Hong Kong

Solicitors

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

Shareholders' Calendar

Closure of Register of Members for dividend entitlement	9th to 13th March, 2017 (both dates inclusive)
Record Date for interim dividend entitlement	13th March, 2017
Last Date for lodging form of election for scrip dividend	31st March, 2017 4:30 p.m.
Interim Dividend Payable	HK13 cents per share 13th April, 2017

Principal Bankers

Bank of China (Hong Kong) Limited
DBS Bank Ltd., Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited
China Construction Bank (Asia) Corporation 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
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Registered Office

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Telephone : (852) 2721 8388
Fax : (852) 2723 5901
Website : www.sino.com
Email : info@sino.com

Share Registrars

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183 Queen's Road East,
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Telephone : (852) 2980 1333
Fax : (852) 2861 1465
Email : tst247-ecom@hk.tricorglobal.com

Listing Information

Stock Code 247

CHAIRMAN'S STATEMENT

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

INTERIM RESULTS

The Group's unaudited underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2016 ("Interim Period") was HK\$1,405.2 million (2015: HK\$1,530.2 million). Underlying earnings per share was HK\$0.82 (2015: HK\$0.91).

The Group's net profit attributable to shareholders for the Interim Period was HK\$1,762.6 million (2015: HK\$1,977.7 million). Earnings per share was HK\$1.03 (2015: HK\$1.18). The reported profit for the Interim Period included a revaluation surplus (net of deferred taxation) on investment properties of HK\$357.4 million compared with a revaluation surplus (net of deferred taxation) of HK\$447.5 million for the last period.

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

DIVIDEND

The Directors have declared an interim dividend of 13 cents per share payable on 13th April, 2017 to those shareholders whose names appear on the Register of Members of the Company on 13th March, 2017.

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

A circular containing details of the scrip dividend scheme will be despatched to the shareholders together with a form of election for scrip dividend on or about 16th March, 2017. It is expected that the interim dividend warrants and share certificates will be despatched to the shareholders on or about 13th April, 2017.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 31st December, 2016, Tsim Sha Tsui Properties Limited (the "Company") had 52.09% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

(1) Sales Activities

Sino Land's total revenue from property sales for the Interim Period, including property sales of associates and joint ventures recognised by Sino Land, was HK\$9,499.1 million (2015: HK\$7,187.4 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in Corinthia By The Sea, Dragons Range, Cluny Park, Botanica Bay, Mayfair By The Sea I and II, Providence Bay, Providence Peak, The Graces • Providence Bay and Marinella, and to date, approximately 99%, 98%, 93%, 88%, 99%, 99%, 94%, 98%, 99% and 98% of their respective residential units have been sold.

During the Interim Period, Sino Land launched Park Mediterranean in Sai Kung for sale and to date, approximately 46% of the residential units have been sold.

In China, 215 residential units in The Palazzo in Chengdu were launched for sale during the Interim Period. To date, a total of 3,915 residential units in The Palazzo and 1,649 residential units in Dynasty Park have been launched for sale and approximately 90% and 99% of the units in the respective projects have been sold.

(2) Land Bank

As at 31st December, 2016, Sino Land has a land bank of approximately 32.4 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 55.6% is residential; 28.3% commercial; 7.0% industrial; 4.6% car parks and 4.5% hotels. In terms of breakdown of the land bank by status, 19.7 million square feet were properties under development, 11.8 million square feet of properties for investment and hotels, together with 0.9 million square feet of properties held for sale. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

CHAIRMAN'S STATEMENT (Continued)

REVIEW OF OPERATIONS (Continued)

(2) Land Bank (Continued)

During the Interim Period, Sino Land acquired two sites from the HKSAR Government and the development rights of a site from Urban Renewal Authority of Hong Kong. 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. TPTL 228 Fo Yin Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong	Residential	100%	412,530
2. AIL 462 Yip Kan Street and Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong	Commercial	60%	170,967
3. URA's Demand-Led Project 1-3B Kowloon Road/ 1-5 Kiu Yam Street, Sham Shui Po, Kowloon, Hong Kong	Residential/ Retail	Joint Venture	52,571
			<hr/>
			636,068

Subsequent to the Interim Period, Sino Land was awarded the development rights by the Ocean Park Corporation to build and manage a hotel located at a site between Po Chong Wan and Tai Shue Wan within the Ocean Park boundary on 5th January, 2017. Sino Land has 60% equity interest in the project. Upon completion, it will provide a total of approximately 262,017 square feet of attributable gross floor area.

CHAIRMAN'S STATEMENT (Continued)

REVIEW OF OPERATIONS (Continued)

(3) Property Development

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

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
Paloma Cove, 8 Peng Chau Ho King Street, Peng Chau, New Territories, Hong Kong	Residential	100%	14,372

(4) Rental Activities

For the Interim Period, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 3.4% to HK\$1,958.1 million (2015: HK\$1,894.4 million) and net rental income increased 4.2% to HK\$1,715.9 million (2015: HK\$1,646.7 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% (2015: 97%) for the Interim Period.

Sino Land's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate at approximately 98% (2015: 97%) for the Interim Period as Sino Land's flagship shopping malls, namely Tuen Mun Town Plaza Phase I, Olympian City 1, 2 and 3 showed steady leasing performance.

The leasing performance of Sino Land's office portfolio saw stable rental growth while overall occupancy rate was at approximately 97% (2015: 98%) for the Interim Period. The leasing performance of Sino Land's industrial portfolio was steady with occupancy rate at approximately 96% (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.

CHAIRMAN'S STATEMENT *(Continued)*

REVIEW OF OPERATIONS *(Continued)*

(4) Rental Activities *(Continued)*

As at 31st December, 2016, Sino Land has approximately 11.8 million square feet of attributable floor area of investment properties and hotels in Hong Kong, China, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 62.6%, industrial 14.9%, car parks 12.4%, hotels 7.7%, and residential 2.4%.

(5) Hotels

Sino Land's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, Conrad Hong Kong, The Westin Sydney and The Olympian Hong Kong. Overall business performance of Sino Land's hotels was steady during the Interim Period. 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.

