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(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present 2018/2019 Annual Report to the shareholders.

FINAL RESULTS

The Group's reported net profit attributable to shareholders for the year ended 30th June, 2019 ("Financial Year") was HK\$3,714.7 million compared to HK\$3,981.1 million last year excluding the one-off gain from disposal of 80% interest in its property development project The Palazzo, Chengdu. Net profit for the year ended 30th June, 2018 ("Last Financial Year") was HK\$7,328.0 million and included a one-off gain on disposal of subsidiary of HK\$2,949.4 million and a fair value gain on the 20% interest retained of HK\$397.5 million.

Earnings per share for the Financial Year was HK\$2.03 (2017/2018: HK\$4.14). The reported profit for the Financial Year included a revaluation surplus (net of deferred taxation) on investment properties of HK\$1,298.2 million compared with a revaluation surplus (net of deferred taxation) of HK\$1,149.1 million for the Last Financial Year.

The Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the Financial Year was HK\$2,508.6 million compared to HK\$2,934.8 million last year excluding the one-off gain from The Palazzo, Chengdu. Underlying profit for the Last Financial Year was HK\$5,884.2 million, restated. Underlying earnings per share was HK\$1.37 (2017/2018: HK\$3.32, restated).

DIVIDENDS

The Directors have resolved to recommend a final dividend of 41 cents per share in respect of the year ended 30th June, 2019 to shareholders whose names appear on the Register of Members of the Company on 31st October, 2019. Together with the interim dividend of 14 cents per share paid on 24th April, 2019, the total dividend for the full financial year is 55 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 24th October, 2019; 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 7th November, 2019. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 4th December, 2019.

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, 2019, Tsim Sha Tsui Properties Limited had 53.95% interest in Sino Land. Therefore, for discussion purposes, the focus here will be on the operations of Sino Land.

(1) Sales Activities

Sino Land’s total revenue from property sales for the Financial Year, including property sales of associates and joint ventures recognised by the Group, was HK\$2,986.5 million (2017/2018 : HK\$8,890.5 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in Commune Modern in Fanling (98% sold), The Spectra in Yuen Long (99% sold), Marinella (99% sold) and Providence Bay in Pak Shek Kok (99% sold) as well as the sales of carparking spaces in Mayfair By The Sea I and II, The Coronation, The Mediterranean and The Spectra. In respect of the sales of the commercial project at 38 Wai Yip Street in Kowloon East (49% sold), the Group obtained the Certificate of Compliance for the project on 27th June, 2019. In accordance with the Group’s change in accounting policy on revenue recognition from property sales, earnings derived from this project will be recognised in the next financial year.

During the Financial Year, Sino Land launched three residential projects for sale, namely Grand Central in Kwun Tong which has 1,999 residential units (82% sold), Mayfair By The Sea 8 in Pak Shek Kok which has 528 residential units (76% sold) and Madison Park in Cheung Sha Wan which has 100 residential units (70% sold). To date, attributable revenue from property sales derived from Grand Central, Mayfair By The Sea 8 and Madison Park amounted to approximately HK\$22.4 billion.

(2) Land Bank

As at 30th June, 2019, Sino Land has a land bank of approximately 22.1 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 39.4% is commercial; 37.1%

residential; 11.0% industrial; 7.1% car parks and 5.4% hotels. In terms of breakdown of the land bank by status, 9.3 million square feet were properties under development, 11.9 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.

During the Financial Year, Sino Land obtained the right to develop a residential project at LOHAS Park in Tseung Kwan O from MTR Corporation Limited (also known as LOHAS Park Package Eleven Property Development) with attributable floor area of approximately 382,587 square feet and acquired a site from the HKSAR Government with attributable floor area of approximately 11,582 square feet. Details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. Site C2 of The Remaining Portion of Tseung Kwan O Town Lot No. 70 LOHAS Park Package Eleven Property Development, Tseung Kwan O, New Territories, Hong Kong	Residential	Joint Venture	382,587
2. Lot No. 765 in Demarcation District No. 332 South Lantau Road, Cheung Sha, Lantau Island, New Territories, Hong Kong	Residential	100%	11,582
			394,169

