



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

# 2017-2018 Interim Report

二零一七至二零一八年度  
中期報告



Lee Tung Avenue  
利東街

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## CORPORATE INFORMATION

### **Board of Directors**

Robert Ng Chee Siong, Chairman  
Daryl Ng Win Kong, JP, Deputy Chairman  
Ronald Joseph Arculli, GBM, CVO, GBS, OBE, JP<sup>#</sup>  
Allan Zeman, GBM, GBS, JP<sup>\*</sup>  
Adrian David Li Man-kiu, JP<sup>\*</sup>  
Steven Ong Kay Eng<sup>\*</sup>

(<sup>#</sup> Non-Executive Director)

(<sup>\*</sup> 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**

<b>Closure of Register of Members for dividend entitlement</b>	15th to 19th March, 2018 (both dates inclusive)
<b>Record Date for interim dividend and special dividend entitlement</b>	19th March, 2018
<b>Last Date for lodging forms of election for scrip dividends</b>	11th April, 2018 4:30 p.m.
<b>Interim Dividend</b>	HK13 cents per share
<b>Special Dividend</b>	HK45 cents per share
Payable	23rd April, 2018

### **Principal Bankers**

Bank of China (Hong Kong) Limited  
Hang Seng Bank Limited  
DBS Bank Ltd., Hong Kong Branch  
The Hongkong and Shanghai Banking Corporation Limited  
Industrial and Commercial Bank of China (Asia) Limited  
China Construction Bank (Asia) Corporation Limited  
Bangkok Bank Public Company Limited  
The Bank of East Asia, Limited

### **Investor Relations Contact**

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

### **Registered Office**

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

### **Share Registrars**

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

### **Listing Information**

**Stock Code** 247

## **CHAIRMAN'S STATEMENT**

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

### **INTERIM RESULTS**

The Group's unaudited net profit attributable to shareholders for the six months ended 31st December, 2017 ("Interim Period") was HK\$5,401.1 million (2016: HK\$1,762.6 million). Earnings per share was HK\$3.09 (2016: HK\$1.03). The reported profit for the Interim Period included a revaluation surplus (net of deferred taxation) on investment properties of HK\$453.4 million compared with a revaluation surplus (net of deferred taxation) of HK\$357.4 million for the last period. During the Interim Period, Sino Land Company Limited ("Sino Land") disposed 80% interest in its property development project The Palazzo, Chengdu at a consideration of HK\$10,510.9 million and has recorded 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. Excluding the one-off gain on disposal and fair value gain on the 20% interest retained for The Palazzo, the Group's net profit for the Interim Period would be HK\$2,054.2 million.

The Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the Interim Period and the fair value gain on the 20% interest retained for The Palazzo, was HK\$4,550.2 million (2016: HK\$1,405.2 million). Underlying earnings per share was HK\$2.60 (2016: HK\$0.82). Excluding the one-off gain on disposal, the Group's underlying profit for the Interim Period would be HK\$1,600.8 million.

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.

### **INTERIM DIVIDEND AND SPECIAL DIVIDEND**

The Directors have declared an interim dividend of 13 cents per share payable on 23rd April, 2018 to those shareholders whose names appear on the Register of Members of the Company on 19th March, 2018.

In view of the gain arising from the disposal of Sino Land's 80% interest in the property development project The Palazzo, Chengdu, the Directors have decided to distribute to the shareholders a special dividend of 45 cents per share which will be payable together with the interim dividend to those shareholders whose names appear on the Register of Members of the Company on 19th March, 2018.

## CHAIRMAN'S STATEMENT *(Continued)*

### INTERIM DIVIDEND AND SPECIAL DIVIDEND *(Continued)*

The interim dividend and the special dividend will be payable in cash, but shareholders will be given the option of electing to receive the dividends in the form of new shares in lieu of cash in respect of part or all of such dividends. 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 22nd March, 2018. It is expected that the dividend warrants and share certificates will be despatched to the shareholders on or about 23rd April, 2018.