(6) China Business

China achieved a resilient GDP growth in 2016 amid a volatile global economic environment. The residential property market in China experienced an increase in home sales value and volume in the first three quarters of 2016 due to strong demand and reduction in inventory levels. However, sales momentum softened towards the end of 2016 as a result of implementation of housing measures by the Central Government in the cities that have seen a surge in home prices. These measures are conducive to the development of a healthy and sustainable residential property market in China.

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, 2016.

FINANCE

As at 31st December, 2016, the Group had cash and bank deposits of HK\$28,228.9 million. After netting off total borrowings of HK\$6,557.3 million, the Group had net cash of HK\$21,671.6 million as at 31st December, 2016. Of the total borrowings, 60.6% was repayable within one year, 20.7% repayable between one and two years and the remaining payable between two and four 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 projects in Singapore. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a portion of Renminbi, Australian dollars and New Zealand dollars deposits. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

CHAIRMAN'S STATEMENT *(Continued)*

CORPORATE GOVERNANCE

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

CUSTOMER SERVICE

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

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, Sino Land has been actively participating in a wide range of community and charity programmes, voluntary services, 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 Interim Period, Sino Land published the Sustainability Review 2016, its sixth annual report highlighting the corporate sustainability footprints and initiatives. The Sustainability Review has been prepared with reference to Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules.

Sino Land 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 from underprivileged families. 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.

Dedicated to promoting arts and culture to enrich the lives of the public, Sino Land initiated 'Sino Art' in 2006, through which Sino Land 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 reach into community facilities such as kindergartens, schools 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 was one of the winners of the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation' and in October 2016, the Hotel was voted as 'Asia's Leading Heritage Hotel 2016' at the World Travel Awards™.

PROSPECTS

2016 was a particularly eventful year for the US and the Euro zone bringing changes and possibly new challenges to the global economy.

The US saw a stronger set of economic data including declining unemployment rate, rising household spending and expanding economic activity that have led to an increase in federal funds rate in December 2016. In November 2016, there was the US presidential election and the new administration may reshape fiscal, economic and trade policies between the US and other countries casting uncertainty to the global economic environment.

On 23rd June, 2016, the United Kingdom European Union membership referendum, also known as the Brexit referendum took place and the UK voted to leave the European Union. As it may take two to three years for the UK to leave the European Union, markets may see volatility making it difficult for both businesses to operate and the recovery of the global economy.

In March 2016, the outline of the 13th Five-Year Plan on economic and social development in China was reviewed and approved by the 12th National People's Congress. 2016 was the first year of the 13th Five-Year Plan and a key focus was placed on structural reforms to promote economic development and efficiency in productivity. In December 2016, the Central Economic Work Conference was held and the Central Government reaffirmed their focus to ensure that the economy is on a path of stable and healthy growth. Various reforms in different sectors of the economy would be continued and they include improvement in people's livelihood, job creation, environmental protection, rural development, education, health and social security.

It has been nearly two years since the 'Vision and Actions on Jointly Building the Silk Road Economic Belt and 21st Century Maritime Silk Road' was published by The National Development and Reform Commission in March 2015. Much have been discussed and done. Economic and trade cooperation among the nations along the 'Belt and Road' have been strengthened. The establishment of the Asian Infrastructure Investment Bank, New Development Bank and Silk Road Fund will provide financial support to the nations along the 'Belt and Road' to roll out their infrastructure developments. The 'Belt and Road' initiative is not only important to China's economic growth, it will also play a key role in global rebalancing going forward.

CHAIRMAN'S STATEMENT *(Continued)*

PROSPECTS *(Continued)*

In Hong Kong, following the publication of the report of the 'Hong Kong 2030 Planning Vision Strategy' in October 2007, the HKSAR Government embarked on a study focusing on future land requirements and supply in Hong Kong titled 'Hong Kong 2030+: Towards A Planning Vision and Strategy Transcending 2030' in October 2016. The analysis revealed that demand for land in Hong Kong for the long term is approximately 4,800 hectares and to fulfill this demand, the HKSAR Government has taken steps to facilitate an adequate supply of land. The Policy Address announced on 18th January, 2017 reaffirms again the HKSAR Government's multi-pronged approach to increase the number of developable sites to support the demand and economic development of Hong Kong.

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, 22nd February, 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st December, 2016

		Six months ended	
		31st December, 2016	31st December, 2015
		<i>HK\$</i>	<i>HK\$</i>
		(Unaudited)	(Unaudited)
	Notes		
Turnover	3	10,890,319,124	5,503,322,393
Cost of sales		(5,614,772,096)	(1,785,988,619)
Direct expenses		(1,373,955,920)	(1,166,687,332)
Gross profit		3,901,591,108	2,550,646,442
Change in fair value of investment properties	12	585,750,164	725,986,992
Other income and other gains or losses		52,644,598	45,243,794
Gain (loss) arising from change in fair value of trading securities		327,813	(3,604,783)
Gain on disposal of investment properties		83,703,697	469,536,276
Administrative expenses		(627,507,491)	(583,373,570)
Other operating expenses		(84,003,344)	(77,302,615)
Finance income	4	219,490,566	249,077,144
Finance costs	5	(101,804,702)	(114,529,223)
Less: Interest capitalised	5	339,953	6,835,105
Finance income, net		118,025,817	141,383,026
Share of results of associates	6	675,488,444	1,084,159,124
Share of results of joint ventures	7	98,625,427	21,980,471
Profit before taxation	8	4,804,646,233	4,374,655,157
Income tax expense	9	(690,825,165)	(426,264,833)
Profit for the period		4,113,821,068	3,948,390,324
Profit for the period attributable to:			
The Company's shareholders		1,762,634,067	1,977,718,392
Non-controlling interests		2,351,187,001	1,970,671,932
		4,113,821,068	3,948,390,324
Earnings per share (reported earnings per share)			
Basic	11(a)	1.03	1.18