Subsequent to the Financial Year, Sino Land acquired 30% equity interest in a commercial project in Qianhai, Shenzhen in July 2019 with attributable floor area of 258,336 square feet. 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)
Lot No. T102-0261 Land Parcel 03, Unit 7, Qianwan Area, Qianhai, Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, People's Republic of China	Commercial	30%	258,336

(3) Property Development

During the Financial Year, the Group obtained Certificates of Compliance for three projects, namely Commune Modern, 38 Wai Yip Street and The Hillside. Details of the three projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. Commune Modern 28 Wo Fung Street, Luen Wo Hui, Fanling, New Territories, Hong Kong	Residential/ Commercial/ Car Park	100%	209,909
2. NKIL 6313 38 Wai Yip Street, Kowloon Bay, Kowloon, Hong Kong	Commercial	30%	147,040
3. The Hillside 9 Sik On Street, Wan Chai, Hong Kong	Residential	100%	11,195
			368,144

(4) Rental Activities

For the Financial Year, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 3.8% to HK\$4,239.9 million (2017/2018: HK\$4,082.5 million) and net rental income increased 3.1% to HK\$3,685.2 million (2017/2018: HK\$3,572.0 million). Overall occupancy of Sino Land's investment property portfolio was at approximately 96% (2017/2018: 96%) for the Financial Year.

Sino Land's retail portfolio in Hong Kong recorded an increase in rental income with overall occupancy rate maintained at approximately 97% (2017/2018: 97%) for the Financial Year. 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 96% (2017/2018: 96%) for the Financial Year. Leasing performance of Sino Land's industrial portfolio saw a steady rental growth with slight improvement in the occupancy rate to approximately 94% (2017/2018: 93%).

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 2019, Sino Land has approximately 11.9 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 61.6%, industrial 14.7%, car parks 13.2%, hotels 7.7%, and residential 2.8%.

(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 Financial 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.

(6) Mainland China Business

On 8th April, 2019, National Development and Reform Commission ("NDRC") under the State Council released a policy to remove restrictions for household restriction or Hukou in cities with an urban population of 1 million to 3 million. This will enable workers who have migrated from rural areas to urban cities to be entitled to social benefits including health care and education as well as the right to purchase property in cities where they reside. This is part of China's reform on the Hukou registration system to facilitate Central Government's countrywide urbanisation plan. The reform of the Hukou system is positive for the housing market in Mainland China.

As at 30th June 2019, Sino Land has approximately 5.3 million attributable square feet of land bank in Mainland China. Of the total, approximately 4.3 million square feet are projects under development. These projects include 100% interest in Dynasty Park in Zhangzhou, 50% interest in a serviced apartment project in Qianhai and 20% interest in The Palazzo in Chengdu. Subsequent to the Financial Year, Sino Land acquired 30% equity interest in a new commercial development site located in Qianwan Area in Qianhai in July 2019. Including this site, total attributable floor area for the projects under development in Mainland China would be approximately 4.5 million square feet.

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, 2018.

FINANCE

As at 30th June, 2019, the Group had cash and bank deposits of HK\$39,231.4 million. After netting off total borrowings of HK\$6,460.3 million, the Group had net cash of HK\$32,771.1 million as at 30th June, 2019. Of the total borrowings, 1.7% was repayable within one year, 45.9% repayable between one and two years and the remaining between two and four years. The Group's borrowings are all subject to floating interest rates.

As at 30th June, 2019, the majority of the Group's debts are denominated in Hong Kong dollars, with a portion in Australian dollars, mainly used to fund the project in Sydney. 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. The majority of the Group's cash are denominated in Hong Kong dollars with a portion in 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.

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, volunteer services, green initiatives, arts and cultural events and staff engagement activities to promote sustainability, environmental protection, arts and culture. 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 selected as a constituent company of the Hang Seng Corporate Sustainability Index Series since September 2012.

During the Financial Year, Sino Land published the Sustainability Review 2018, the annual update of sustainability efforts, demonstrating our commitment to building a more sustainable future. The Report has been prepared in accordance with Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' (ESG Guide) set out in Appendix 27 to the Main Board Listing Rules.