### REVIEW OF OPERATIONS

The operations under Sino Land represent a substantial portion of the operations of the Group as a whole. As at 31st December, 2017, Tsim Sha Tsui Properties Limited (the "Company") had 52.5% 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, was HK\$4,560.2 million (2016: HK\$9,499.1 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in The Spectra in Yuen Long, Botanica Bay in Lantau, Dragons Range in Kau To, Providence Bay in Pak Shek Kok, Marinella in Aberdeen and Dynasty Park in Zhangzhou, and to date, approximately 97%, 100%, 100%, 99%, 99% and 41% of their respective residential units have been sold.

#### **(2) Land Bank**

As at 31st December, 2017, Sino Land has a land bank of approximately 22.3 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 38.2% is residential; 38.7% commercial; 10.9% industrial; 6.8% car parks and 5.4% hotels. In terms of breakdown of the land bank by status, 9.7 million square feet were properties under development, 11.9 million square feet of properties for investment and hotels, together with 0.7 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 in Hong Kong two sites from the HKSAR Government as well as the development rights of three sites with total attributable floor area of approximately 1.0 million square feet. Details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. Nos. 139 – 147 Argyle Street, Ho Man Tin, Kowloon, Hong Kong	Residential	Joint Venture	309,707
2. AIL 467 (Site B) Wong Chuk Hang Station Package Two Property Development, Aberdeen, Hong Kong	Residential	Joint Venture	246,496
3. NKIL 6549 Off Hing Wah Street West, Cheung Sha Wan, Kowloon, Hong Kong	Residential	22.5%	222,258
4. STTL 611 Whitehead, Ma On Shan, Sha Tin, New Territories, Hong Kong	Residential	100%	119,351
5. KIL 11254 Reclamation Street/Shantung Street, Mongkok, Kowloon, Hong Kong	Residential	Joint Venture	67,322
			<hr/>
			<u>965,134</u>

## CHAIRMAN'S STATEMENT (Continued)

### REVIEW OF OPERATIONS (Continued)

#### (3) Property Development

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

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
1. The Spectra 8 Kwong Yip Street, Yuen Long, New Territories, Hong Kong	Residential	Joint Venture	209,575
2. The Mediterranean 8 Tai Mong Tsai Road, Sai Kung, New Territories, Hong Kong	Residential	100%	249,133
3. Park Mediterranean 9 Hong Tsuen Road, Sai Kung, New Territories, Hong Kong	Residential	100%	173,796
			<hr/>
			632,504

In China, Sino Land completed Phase II of Dynasty Park in Zhangzhou with a total attributable floor area of approximately 1.3 million square feet during the Interim Period. Details of the project are presented as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Floor Area</u> (Square feet)
Dynasty Park No. 298, Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, PRC	Residential/ Commercial	100%	1,352,508
			<hr/>
			1,352,508

## CHAIRMAN'S STATEMENT *(Continued)*

### REVIEW OF OPERATIONS *(Continued)*

#### **(4) Rental Activities**

For the Interim Period, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 2.1% to HK\$2,000.4 million (2016: HK\$1,958.1 million) and net rental income increased 1.8% to HK\$1,747.2 million (2016: HK\$1,715.9 million). Overall occupancy of Sino Land's investment property portfolio was at approximately 96% (2016: 97%) for the Interim Period.

Sino Land's retail portfolio in Hong Kong recorded an increase in rental income with overall occupancy rate at approximately 97% (2016: 97%) for the Interim Period. 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% (2016: 97%) for the Interim Period. Leasing performance of Sino Land's industrial portfolio saw a steady rental growth despite a decrease in overall occupancy rate to approximately 93% (2016: 96%).

Sino Land's investment property portfolio primarily serves the need of its customers which include tenants, shoppers and the communities around the properties. The design and condition of the properties together with the quality of service provided to customers are of paramount importance. To ensure that the properties are in good condition with the proper layout and design, Sino Land would perform regular review of the properties. On service quality, Sino Land places a strong emphasis on regular training particularly for all front-line staff to ensure that the service provided to customers meets their expectations. Comments from customers, reports by silent shoppers and recognitions from professional institutions all play a role in assessing the quality of service delivered by the staff.