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31st December, 2016

	Six months ended	
	31st December, 2016 HK\$ (Unaudited)	31st December, 2015 HK\$ (Unaudited)
Profit for the period	4,113,821,068	3,948,390,324
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Gain (loss) on fair value change of available-for-sale investments	84,175,036	(118,081,158)
Exchange differences arising on translation of foreign operations	(503,212,586)	(746,816,090)
Other comprehensive expense for the period	(419,037,550)	(864,897,248)
Net comprehensive income for the period	3,694,783,518	3,083,493,076
Net comprehensive income attributable to:		
The Company's shareholders	1,547,550,071	1,535,843,690
Non-controlling interests	2,147,233,447	1,547,649,386
	3,694,783,518	3,083,493,076

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2016

		31st December, 2016 HK\$ (Unaudited)	30th June, 2016 HK\$ (Audited)
	<i>Notes</i>		
Non-current assets			
Investment properties	12	60,316,568,500	59,255,635,189
Hotel properties		1,849,766,119	1,987,487,748
Property, plant and equipment	13	168,626,794	156,754,620
Goodwill		739,233,918	739,233,918
Prepaid lease payments – non-current		1,071,212,311	1,165,234,108
Interests in associates	14	16,287,081,906	16,233,160,710
Interests in joint ventures	15	3,237,834,964	3,200,426,596
Available-for-sale investments	22	838,561,850	737,994,601
Advances to associates	14	5,006,255,569	6,372,606,832
Advances to joint ventures	15	2,410,276,930	966,095,260
Advance to an investee company		13,242,577	16,405,349
Long-term loans receivable		1,382,799,611	718,079,975
		93,321,461,049	91,549,114,906
Current assets			
Properties under development		21,401,912,449	22,686,748,390
Stocks of completed properties		2,707,109,078	4,479,080,881
Hotel inventories		20,155,536	19,098,824
Prepaid lease payments – current		18,687,276	20,151,711
Trading securities	22	13,165,383	12,796,905
Amounts due from associates	14	220,585,876	188,609,710
Amounts due from joint ventures	15	448,080,584	545,462,658
Amount due from a non-controlling interest		187,090,921	81,274,836
Accounts and other receivables	16	2,709,197,165	2,687,575,011
Current portion of long-term loans receivable		101,086,450	16,324,945
Taxation recoverable		446,554,567	209,374,914
Restricted bank deposits		1,661,943,936	545,689,072
Time deposits		24,230,393,889	23,275,843,911
Bank balances and cash		2,336,634,868	3,717,324,511
		56,502,597,978	58,485,356,279
Current liabilities			
Accounts and other payables	17	4,760,840,232	5,802,571,667
Deposits received on sales of properties		8,113,214,404	9,404,171,155
Amounts due to associates	14	1,453,645,922	1,132,981,774
Amounts due to joint ventures	15	–	226,643
Amounts due to non-controlling interests		69,990,204	147,634,967
Taxation payable		663,173,234	1,246,891,654
Other borrowings – due within one year	18	3,871,439,856	–
Other loans – unsecured		100,526,128	108,313,383
		19,032,829,980	17,842,791,243
Net current assets		37,469,767,998	40,642,565,036
Total assets less current liabilities		130,791,229,047	132,191,679,942

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 31st December, 2016

	<i>Notes</i>	31st December, 2016 HK\$ (Unaudited)	30th June, 2016 HK\$ (Audited)
Capital and reserves			
Share capital	<i>19</i>	10,364,100,587	9,719,312,922
Reserves		53,641,565,411	52,438,670,660
		<hr/>	<hr/>
Equity attributable to the Company's shareholders		64,005,665,998	62,157,983,582
Non-controlling interests		60,695,724,280	59,934,117,414
		<hr/>	<hr/>
Total equity		124,701,390,278	122,092,100,996
		<hr/>	<hr/>
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	<i>18</i>	1,226,687,092	4,442,167,268
Other loans – due after one year		1,358,690,351	1,349,617,278
Deferred taxation		1,931,392,880	1,941,369,421
Advances from associates	<i>20</i>	905,527,991	1,876,123,504
Advances from non-controlling interests	<i>21</i>	667,540,455	490,301,475
		<hr/>	<hr/>
		6,089,838,769	10,099,578,946
		<hr/>	<hr/>
		130,791,229,047	132,191,679,942
		<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31st December, 2016

	Share capital HK\$	Capital reserve HK\$	Investment revaluation reserve HK\$	Exchange reserve HK\$	Retained profits HK\$	Attributable to the Company's shareholders HK\$	Non- controlling interests HK\$	Total HK\$
At 1st July, 2015 (audited)	8,869,463,206	516,384,654	132,089,869	1,084,246,116	48,427,880,644	59,030,064,489	58,628,888,325	117,658,952,814
Profit for the period	-	-	-	-	1,977,718,392	1,977,718,392	1,970,671,932	3,948,390,324
Other comprehensive expense for the period	-	-	(60,766,175)	(381,108,527)	-	(441,874,702)	(423,022,546)	(864,897,248)
Net comprehensive (expense) income for the period	-	-	(60,766,175)	(381,108,527)	1,977,718,392	1,535,843,690	1,547,649,386	3,083,493,076
Shares issued in lieu of cash dividend	630,351,494	-	-	-	-	630,351,494	-	630,351,494
Deemed disposal of partial interest in a listed subsidiary	-	103,444,177	-	-	-	103,444,177	(145,457,416)	(42,013,239)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,135,507,568)	(1,135,507,568)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	74,484,557	74,484,557
Final dividend declared and paid – 2015	-	-	-	-	(633,432,855)	(633,432,855)	-	(633,432,855)
At 31st December, 2015 (unaudited)	<u>9,499,814,700</u>	<u>619,828,831</u>	<u>71,323,694</u>	<u>703,137,589</u>	<u>49,772,166,181</u>	<u>60,666,270,995</u>	<u>58,970,057,284</u>	<u>119,636,328,279</u>
At 1st July, 2016 (audited)	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
Profit for the period	-	-	-	-	1,762,634,067	1,762,634,067	2,351,187,001	4,113,821,068
Other comprehensive income (expense) for the period	-	-	43,938,189	(259,022,185)	-	(215,083,996)	(203,953,554)	(419,037,550)
Net comprehensive income (expense) for the period	-	-	43,938,189	(259,022,185)	1,762,634,067	1,547,550,071	2,147,233,447	3,694,783,518
Shares issued in lieu of cash dividend	644,787,665	-	-	-	-	644,787,665	-	644,787,665
Deemed disposal of partial interest in a listed subsidiary	-	303,568,796	-	-	-	303,568,796	(318,779,301)	(15,210,505)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,140,273,854)	(1,140,273,854)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	73,426,574	73,426,574
Final dividend declared and paid – 2016	-	-	-	-	(648,224,116)	(648,224,116)	-	(648,224,116)
At 31st December, 2016 (unaudited)	<u>10,364,100,587</u>	<u>1,023,843,576</u>	<u>66,947,612</u>	<u>240,147,509</u>	<u>52,310,626,714</u>	<u>64,005,665,998</u>	<u>60,695,724,280</u>	<u>124,701,390,278</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st December, 2016