In a further effort to promote sustainability, Sino Land launched a structured tree recycling/upcycling scheme in September 2018 to make better use of these precious resources. About 190 trees have been collected from eight construction sites and 16 properties under Sino Land's management. Twigs and branches have been processed into mulch and compost that can be applied in the landscaped areas of Sino Land's properties. Some trunks and logs have been collected for upcycling to make furniture and art pieces.

In March 2008, the Ng Family 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 and it has been operating as a non-profit-making social enterprise since March 2012. Named Tai O Heritage Hotel ('Hotel'), it is home to nine colonial-style rooms and suites, and is part of the HKSAR Government's 'Revitalising Historic Buildings Through Partnership Scheme'. The Hotel has received more than 1.2 million visitors and guests from Hong Kong and overseas since opening. It provides long-term employment opportunities for Tai O and Lantau residents, and has organised more than 100 community engagement programmes including cultural activities, community services and home care services for the elderly living in Tai O. The Hotel won Merit Award at the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation', becoming the first UNESCO-awarded hotel in Hong Kong.

PROSPECTS

The residential property market in Hong Kong was stable in the first half of 2019 despite increasing uncertainties in the global economy. With a slower pace of growth expected in Hong Kong's economy in the second half of 2019, the residential property market remains fundamentally sound due to keen demand and potential interest rate cuts in the United States. Going forward, the Greater Bay Area ("GBA") and Belt and Road Initiative will be the growth drivers for China and create business opportunities for Hong Kong.

Hong Kong has faced challenges since June this year and the economy has been impacted by internal and external problems. In the last two months, there have been rallies which have affected businesses, tourism and retail business. We sincerely hope that the disruption can settle down quickly and society can return to peace and harmony. We are confident in Hong Kong's solid foundation and resilience. Management will closely monitor the situation and minimise the impact arising therefrom by taking necessary and appropriate measures.

Central Government has recently announced a plan to transform Shenzhen into a pilot demonstration area of socialism with Chinese characteristics with a view to developing Shenzhen into a leading and model city in the world focusing on research and development, industrial innovation, medical technology, public services and ecological environment. This plan for Shenzhen will also be incorporated in the Central Government's framework for developing the GBA integrating all the key cities in the area through a better flow of people, capital, technology and information. Hong Kong is closest proximity to Shenzhen, and reforms for

Shenzhen would be positive for both cities and bring complementary benefits to Hong Kong, particularly in technology innovation. Hong Kong can capitalise on its strengths and contribute positively to this national initiative. The economic growth generated from the plan will benefit Hong Kong and expedite its expansion within the GBA.

Sino Land will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. Sino Land's recurrent businesses, which comprise property leasing, hospitality and property management services, continue to contribute stable stream of income. In respect of property sales, Sino Land has a strong pipeline of property projects under development which will be launched for sale over the next few years. Management of Sino Land shall maintain a policy of selectively and continuously replenishing its land bank, which will enable it to strengthen earnings and shareholders' value. The Group is cautiously optimistic on the outlook of the property market in Hong Kong. With a good financial position and sustainable business strategy, Sino Land is well placed to respond to the changing economic environment and upcoming challenges.

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, 29th August, 2019



TSIM SHA TSUI PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

FINAL RESULTS

The audited results of the Group for the year ended 30th June, 2019 are as follows:

Consolidated Statement of Profit or Loss

	Notes	2019 HK\$	2018 HK\$
Revenue	2	8,060,213,837	10,780,571,217
Cost of sales		(1,319,224,798)	(3,659,505,877)
Direct expenses		(2,231,445,443)	(2,242,895,517)
Gross profit		4,509,543,596	4,878,169,823
Change in fair value of investment properties		1,965,519,436	927,408,331
Other income and other gains or losses		100,888,384	712,983,116
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		1,150,475	425,580
Gain on disposal of investment properties		77,044,126	25,359,937
Gain on disposal of a subsidiary		49,855,396	7,054,614,889
Administrative expenses		(940,883,876)	(825,743,190)
Other operating expenses		(205,302,589)	(187,913,531)
Finance income		645,407,980	565,825,835
Finance costs		(147,842,886)	(111,465,973)
Less: interest capitalised		74,471,973	46,634,202
Finance income, net		572,037,067	500,994,064
Share of results of associates	3	1,378,020,003	2,358,377,030
Share of results of joint ventures	4	216,478,417	227,880,222
Profit before taxation	5	7,724,350,435	15,672,556,271
Income tax expense	6	(716,425,009)	(1,636,254,440)
Profit for the year		7,007,925,426	14,036,301,831
Attributable to:			
The Company's shareholders		3,714,769,199	7,328,005,075
Non-controlling interests		3,293,156,227	6,708,296,756
		7,007,925,426	14,036,301,831
Interim dividend at HK14 cents (2018: HK13 cents) per share		257,848,747	230,442,412
Special dividend at Nil (2018: HK45 cents) per share		-	797,685,273
Proposed final dividend at HK41 cents (2018: HK40 cents) per share		759,176,931	725,626,212
Earnings per share (reported earnings per share)			
– basic	7(a)	2.03	4.14
Earnings per share (underlying earnings per share)			
– basic	7(b)	1.37	3.32