As at 31st December, 2017, Sino Land has approximately 11.9 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 62.4%, industrial 14.8%, car parks 12.3%, hotels 7.7%, and residential 2.8%.

## CHAIRMAN'S STATEMENT *(Continued)*

### REVIEW OF OPERATIONS *(Continued)*

#### **(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**

The First Plenary Session of the 19th National Congress of the Communist Party of China ("National Congress") was convened in October, 2017 where a new cabinet of officials of the Central Government was formed. The theme of the National Congress was to continue with the economic goal of building a "moderately prosperous society in all respects" and pursue supply-side structural reforms for better quality of life, higher efficiency and healthy economic growth. In December 2017, the meetings of the Political Bureau of the Communist Party of China Central Committee and the Central Economic Work Conference were convened where the importance of supply-side reforms was reiterated to achieve a balanced economic development and further progress on targeted poverty alleviation and pollution control. With these objectives in the Central Government's policy agenda, efforts will continue to be made on accelerating housing system reform and introducing a housing mechanism with lasting effects and postulating environment protection. These policies will be conducive to building a better economy and society for the best interest of the people.

As at 31st December, 2017, Sino Land has three projects in China with a total of approximately 4.5 million square feet of attributable plot ratio area currently under development. These projects are 100% interest in Dynasty Park in Zhangzhou, 50% interest in a serviced apartment project in Qianhai and 20% interest in The Palazzo in Chengdu.

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, 2017.

## **CHAIRMAN'S STATEMENT** *(Continued)*

### **FINANCE**

As at 31st December, 2017, the Group had cash and bank deposits of HK\$23,155.5 million. After netting off total borrowings of HK\$3,366.7 million, the Group had net cash of HK\$19,788.8 million as at 31st December, 2017. Of the total borrowings, 3.3% was repayable within one year, 47.6% repayable between one and two years and the remaining payable between two and five years.

The majority of the Group's debts are denominated in Hong Kong dollars, with a portion in Singapore and Australian dollars. The Singapore dollars denominated debts are mainly used to fund the projects in Singapore while the Australian dollars denominated debts are 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 Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a portion of Renminbi, Australian dollars and US dollars. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

### **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.

## CHAIRMAN'S STATEMENT *(Continued)*

### CORPORATE SOCIAL RESPONSIBILITY

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

During the Interim Period, Sino Land published the Sustainability Review 2017, its seventh annual report highlighting the corporate sustainability footprints and initiatives, which has been prepared in accordance with Hong Kong Exchanges and Clearing Limited's "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules.

Dedicated to promoting arts and culture to enrich the everyday lives, Sino Land initiated 'Sino Art' in 2006, through which Sino Land curates events and provides opportunities for local and international artists to showcase their talent to wider audiences in Hong Kong. Sino Land has supported the Hong Kong Arts Festival since 2006 and plays an active role in promoting local talents in Singapore through the Fullerton Arts Programme.

In March 2008, the Ng Teng Fong Family, the Group's major shareholder, 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 operated 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". 2017 marks the fifth anniversary of the Hotel in which it has received more than one million visitors and guests since opening. The Hotel has provided long-term employment opportunities for Tai O inhabitants and organised more than 100 community engagement programmes including cultural-heritage activities, community services and home care services for the elderly living in Tai O.

The Hotel was one of the winners of the "2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation". During the Interim Period, the Hotel was named "Luxury Historical Hotel – Country Winner", "Luxury Heritage Hotel – Country Winner", and the "Luxury Cultural Retreat – Regional Winner (East Asia)" at the 2017 World Luxury Hotel Awards.

## CHAIRMAN'S STATEMENT *(Continued)*

### PROSPECTS

China's economy continued to advance in 2017. The economic reforms have taken shape, transforming the country from a manufacturing oriented economy to an innovation based economy. Entrepreneurs have the global market in their sight and are pushing for technological advancement in a number of countries. Chinese consumers are receptive to internet shopping and payment technology which in turn encourage the entrepreneurs, investors and academic sector to put more resources in research and development, stimulating the Chinese economy even further in technological changes and innovation.