	Six months ended	
	31st December, 2016 HK\$ (Unaudited)	31st December, 2015 HK\$ (Unaudited)
Net cash from operating activities	1,553,727,395	6,737,674,753
Net cash used in investing activities		
Advances to associates	(794,831,158)	(1,203,589,844)
Advances to joint ventures	(1,505,592,926)	(1,409,205,665)
Advance to a non-controlling interest	(105,816,085)	–
Additions to investment properties	(107,345,787)	(58,397,931)
Additions to property, plant and equipment	(48,865,954)	(27,275,171)
Installments received for the sale of a subsidiary and assignment of loan	700,000,000	525,000,000
Additions to time deposits with original maturity over three months	(3,192,027,308)	(16,532,952,734)
Proceeds upon maturity of time deposits with original maturity over three months	372,580,669	–
Dividend received from associates	475,880,149	258,900,000
Withdrawal of restricted bank deposits	5,428,159	59,045,994
Placement of restricted bank deposits	(1,121,683,023)	(63,092,252)
Proceeds from disposal of investment properties	119,196,049	1,128,584,429
Repayments from associates	1,504,852,807	1,348,876,307
Repayments from joint ventures	192,352,479	900,637,764
Other investing activities	147,068,319	146,196,513
	(3,358,803,610)	(14,927,272,590)
Net cash used in financing activities		
Acquisition of additional interest in a listed subsidiary	(5,653,947)	(22,207,967)
New bank and other loans raised	1,986,066,251	9,490,614
Advances from associates	450,758,574	260,060,942
Repayments to joint ventures	(226,643)	–
Repayments of bank and other loans	(1,289,443,815)	(2,284,830,668)
Repayments to associates	(1,122,916,541)	(74,256,318)
Repayments to non-controlling interests	(107,005,639)	(660,536,179)
Advances from non-controlling interests	206,599,856	–
Dividend paid to non-controlling interests	(1,066,847,404)	(1,061,023,024)
Payment of repurchase of its own shares by a listed subsidiary	(7,770,088)	(16,631,400)
Interest paid	(68,415,474)	(79,596,805)
Other financing activities	(3,592,825)	(3,189,852)
	(1,028,447,695)	(3,932,720,657)
Net decrease in cash and cash equivalents	(2,833,523,910)	(12,122,318,494)
Cash and cash equivalents at the beginning of the period	10,694,051,345	18,332,412,925
Effect of foreign exchange rate changes	(289,405,254)	(225,806,529)
Cash and cash equivalents at the end of the period	7,571,122,181	5,984,287,902

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the six months ended 31st December, 2016

	Six months ended	
	31st December, 2016	31st December, 2015
	<i>HK\$</i>	<i>HK\$</i>
	(Unaudited)	(Unaudited)
Analysis of the balances of cash and cash equivalents		
Restricted bank deposits	1,661,943,936	198,613,039
Time deposits	24,230,393,889	20,672,394,200
Bank balances and cash	2,336,634,868	3,120,165,170
Deposits, bank balances and cash in the condensed consolidated statement of financial position	28,228,972,693	23,991,172,409
Less: Time deposits with original maturity over three months	(18,995,906,576)	(17,808,271,468)
Restricted bank deposits	(1,661,943,936)	(198,613,039)
Cash and cash equivalents in the condensed consolidated statement of cash flows	7,571,122,181	5,984,287,902

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December, 2016

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

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

The financial information relating to the year ended 30th June, 2016 included in the condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2016 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2016 except as described below.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying Consolidated Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

3. SEGMENT INFORMATION

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

Six months ended 31st December, 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	8,278,859,940	2,156,604,061	1,220,250,286	271,083,416	9,499,110,226	2,427,687,477
Property rental	1,546,211,358	1,321,372,474	425,128,640	389,218,203	1,971,339,998	1,710,590,677
	<u>9,825,071,298</u>	<u>3,477,976,535</u>	<u>1,645,378,926</u>	<u>660,301,619</u>	<u>11,470,450,224</u>	<u>4,138,278,154</u>
Property management and other services	571,761,177	135,292,734	50,779,032	10,308,329	622,540,209	145,601,063
Hotel operations	432,903,153	169,636,631	220,099,404	102,351,124	653,002,557	271,987,755
Investments in securities	52,049,653	52,049,653	1,950	1,950	52,051,603	52,051,603
Financing	8,533,843	8,533,843	2,409,421	2,409,421	10,943,264	10,943,264
	<u>10,890,319,124</u>	<u>3,843,489,396</u>	<u>1,918,668,733</u>	<u>775,372,443</u>	<u>12,808,987,857</u>	<u>4,618,861,839</u>