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2019 HK\$	2018 HK\$
Profit for the year	<u>7,007,925,426</u>	<u>14,036,301,831</u>
Other comprehensive (expense) income		
<i>Item that will not be reclassified to profit or loss:</i>		
Change in fair value of equity instruments at fair value through other comprehensive income (“FVTOCI”)	<u>(86,317,377)</u>	<u>-</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Change in fair value of available-for-sale investments	-	(18,924,118)
Exchange differences arising on translation of foreign operations	<u>(292,962,821)</u>	<u>49,426,620</u>
	<u>(292,962,821)</u>	<u>30,502,502</u>
<i>Items that have been reclassified to profit or loss:</i>		
Reserve released upon disposal of a subsidiary	-	(238,051,292)
Reserve released upon disposal of an associate	-	(250,654,404)
	-	(488,705,696)
Other comprehensive expense for the year	<u>(379,280,198)</u>	<u>(458,203,194)</u>
Total comprehensive income for the year	<u>6,628,645,228</u>	<u>13,578,098,637</u>
Total comprehensive income attributable to:		
The Company’s shareholders	<u>3,509,964,750</u>	7,084,569,006
Non-controlling interests	<u>3,118,680,478</u>	6,493,529,631
	<u>6,628,645,228</u>	<u>13,578,098,637</u>

Consolidated Statement of Financial Position
At 30th June, 2019

	<i>Note</i>	2019 HK\$	2018 HK\$
Non-current assets			
Investment properties		65,035,087,581	62,712,904,952
Hotel properties		1,892,461,633	1,914,892,089
Property, plant and equipment		219,848,019	239,060,406
Goodwill		739,233,918	739,233,918
Prepaid lease payments – non-current		1,103,916,724	1,118,004,432
Interests in associates		21,977,291,368	20,190,218,736
Interests in joint ventures		3,344,737,242	3,262,044,031
Equity instruments at FVTOCI		866,712,547	-
Available-for-sale investments		-	922,235,235
Advances to associates		2,051,559,285	2,858,796,861
Advances to joint ventures		7,505,992,744	10,843,649,095
Long-term loans receivable		2,245,722,825	1,841,372,646
Other assets		615,000	-
		<u>106,983,178,886</u>	<u>106,642,412,401</u>
Current assets			
Properties under development		25,866,538,169	24,892,353,735
Stocks of completed properties		1,825,625,869	2,231,970,767
Hotel inventories		21,276,567	20,933,472
Prepaid lease payments – current		20,135,984	20,027,636
Financial assets at FVTPL		17,371,656	16,066,229
Amounts due from associates		3,375,515,148	305,893,240
Amounts due from joint ventures		2,895,614,759	2,318,510,095
Amounts due from non-controlling interests		75,505,655	65,763,095
Trade and other receivables	8	1,245,519,362	1,019,934,363
Current portion of long-term loans receivable		80,941,385	63,369,452
Taxation recoverable		149,887,249	139,032
Restricted bank deposits		383,731,024	433,845,692
Time deposits		27,322,778,220	18,576,153,985
Bank balances and cash		11,524,945,562	3,523,526,988
		<u>74,805,386,609</u>	<u>53,488,487,781</u>