The economic connection between the cities in the Pearl River Delta Region and Hong Kong has been in existence for decades even before the mid-80s and today, the link within the area has become more prominent. With the infrastructure development in recent years and the economic strengths established in the eleven key cities in the Greater Bay Area, the policy of furtherance of the economic cooperation among the cities has been set as a national priority which will synergise the strengths of each city to face more challenges going forward.

The HKSAR Government has taken steps to put the vision of the Belt and Road Initiative and the Greater Bay Area in action. The Framework Agreement on Deepening Guangdong-Hong Kong-Macao Co-operation in the Development of the Bay Area was signed in July 2017 to promote areas such as infrastructure connectivity, the level of market integration, building of a global technology and innovation hub and a quality living circle for living, working and travelling. The Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative ("Arrangement") was signed in December 2017. The Arrangement serves as a blueprint for putting forward measures to drive further economic development not only for the Belt and Road Initiative, but also for the Guangdong-Hong Kong-Macao Bay Area Development and will benefit Hong Kong in the areas of professional and financial services, trade, transportation and tourism. The development of the Greater Bay Area will lead and enhance the transformation and globalisation process of the Chinese economy and support the Belt and Road Initiative and Hong Kong has an irreplaceable role to play in the development of the Greater Bay Area.

The CPC Central Committee proposed very recently revising the clause "The term of office of the President and Vice-President of the People's Republic of China is the same as that of the National People's Congress, and they shall serve no more than two consecutive terms" to "The term of office of the President and Vice-President of the People's Republic of China is the same as that of the National People's Congress" and this revision is in-line with the expectation of the people in China. Not only does it significantly improve the leadership structure, it is also conducive to the development of the new economy and will provide stronger constitutional assurance to the people of China. This will enhance the long term stability and prosperity of China and Hong Kong.

## CHAIRMAN'S STATEMENT *(Continued)*

### PROSPECTS *(Continued)*

Hong Kong economy saw steady growth in 2017 with exports and re-exports increasing and improving retail sales and visitor arrivals. The residential property market in Hong Kong was active in both primary and secondary markets with first-hand sale transactions reaching record high since 2008 and transactions in the secondary market gaining momentum. HKSAR Government has stepped up efforts to increase supply of land since the new Chief Executive took office in July 2017. In September 2017, the Task Force on Land Supply was set up whose main function is to review the land supply options from a macro perspective with an objective to build consensus in the community and draw up a broad framework of recommendations on overall land supply strategies. This will provide HKSAR Government with a more balanced approach to land supply options after considering the effects on society and the environment.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development in Hong Kong, Sino Land is pleased to have acquired five sites for residential development, four of which are located in urban areas near good transportation networks with attributable floor area of approximately 1.0 million square feet during the Interim Period. Sino Land will continue to 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 the changing economic environment.

### STAFF AND MANAGEMENT

With the support of all the Directors, Mr. Daryl Ng Win Kong has been appointed as Deputy Chairman with effect from 1st November, 2017. 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, 28th February, 2018

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 31st December, 2017

		Six months ended	
		31st December, 2017 HK\$ (Unaudited)	31st December, 2016 HK\$ (Unaudited)
	Notes		
Turnover	3	<b>3,954,035,304</b>	10,890,319,124
Cost of sales		<b>(622,072,066)</b>	(5,614,772,096)
Direct expenses		<b>(995,499,233)</b>	(1,373,955,920)
Gross profit		<b>2,336,464,005</b>	3,901,591,108
Change in fair value of investment properties	12	<b>434,304,569</b>	585,750,164
Other income and other gains or losses		<b>595,114,695</b>	52,644,598
Gain arising from change in fair value of trading securities		<b>1,194,515</b>	327,813
Gain on partial disposal of a subsidiary	22	<b>7,054,614,889</b>	–
Gain on disposal of investment properties		<b>24,772,940</b>	83,703,697
Administrative expenses		<b>(437,072,574)</b>	(627,507,491)
Other operating expenses		<b>(94,543,829)</b>	(84,003,344)
Finance income	4	<b>240,629,813</b>	219,490,566
Finance costs	5	<b>(59,342,653)</b>	(101,804,702)
Less: Interest capitalised	5	<b>9,972,304</b>	339,953
Finance income, net		<b>191,259,464</b>	118,025,817
Share of results of associates	6	<b>1,330,510,700</b>	675,488,444
Share of results of joint ventures	7	<b>105,689,592</b>	98,625,427
Profit before taxation	8	<b>11,542,308,966</b>	4,804,646,233
Income tax expense	9	<b>(1,160,560,818)</b>	(690,825,165)
Profit for the period		<b>10,381,748,148</b>	4,113,821,068
Profit for the period attributable to:			
The Company's shareholders		<b>5,401,127,454</b>	1,762,634,067
Non-controlling interests		<b>4,980,620,694</b>	2,351,187,001
		<b>10,381,748,148</b>	4,113,821,068
Earnings per share (reported earnings per share)			
Basic	11(a)	<b>3.09</b>	1.03