Six months ended 31st December, 2015

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

3. SEGMENT INFORMATION (Continued)

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Segment profit	4,618,861,839	3,875,749,269
Change in fair value of investment properties	585,750,164	725,986,992
Other income and other gains or losses	50,285,985	42,225,734
Gain (loss) arising from change in fair value of trading securities	327,813	(3,604,783)
Gain on disposal of investment properties	83,703,697	469,536,276
Administrative expenses and other operating expenses	(650,790,569)	(600,727,783)
Finance income, net	117,765,876	141,200,587
Results shared from associates and joint ventures		
– Other income and other gains or losses	15,775,082	29,197,234
– Change in fair value of investment properties	283,799,567	185,093,105
– Gain on disposal of investment properties	7,717,250	5,465,986
– Administrative expenses and other operating expenses	(145,323,427)	(193,266,569)
– Finance costs, net	(24,731,340)	(81,020,943)
– Income tax expense	(138,495,704)	(221,179,948)
	(1,258,572)	(275,711,135)
Profit before taxation	<u>4,804,646,233</u>	<u>4,374,655,157</u>

During the six months ended 31st December, 2016, inter-segment sales of HK\$50,221,310 (six months ended 31st December, 2015: HK\$45,070,680) were not included in the segment of “property management and other services”. There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

4. FINANCE INCOME

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Interest income on:		
advances to associates and joint ventures	14,826,509	74,385,281
advance to an investee company	375,353	376,084
bank deposits	174,470,184	104,004,552
Imputed interest income on non-current interest-free		
advances to associates and joint ventures	29,818,520	70,311,227
	<u>219,490,566</u>	<u>249,077,144</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

5. FINANCE COSTS

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Interest on bank and other borrowings	69,157,683	80,261,036
Imputed interest expense on non-current interest-free advances from associates	22,226,602	20,004,123
Imputed interest expense on non-current interest-free unsecured other loans	5,906,071	9,348,231
Loan facility arrangement fees and finance charges	4,514,346	4,915,833
	<u>101,804,702</u>	<u>114,529,223</u>
Less: Amounts capitalised to properties under development	(339,953)	(6,835,105)
	<u>101,464,749</u>	<u>107,694,118</u>

6. SHARE OF RESULTS OF ASSOCIATES

Share of results of associates included the Group's share of change in fair value of investment properties of the associates of HK\$241,146,817 (six months ended 31st December, 2015: HK\$146,422,956).

7. SHARE OF RESULTS OF JOINT VENTURES

Share of results of joint ventures included the Group's share of change in fair value of investment properties of the joint ventures of HK\$42,652,750 (six months ended 31st December, 2015: HK\$38,670,149).

8. PROFIT BEFORE TAXATION

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Profit before taxation has been arrived at after charging:		
Release of prepaid lease payments (included in other operating expenses)	9,709,747	9,783,580
Cost of properties sold recognised as cost of sales	5,614,772,096	1,785,988,619
Cost of hotel inventories recognised as direct expenses	54,923,773	58,911,034
Amortisation and depreciation of owner-operated hotel properties	17,213,250	13,019,552
Depreciation of property, plant and equipment	29,316,355	25,310,383
Loss on disposal of property, plant and equipment	3,993	1,490,284
Recognition of impairment loss on trade receivables	2,768,702	69,061
	<u>9,709,747</u>	<u>9,783,580</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

9. INCOME TAX EXPENSE

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	510,756,870	313,395,707
Other jurisdictions	85,658,412	42,135,764
Land Appreciation Tax (“LAT”) in the People’s Republic of China (the “PRC”)	45,991,550	8,715,619
	<u>642,406,832</u>	<u>364,247,090</u>
Deferred taxation	48,418,333	62,017,743
	<u>690,825,165</u>	<u>426,264,833</u>

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% (six months ended 31st December, 2015: 16.5%).

Taxes on profits assessable in Singapore and the PRC are recognised based on management’s best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in the PRC (six months ended 31st December, 2015: 17% in Singapore and 25% in the PRC).

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

10. DIVIDEND PAID

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Final dividend paid for the year ended 30th June, 2016 of HK38 cents per share (six months ended 31st December, 2015: HK38 cents per share for the year ended 30th June, 2015), with a scrip dividend option	648,224,116	633,432,855

Subsequent to the end of the reporting period, the Directors determined that an interim dividend for the six months ended 31st December, 2016 of HK13 cents (six months ended 31st December, 2015: HK13 cents) per share amounting to HK\$225,576,194 (six months ended 31st December, 2015: HK\$220,405,311) would be paid to the Company's shareholders whose names appear on the Register of Members on 13th March, 2017.

11. EARNINGS PER SHARE

(a) Reported earnings per share

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

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Earnings for the purpose of basic earnings per share	1,762,634,067	1,977,718,392
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,709,681,010	1,671,419,926

No diluted earnings per share has been presented for the periods ended 31st December, 2016 and 2015 as there were no potential ordinary shares outstanding during the current and prior periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2016

11. 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\$1,405,267,578 (six months ended 31st December, 2015: HK\$1,530,257,773) is also presented, excluding the net effect of changes in fair value of the Group's, associates' and joint ventures' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2016 HK\$	31st December, 2015 HK\$
Earnings for the purpose of basic earnings per share	<u>1,762,634,067</u>	<u>1,977,718,392</u>
Change in fair value of investment properties	585,750,164	725,986,992
Effect of corresponding deferred taxation charges	(23,338,083)	(25,815,987)
Share of results of associates		
– Change in fair value of investment properties	241,146,817	146,422,956
– Effect of corresponding deferred taxation charges	(36,060,893)	(1,650,000)
Share of results of joint ventures		
– Change in fair value of investment properties	<u>42,652,750</u>	<u>38,670,149</u>
	<u>810,150,755</u>	<u>883,614,110</u>
Amount attributable to non-controlling interests	<u>(452,784,266)</u>	<u>(436,153,491)</u>
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	<u>357,366,489</u>	<u>447,460,619</u>
Underlying profit attributable to the Company's shareholders	<u>1,405,267,578</u>	<u>1,530,257,773</u>
Underlying earnings per share	<u>0.82</u>	<u>0.91</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

12. INVESTMENT PROPERTIES

The Group's investment properties at 31st December, 2016 and 30th June, 2016 were fair-valued by Knight Frank Petty Limited and Knight Frank Pte Ltd, independent valuers not connected with the Group. The valuations were arrived at by reference to market evidence of recent transaction prices for similar properties and on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. During the six months ended 31st December, 2016, the Group acquired investment properties of HK\$22,471,060 (*six months ended 31st December, 2015: nil*), incurred construction cost in investment properties under redevelopment of HK\$63,956,738 (*six months ended 31st December, 2015: HK\$9,425,664*), renovation cost on investment properties of HK\$20,917,989 (*six months ended 31st December, 2015: HK\$48,972,267*), transferred from properties under development of HK\$584,758,151 (*six months ended 31st December, 2015: HK\$241,725,867*) and disposed of certain investment properties of HK\$35,492,352 (*six months ended 31st December, 2015: HK\$342,048,153*).