Consolidated Statement of Financial Position – continued
At 30th June, 2019

	<i>Note</i>	2019 HK\$	2018 HK\$
Current liabilities			
Trade and other payables	9	4,994,664,419	5,971,868,115
Contract liabilities		16,208,373,613	-
Deposits received on sales of properties		-	1,325,650,079
Amounts due to associates		2,637,954,369	2,364,904,027
Amounts due to joint ventures		-	65,945
Amounts due to non-controlling interests		881,155,371	36,094,469
Taxation payable		738,324,928	1,788,283,932
Bank borrowings			
– due within one year		-	719,684,111
Other loans – unsecured		110,207,809	107,799,925
		<u>25,570,680,509</u>	<u>12,314,350,603</u>
Net current assets		<u>49,234,706,100</u>	<u>41,174,137,178</u>
Total assets less current liabilities		<u>156,217,884,986</u>	<u>147,816,549,579</u>
Capital and reserves			
Share capital		13,285,452,664	12,308,150,098
Reserves		64,551,971,946	61,738,785,895
Equity attributable to the Company's shareholders		<u>77,837,424,610</u>	<u>74,046,935,993</u>
Non-controlling interests		67,840,852,670	65,907,528,744
Total equity		<u>145,678,277,280</u>	<u>139,954,464,737</u>
Non-current liabilities			
Long-term bank borrowings			
– due after one year		5,026,688,387	1,656,000,000
Other loans – due after one year		1,323,425,929	1,312,724,719
Deferred taxation		2,460,823,898	2,402,470,128
Advances from associates		1,622,090,423	1,261,934,843
Advances from non-controlling interests		106,579,069	1,228,955,152
		<u>10,539,607,706</u>	<u>7,862,084,842</u>
		<u>156,217,884,986</u>	<u>147,816,549,579</u>

Notes:

1. Basis of preparation

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

The financial information relating to the years ended 30th June, 2019 and 2018 included in this preliminary announcement of annual results does not constitute the Company’s statutory annual consolidated financial statements for those years 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, 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 30th June, 2019 in due course.

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 - 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

1. Basis of preparation – continued

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

Summary of effects arising from initial application of HKFRS 15

The application of HKFRS 15 has no significant impact on the amount of revenue in the current year and retained profits at 1st July, 2018.

The following adjustment was made to the amounts recognised in the consolidated statement of financial position at 1st July, 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 30th June, 2018 HK\$	Reclassification HK\$	Carrying amounts under HKFRS 15 at 1st July, 2018 HK\$
Current liabilities			
Deposits received on sales of properties (<i>Note</i>)	1,325,650,079	(1,325,650,079)	-
Contract liabilities (<i>Note</i>)	-	1,325,650,079	1,325,650,079

Note: At the date of initial application, deposits received on sales of properties of HK\$1,325,650,079 were reclassified to contract liabilities.

The following table summarises the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 30th June, 2019 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	As reported HK\$	Reclassification HK\$	Amounts without application of HKFRS 15 HK\$
Current liabilities			
Deposits received on sales of properties	-	16,208,373,613	16,208,373,613
Contract liabilities	16,208,373,613	(16,208,373,613)	-

1. Basis of preparation – continued

Impacts and changes in accounting policies of application on HKFRS 9 *Financial Instruments*

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and other items subject to expected credit losses (“ECL”) under HKFRS 9 and HKAS 39 at the date of initial application, 1st July, 2018.

	Other assets HK\$	Available-for- sale investments HK\$	Equity instruments at FVTOCI HK\$	Investment revaluation reserve HK\$	Retained profits HK\$
Closing balance at 30th June, 2018					
– HKAS 39	-	922,235,235	-	118,101,444	59,772,513,192
Reclassification from available-for-sale investments (<i>Note a</i>)	615,000	(922,235,235)	921,620,235	(227,773,759)	227,773,759
Opening balance at 1st July, 2018					
– HKFRS 9	615,000	-	921,620,235	(109,672,315)	60,000,286,951

Notes:

(a) *Available-for-sale investments*

The Group elected to present in other comprehensive income for the fair value changes of all its equity investments previously classified as available-for-sale investments. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$921,620,235 was reclassified from available-for-sale investments to equity instruments at FVTOCI. The fair value gains of HK\$118,101,444 relating to those investments continued to accumulate in investment revaluation reserve.