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st December, 2016, additions to property, plant and equipment amounted to HK\$48,865,954 (*six months ended 31st December, 2015: HK\$27,275,171*).

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

	31st December, 2016 HK\$	30th June, 2016 HK\$
Interests in associates:		
Unlisted shares, at cost	3,643,446,212	3,646,424,152
Share of post-acquisition profits, net of dividends received	<u>12,643,635,694</u>	<u>12,586,736,558</u>
	<u>16,287,081,906</u>	<u>16,233,160,710</u>
Advances to associates	6,379,425,012	7,775,637,320
Less: allowance	<u>(1,373,169,443)</u>	<u>(1,403,030,488)</u>
	<u>5,006,255,569</u>	<u>6,372,606,832</u>

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2016, out of the Group's advances to associates net of allowance, HK\$688,741,670 (*30th June, 2016: HK\$1,735,951,345*) bear interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$4,317,513,899 (*30th June, 2016: HK\$4,636,655,487*) is interest-free. The effective interest rate for imputed interest income for the interest-free loan is determined based on the cost-of-funds of the borrowers per annum. In the opinion of the Directors, the Group will not demand for repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

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

The amounts due from associates of the Group grouped under current assets are unsecured, interest-free and are expected to be repaid within one year from the end of the reporting period.

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

On 19th October, 2015, the Group entered into a disposal agreement with an independent third party (the “Purchaser”) for the sale of a wholly-owned subsidiary of Sino Land Company Limited (“Sino Land”) and assignment of shareholder’s loan for an aggregate cash consideration of HK\$3,500,000,000. The wholly-owned subsidiary holds 50% equity interest in an associate of the Group, which indirectly owns 100% interest in a project company which owns, develops and operates a property development project in Chongqing, the PRC. The accumulated payment in total of HK\$1,750,000,000, being 50% of the total consideration, was paid by the Purchaser as at 31st December, 2016. 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.

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

	31st December, 2016	30th June, 2016
	HK\$	HK\$
Interests in joint ventures:		
Unlisted shares	411,134,544	423,859,973
Share of post-acquisition profits, net of dividends received	2,826,700,420	2,776,566,623
	<u>3,237,834,964</u>	<u>3,200,426,596</u>
Advances to joint ventures	<u>2,410,276,930</u>	<u>966,095,260</u>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2016, out of the Group’s advances to joint ventures, HK\$559,531,974 (30th June, 2016: HK\$597,102,205) bear interest at effective rate determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$1,850,744,956 (30th June, 2016: HK\$368,993,055) 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

16. ACCOUNTS AND OTHER RECEIVABLES

At 31st December, 2016, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$1,315,765,575 (30th June, 2016: HK\$1,681,010,701), of which HK\$1,122,593,780 (30th June, 2016: HK\$1,537,371,655) are to be settled based on the terms of sales and purchase agreements of property. Rental receivables are billed and payable in advance by tenants. Trade receivables mainly comprise rental receivables and properties sales receivables.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts) at the end of the reporting period. The amounts not yet due represent considerations receivable in respect of sold properties payable by the purchasers. The amounts overdue mainly represent rental receivables billed on a monthly basis and payable by the tenants in advance of the rental periods.

	31st December, 2016 HK\$	30th June, 2016 HK\$
Not yet due	1,122,593,780	1,537,371,655
Overdue:		
1 – 30 days	69,673,760	87,785,375
31 – 60 days	55,467,383	16,251,136
61 – 90 days	10,619,296	9,668,844
Over 90 days	57,411,356	29,933,691
	<u>1,315,765,575</u>	<u>1,681,010,701</u>

Other receivables mainly comprise receivables in relation to rental, utilities and other deposits paid of approximately HK\$169,000,000 (30th June, 2016: HK\$162,000,000), prepayments for operating expenses of approximately HK\$56,000,000 (30th June, 2016: HK\$77,000,000) and interest receivables of approximately HK\$111,000,000 (30th June, 2016: HK\$87,000,000).

17. ACCOUNTS AND OTHER PAYABLES

At 31st December, 2016, included in accounts and other payables of the Group are trade payables of HK\$177,730,334 (30th June, 2016: HK\$206,305,733).

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

	31st December, 2016 HK\$	30th June, 2016 HK\$
0 – 30 days	132,244,582	108,365,035
31 – 60 days	26,797,265	59,589,950
61 – 90 days	5,881,551	1,559,204
Over 90 days	12,806,936	36,791,544
	<u>177,730,334</u>	<u>206,305,733</u>

Other payables mainly comprise construction cost payable of approximately HK\$1,393,000,000 (30th June, 2016: HK\$982,000,000), rental and utilities deposits received of approximately HK\$998,000,000 (30th June, 2016: HK\$917,000,000) and rental receipt in advance of approximately HK\$161,000,000 (30th June, 2016: HK\$145,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

18. BANK AND OTHER BORROWINGS

During the six months ended 31st December, 2016, the Group obtained a new bank loan amounting to HK\$811,000,000 (six months ended 31st December, 2015: nil). All of the bank borrowings carry contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offer Rate or Singapore Interbank Offer Rate plus a margin per annum.

On 21st September, 2012, Sino Land through a wholly-owned subsidiary, Sino (MTN) Limited, issued guarantee notes with an aggregate principal amount of US\$500,000,000 (equivalent to approximately HK\$3,877,250,000). The notes bear fixed interest rate at 3.25% per annum payable semi-annually in arrears. The notes are guaranteed by Sino Land and will mature on 21st September, 2017. The notes are classified as current liabilities as at 31st December, 2016.

19. SHARE CAPITAL

	2016		2015	
	Number of ordinary shares	Share capital HK\$	Number of ordinary shares	Share capital HK\$
Ordinary shares issued and fully paid with no par value:				
At 1st July	1,705,852,938	9,719,312,922	1,666,928,566	8,869,463,206
Issue of shares in lieu of cash dividend	29,348,551	644,787,665	28,496,903	630,351,494
	<u>1,735,201,489</u>	<u>10,364,100,587</u>	<u>1,695,425,469</u>	<u>9,499,814,700</u>
At 31st December	1,735,201,489	10,364,100,587	1,695,425,469	9,499,814,700

On 8th December, 2016, the Company issued and allotted a total of 29,348,551 ordinary shares at an issue price of HK\$21.97 per ordinary share in lieu of cash for the 2016 final dividend.

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

20. ADVANCES FROM ASSOCIATES

The advances from associates of the Group are unsecured, interest-free and have no fixed repayment terms. The associates agreed not to demand repayment within the next twelve months from the end of the reporting period. The effective interest rate for imputed interest expense for the interest-free loan is determined based on the cost-of-funds of the Group per annum.

21. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$14,422,416 (30th June, 2016: HK\$16,576,710) are unsecured, bear interest ranging from 1% to 6.25% (30th June, 2016: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$653,118,039 (30th June, 2016: HK\$473,724,765) is unsecured and interest-free. The non-controlling interests agreed not to demand repayment within the next twelve months from the end of the reporting period and the advances are therefore shown as non-current.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the six months ended 31st December, 2016

22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

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

	31st December, 2016		30th June, 2016	
	Level 1	Total	Level 1	Total
	HK\$	HK\$	HK\$	HK\$
Available-for-sale investments:				
Equity securities listed in Hong Kong	587,164,951	587,164,951	465,515,859	465,515,859
Equity securities listed outside Hong Kong	203,251,104	203,251,104	224,332,947	224,332,947
Trading securities:				
Equity securities listed in Hong Kong	9,512,329	9,512,329	9,003,213	9,003,213
Equity securities listed outside Hong Kong	3,653,054	3,653,054	3,793,692	3,793,692
Total	803,581,438	803,581,438	702,645,711	702,645,711

23. PLEDGE OF ASSETS

- (a) At 31st December, 2016, the aggregate facilities of bank loans granted to the Group amounting to HK\$417,046,500 (30th June, 2016: HK\$576,575,000) were secured by certain of the Group's assets amounting to a total carrying amount of HK\$1,649,165,081 (30th June, 2016: HK\$1,793,851,313). At that date, the facilities were utilised by the Group to the extent of HK\$417,046,500 (30th June, 2016: HK\$576,575,000).

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

	31st December, 2016 HK\$	30th June, 2016 HK\$
Investment properties	200,503,125	216,215,625
Hotel properties	752,505,006	819,502,035
Prepaid lease payments	696,156,950	758,133,653
	1,649,165,081	1,793,851,313

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2016

23. PLEDGE OF ASSETS (Continued)

- (b) At 31st December, 2016, shares in certain associates and a joint venture with aggregate investment costs amounting to HK\$36 (30th June, 2016: HK\$36), advances to certain associates and a joint venture in aggregate amounting to approximately HK\$2,076,284,000 (30th June, 2016: HK\$1,971,333,000) 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 24.

24. CONTINGENT LIABILITIES

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

	31st December, 2016 HK\$	30th June, 2016 HK\$
Guarantees given to banks in respect of:		
Banking facilities of associates attributable to the Group		
– Utilised	588,702,007	907,521,893
– Unutilised	709,123,019	979,678,107
	<u>1,297,825,026</u>	<u>1,887,200,000</u>
Mortgage loans granted to property purchasers	<u>805,082,914</u>	<u>1,022,802,309</u>

At 31st December, 2016 and 30th June, 2016, 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 each reporting period.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 9th March, 2017 to Monday, 13th March, 2017, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Monday, 13th March, 2017.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share Registrars, Tricor Friendly Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 8th March, 2017.

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

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

DIRECTORS' INTERESTS

As at 31st December, 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 Securities and Futures Ordinance ("SFO")), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

(A) Long Positions in Shares of the Company

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	1,250,092,429 <i>(Note)</i>	Beneficial owner of 671,335 shares and trustee interest in 1,249,421,094 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.04%
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 1,249,421,094 shares comprises:

- (a) 1,150,813,591 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 119,281,806 shares by Fanlight Investment Limited, 161,644,248 shares by Nippomo Limited, 3,714,414 shares by Orient Creation Limited, 317,920,220 shares by Strathallan Investment Limited, 474,423,302 shares by Tamworth Investment Limited and 73,829,601 shares by Transpire Investment Limited; and*
- (b) 98,607,503 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.*

DIRECTORS' INTERESTS (Continued)

(B) Long Positions in Shares of Associated Corporations

(i) Subsidiary

Sino Land Company Limited

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	3,415,413,686 (Note)	Beneficial owner of 195,904 shares, spouse interest in 4,191,806 shares and trustee interest in 3,411,025,976 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	54.55%
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	112,293	Beneficial owner	≈0%

Note:

The trustee interest in 3,411,025,976 shares comprises:

- (a) 1,458,724,438 shares which were held by Tsim Sha Tsui Properties Limited, which was 72% 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) 1,754,470,942 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 110,286,244 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 181,481 shares by Fanlight Investment Limited, 176,337 shares by Garford Nominees Limited, 39,683,226 shares by Karaganda Investments Inc., 17,115,205 shares by Orient Creation Limited, 8,318,405 shares by Strathallan Investment Limited, 25,071,830 shares by Strong Investments Limited, 19,212,590 shares by Tamworth Investment Limited and 527,170 shares by Transpire Investment Limited; and
- (d) 39,376,504 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

DIRECTORS' INTERESTS (Continued)

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

(ii) Associates and joint ventures

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

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

Notes:

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.