Impairment loss previously recognised on available-for-sale investments now classified as equity instruments at FVTOCI under HKFRS 9 of HK\$227,773,759 was transferred from retained profits to investment revaluation reserve as at 1st July, 2018. In addition, the Group’s club debentures of HK\$615,000 were reclassified from available-for-sale investments to other assets.

(b) *Impairment under ECL model*

As at 1st July, 2018, the Directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The application of the ECL model of HKFRS 9 has no material impact on the accumulated amounts of impairment losses of the Group as at 1st July, 2018 as compared to the accumulated amounts recognised under HKAS 39.

2. 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, being the Directors of the Company, for the purposes of resources allocation and performance assessment.

Segment results

For the year ended 30th June, 2019

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Property						
Property sales	2,541,762,910	827,959,801	444,718,168	216,705,676	2,986,481,078	1,044,665,477
Property rental	3,377,364,145	2,868,840,399	947,002,784	859,888,683	4,324,366,929	3,728,729,082
	5,919,127,055	3,696,800,200	1,391,720,952	1,076,594,359	7,310,848,007	4,773,394,559
Property management and other services	1,097,627,033	218,765,642	124,625,257	32,728,094	1,222,252,290	251,493,736
Hotel operations	933,806,583	349,082,203	419,236,692	188,290,291	1,353,043,275	537,372,494
Investments in securities	48,613,422	48,613,422	3,900	3,900	48,617,322	48,617,322
Financing	61,039,744	61,039,744	14,893,741	14,893,741	75,933,485	75,933,485
	8,060,213,837	4,374,301,211	1,950,480,542	1,312,510,385	10,010,694,379	5,686,811,596

For the year ended 30th June, 2018

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Property						
Property sales	5,478,521,456	1,310,903,127	3,412,001,416	1,123,803,879	8,890,522,872	2,434,707,006
Property rental	3,235,926,767	2,768,902,710	918,784,593	841,065,965	4,154,711,360	3,609,968,675
	8,714,448,223	4,079,805,837	4,330,786,009	1,964,869,844	13,045,234,232	6,044,675,681
Property management and other services	1,078,665,248	253,447,720	105,281,165	17,045,552	1,183,946,413	270,493,272
Hotel operations	889,779,489	319,580,901	454,169,953	230,774,473	1,343,949,442	550,355,374
Investments in securities	43,267,590	43,267,590	3,900	3,900	43,271,490	43,271,490
Financing	54,410,667	54,410,667	13,900,070	13,900,070	68,310,737	68,310,737
	10,780,571,217	4,750,512,715	4,904,141,097	2,226,593,839	15,684,712,314	6,977,106,554

Measurement

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 financial assets at FVTPL, gain on disposal of investment properties, gain on disposal of a subsidiary 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.

2. Operating segments – continued

Reconciliation of profit before taxation

	2019 HK\$	2018 HK\$
Segment profit	5,686,811,596	6,977,106,554
Change in fair value of investment properties	1,965,519,436	927,408,331
Other income and other gains or losses	99,360,397	712,221,567
Change in fair value of financial assets at FVTPL	1,150,475	425,580
Gain on disposal of investment properties	77,044,126	25,359,937
Gain on disposal of a subsidiary	49,855,396	7,054,614,889
Administrative expenses and other operating expenses	(1,007,169,434)	(880,700,081)
Finance income, net	569,790,408	496,456,081
Results shared from associates and joint ventures		
- Other income and other gains or losses	117,140,533	(131,998,448)
- Change in fair value of investment properties	619,869,986	1,518,907,692
- Gain on disposal of investment properties	146,034,360	3,187,350
- Administrative expenses and other operating expenses	(230,876,396)	(220,714,492)
- Finance costs, net	(29,409,561)	(201,019,182)
- Income tax expense	(340,770,887)	(608,699,507)
	281,988,035	359,663,413
Profit before taxation	7,724,350,435	15,672,556,271

During the year ended 30th June, 2019, inter-segment sales of HK\$79,954,549 (2018: HK\$54,318,404) 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.