DIRECTORS' INTERESTS (Continued)

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

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 31st December, 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	1,252,003,126 <i>(Notes 1, 2, 3 and 4)</i>	Interest of controlled corporations in 2,582,032 shares and trustee interest in 1,249,421,094 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.15%
Mr. Robert Ng Chee Siong	1,250,092,429 <i>(Notes 2, 3 and 4)</i>	Beneficial owner of 671,335 shares and trustee interest in 1,249,421,094 shares of the Company in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.04%
Tamworth Investment Limited	474,423,302 <i>(Note 3)</i>	Beneficial owner	27.34%
Strathallan Investment Limited	317,920,220 <i>(Note 3)</i>	Beneficial owner	18.32%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Nippomo Limited	161,644,248 <i>(Note 3)</i>	Beneficial owner	9.31%
Fanlight Investment Limited	119,281,806 <i>(Note 3)</i>	Beneficial owner	6.87%

SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS (Continued)

Long Positions in Shares of the Company (Continued)

Notes:

1. 2,582,032 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 2,249,504 shares by Far East Ventures Pte. Ltd. and 332,528 shares by Western Properties Pte Ltd.
2. The trustee interest in 1,249,421,094 shares comprises:
 - (a) 1,150,813,591 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 119,281,806 shares by Fanlight Investment Limited, 161,644,248 shares by Nippomo Limited, 3,714,414 shares by Orient Creation Limited, 317,920,220 shares by Strathallan Investment Limited, 474,423,302 shares by Tamworth Investment Limited and 73,829,601 shares by Transpire Investment Limited; and
 - (b) 98,607,503 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.
3. The interests of Tamworth Investment Limited, Strathallan Investment Limited, Nippomo Limited and Fanlight Investment Limited were duplicated in the interests of the co-executors of the estate of the late Mr. Ng Teng Fong.
4. The interests of Mr. Philip Ng Chee Tat and Mr. Robert Ng Chee Siong as the co-executors of the estate of the late Mr. Ng Teng Fong refer to the same parcel of shares and were duplicated.

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

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31st December, 2016, the Company owned 52.09% share interests in Sino Land Company Limited ("Sino Land"). On a consolidated basis, the Company also had a general disclosure obligation under Rule 13.22 of the Listing Rules with respect to the advances to, and guarantees given for the benefits of its affiliated companies by the Company (through Sino Land and/or its subsidiaries). In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following statement of indebtedness, capital commitments and contingent liabilities reported on by the affiliated companies of Sino Land and/or its subsidiaries as at the end of the most recent financial period.

	At 31st December, 2016 HK\$	At 30th June, 2016 HK\$
Sino Land's share of total indebtedness of its affiliated companies		
– Bank loans	1,290,710,367	1,707,790,644
Advances from Sino Land and its subsidiaries	10,387,295,207	9,081,238,087
	<u>11,678,005,574</u>	<u>10,789,028,731</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.

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

Directors' Updated Biographical Details

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

Dr. Allan Zeman

- ceased as a member of the Board of Directors of West Kowloon Cultural District Authority and the Chairman of its Performing Arts Committee.

Mr. Adrian David Li Man-kiu

- retired as a member of the All-China Youth Federation; and
- retired as Deputy Chairman of the Beijing Youth Federation.

Mr. Daryl Ng Win Kong

- conferred Honorary University Fellowship by The Open University of Hong Kong;
- appointed as a Council Member of the Hong Kong Committee for UNICEF;
- appointed as a Council Member of The Hong Kong Management Association;
- appointed as a member of NUS Medicine International Council at the Yong Loo Lin School of Medicine of National University of Singapore; and
- appointed as a member of the Board of M Plus Museum Limited.

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

Directors' Emoluments

During the interim period, the Executive Director Mr. Daryl Ng Win Kong received a discretionary bonus in the amount of HK\$716,360 from the Company's subsidiary, Sino Land, for which he is one of the Executive Directors.

The basis of determining the Directors' emoluments (including bonus payments) remain unchanged during the six months ended 31st December, 2016.

Save as disclosed above, as at 31st December, 2016, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REMUNERATION COMMITTEE

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

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee either determines or makes recommendations to the Board on the remuneration package of individual Executive Directors and senior management, and it also makes recommendations to the Board on the remuneration of Non-Executive Directors. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

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

NOMINATION COMMITTEE

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

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. Its duties include making recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors, and regularly reviewing the time required from a Director to perform his responsibilities. The Committee is also responsible for assessing the independence of Independent Non-Executive Directors and reviewing their annual confirmations on independence. The Committee meets at least once a year and is provided with sufficient resources enabling it to discharge its duties.

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

AUDIT COMMITTEE

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

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

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

In the first quarter of 2017, the Audit Committee has reviewed the accounting policies and practices adopted by the Company and the interim report for the six months ended 31st December, 2016.

COMPLIANCE COMMITTEE

The Company has set up its Compliance Committee with written terms of reference to enhance the corporate governance standard of the Company. The Compliance 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.

CODES FOR DEALING IN THE COMPANY'S SECURITIES

The Company has adopted its own code for dealing in the Company's securities by Directors ("Directors Dealing Code") on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries of all Directors who held such offices during the period under review. All of them confirmed their compliance with the required standard set out in the Directors Dealing Code during the six months ended 31st December, 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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2016, the Company has complied with all the code provisions as set out in Appendix 14 to the Listing Rules, except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

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

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 22nd February, 2017

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF TSIM SHA TSUI PROPERTIES LIMITED

Introduction

We have reviewed the condensed consolidated financial statements of Tsim Sha Tsui Properties Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 12 to 31, which comprise the condensed consolidated statement of financial position as of 31st December, 2016 and the related condensed consolidated statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

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

Conclusion

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22nd February, 2017