Geographical information

The Group operates in four principal geographical areas – Hong Kong, the People’s Republic of China (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	
	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$	2019 HK\$	2018 HK\$
Hong Kong	6,721,003,671	8,556,019,018	1,499,351,545	3,873,001,543	81,921,788,877	78,716,048,508
The PRC	263,655,479	1,194,935,309	259,707,011	811,288,985	8,022,935,962	6,996,103,900
Singapore	1,075,554,687	1,029,616,890	-	-	4,160,850,556	4,210,280,600
Australia	-	-	191,421,986	219,850,569	207,001,090	253,925,556
	8,060,213,837	10,780,571,217	1,950,480,542	4,904,141,097	94,312,576,485	90,176,358,564

3. Share of results of associates

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\$500,137,069 (2018: HK\$1,165,421,179) recognised in the statement of profit or loss of the associates.

4. Share of results of joint ventures

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\$91,204,109 (2018: HK\$146,251,675) recognised in the statement of profit or loss of the joint ventures.

5. Profit before taxation

	2019 HK\$	2018 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	20,081,810	19,925,406
Cost of hotel inventories consumed (included in direct expenses)	119,720,659	114,413,780
Cost of properties sold	1,319,224,798	3,659,505,877
Amortisation and depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	122,857,251	110,686,636
Loss on disposal of property, plant and equipment	1,167,883	1,066,218
Property, plant and equipment written off	22,308	400
Impairment loss on trade receivables, net of reversal	2,914,941	860,094
Gain on disposal of an associate (included in other income and other gains or losses)	-	(542,434,342)
	<u>-</u>	<u>(542,434,342)</u>

6. Income tax expense

	2019 HK\$	2018 HK\$
The charge (credit) comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% (2018: 16.5%)	441,748,442	456,144,633
Under(over)provision in previous years	<u>3,188,986</u>	<u>(1,834,021)</u>
	<u>444,937,428</u>	<u>454,310,612</u>
Taxation in other jurisdictions		
Provision for the year	120,431,512	173,763,588
Under(over)provision in previous years	2,113,898	(33,951,541)
Land Appreciation Tax in the PRC	52,905,933	149,428,145
Enterprise Income Tax on the disposals of a subsidiary and an associate	-	692,982,405
	<u>175,451,343</u>	<u>982,222,597</u>
	<u>620,388,771</u>	<u>1,436,533,209</u>
Deferred taxation	<u>96,036,238</u>	<u>199,721,231</u>
	<u>716,425,009</u>	<u>1,636,254,440</u>

Taxation in other jurisdictions is provided for in accordance with the respective local tax requirements.

7. 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:

	2019 HK\$	2018 HK\$
Earnings for the purpose of basic earnings per share	<u>3,714,769,199</u>	<u>7,328,005,075</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,831,696,731</u>	<u>1,768,572,376</u>

7. 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\$2,508,693,897 (2018: HK\$5,884,235,351 (restated)) is also presented, excluding the net effect of changes in fair value of investment properties of the Group and its associates and joint ventures and fair value adjustment of the residual interest arising from the disposal of a subsidiary, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.

A reconciliation of profit is as follows:

	2019	2018
	HK\$	HK\$
Earnings for the purpose of basic earnings per share	<u>3,714,769,199</u>	<u>7,328,005,075</u>
Change in fair value of investment properties	(1,965,519,436)	(927,408,331)
Effect of corresponding deferred taxation charges	82,012,224	36,890,999
Share of results of associates		
- Change in fair value of investment properties	(528,665,877)	(1,372,656,017)
- Effect of corresponding deferred taxation charges	28,528,808	207,234,838
Share of results of joint ventures		
- Change in fair value of investment properties	<u>(91,204,109)</u>	<u>(146,251,675)</u>
	(2,474,848,390)	(2,202,190,186)
Amount attributable to non-controlling interests	<u>1,176,577,253</u>	<u>1,053,044,223</u>
Unrealised change in fair value of investment properties attributable to the Company's shareholders	(1,298,271,137)	(1,149,145,963)
Realised fair value gain on investment properties disposed of during the year, net of taxation	156,618,785	10,571,827*
Fair value gain on the residual interest arising from the disposal of a subsidiary	-	(761,878,226)
Realised fair value gain on the disposal of a subsidiary upon sales of the underlying properties in current year	15,256,374	186,543,583*
Amount attributable to non-controlling interests	<u>(79,679,324)</u>	<u>270,139,055</u>
	(1,206,075,302)	(1,443,769,724)
Underlying profit attributable to the Company's shareholders	<u>2,508,693,897</u>	<u>5,884,235,351</u>

* The comparative underlying profit and underlying earnings per share for the year ended 30th June, 2018 have been restated to conform to the current year's presentation basis.

8. Trade and other receivables

At 30th June, 2019, included in trade and other receivables of the Group are trade receivables (net of allowance for credit losses) of HK\$222,735,169 (2018: HK\$210,266,159). Trade receivables mainly comprise rental receivables. Rental receivables are billed and payable in advance by tenants.

The following is an aged analysis of trade receivables (net of allowance for credit losses) at the end of the reporting period:

	2019 HK\$	2018 HK\$
Not yet due	37,026,249	49,837,032
Overdue:		
1-30 days	98,494,874	79,155,994
31-60 days	31,263,713	37,983,474
61-90 days	12,408,794	10,589,347
Over 90 days	43,541,539	32,700,312
	<u>222,735,169</u>	<u>210,266,159</u>

Trade receivables overdue more than 90 days amounting to HK\$43,541,539 (2018: HK\$32,700,312) 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.

9. Trade and other payables

At 30th June, 2019, included in trade and other payables of the Group are trade payables of HK\$119,574,018 (2018: HK\$147,358,510).

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

	2019 HK\$	2018 HK\$
0-30 days	74,284,723	83,702,929
31-60 days	20,597,271	40,952,580
61-90 days	1,329,600	7,503,674
Over 90 days	23,362,424	15,199,327
	<u>119,574,018</u>	<u>147,358,510</u>

10. Pledge of assets

- (a) At 30th June, 2019, certain of the Group's assets with a total carrying amount of HK\$1,746,472,411 (2018: HK\$1,761,551,516) have been pledged to secure banking facilities of the Group.
- (b) At 30th June, 2019, shares in certain associates and joint ventures, advances to certain associates and joint ventures in aggregate carrying amount of approximately HK\$10,025,869,000 (2018: HK\$4,354,618,000) and certain assets of the associates and joint ventures were pledged to or assigned to secure loan facilities made available by banks to such associates and joint ventures. Loan facilities granted to certain associates and joint ventures were jointly guaranteed by Sino Land Company Limited and the other shareholders of the associates and joint ventures.

11. Contingent liabilities

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

	2019	2018
	HK\$	HK\$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures attributable to the Group		
- Utilised	5,488,625,000	2,462,157,872
- Unutilised	2,425,605,000	681,000,000
	<u>7,914,230,000</u>	<u>3,143,157,872</u>
Mortgage loans granted to property purchasers	<u>464,134,435</u>	<u>459,943,156</u>

At 30th June, 2019 and 2018, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to an associate and joint ventures. 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. The amounts of loss allowances determined in accordance with HKFRS 9 (since 1st July, 2018)/ HKAS 37 (before application of HKFRS 9 on 1st July, 2018) at the end of the reporting period are insignificant.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 24th October, 2019, the register of members of the Company will be closed from Monday, 21st October, 2019 to Thursday, 24th October, 2019, 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 Registrars, Tricor Friendly Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 18th October, 2019.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Thursday, 31st October, 2019. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 30th October, 2019 to Thursday, 31st October, 2019, 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 Registrars, Tricor Friendly Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 29th October, 2019.

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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted its own Corporate Governance Code and has complied with all the code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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.

REVIEW OF AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Group for the year ended 30th June, 2019 have been reviewed by the audit committee of the Company.

2019 ANNUAL REPORT

The 2019 annual report containing all the information required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited and the Company's website www.sino.com while printed copies will be sent to shareholders on or about Monday, 23rd September, 2019.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 29th August, 2019

As at the date hereof, the Executive Directors of the Company are Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong, the Non-Executive Director is The Honourable Ronald Joseph Arculli, and the Independent Non-Executive Directors are Dr. Allan Zeman, Mr. Adrian David Li Man-kiu and Mr. Steven Ong Kay Eng.