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 31st December, 2017*

		<b>Six months ended</b>	
		<b>31st December, 2017</b>	31st December, 2016
		<b>HK\$</b>	<b>HK\$</b>
<i>Note</i>		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	Profit for the period	<b>10,381,748,148</b>	4,113,821,068
	<b>Other comprehensive income (expense)</b>		
	<i>Items that may be reclassified subsequently to profit or loss:</i>		
	Gain on fair value change of available-for-sale investments	<b>71,807,391</b>	84,175,036
	Exchange differences arising on translation of foreign operations	<b>294,117,840</b>	(503,212,586)
	Reserve released upon partial disposal of a subsidiary	<b>(238,051,292)</b>	–
22	Reserve released upon disposal of an associate	<b>(250,654,404)</b>	–
		<b>(194,587,856)</b>	(503,212,586)
	Other comprehensive expense for the period	<b>(122,780,465)</b>	(419,037,550)
	Net comprehensive income for the period	<b>10,258,967,683</b>	3,694,783,518
	Net comprehensive income attributable to:		
	The Company's shareholders	<b>5,335,796,011</b>	1,547,550,071
	Non-controlling interests	<b>4,923,171,672</b>	2,147,233,447
		<b>10,258,967,683</b>	3,694,783,518

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2017

	<i>Notes</i>	<b>31st December, 2017 HK\$ (Unaudited)</b>	30th June, 2017 HK\$ (Audited)
<b>Non-current assets</b>			
Investment properties	12	62,148,576,492	61,360,795,684
Hotel properties		1,959,292,820	1,926,929,883
Property, plant and equipment	13	224,593,837	210,521,321
Goodwill		739,233,918	739,233,918
Prepaid lease payments – non-current		1,150,361,092	1,126,413,923
Interests in associates	14	19,363,901,141	16,563,788,511
Interests in joint ventures	15	3,406,420,651	3,208,139,224
Available-for-sale investments	23	1,057,344,991	967,946,077
Advances to associates	14	3,123,968,588	4,132,772,917
Advances to joint ventures	15	2,794,117,208	3,009,904,156
Advance to an investee company		13,266,399	15,385,955
Long-term loans receivable		1,843,713,129	1,836,410,355
		<b>97,824,790,266</b>	<b>95,098,241,924</b>
<b>Current assets</b>			
Properties under development		22,182,910,422	23,588,805,558
Stocks of completed properties		1,370,856,873	1,358,607,587
Hotel inventories		20,821,999	21,115,825
Prepaid lease payments – current		20,424,327	19,823,175
Trading securities	23	16,737,844	15,498,161
Amounts due from associates	14	335,492,238	272,053,241
Amounts due from joint ventures	15	10,138,973,269	704,540,843
Amounts due from non-controlling interests		207,105,524	212,629,297
Accounts and other receivables	16	3,373,539,099	1,367,724,214
Current portion of long-term loans receivable		74,494,677	65,055,071
Taxation recoverable		1,548,654	281,593,373
Restricted bank deposits		1,333,182,853	1,926,429,569
Time deposits		19,789,146,675	28,286,090,112
Bank balances and cash		2,033,192,129	3,104,641,325
		<b>60,898,426,583</b>	<b>61,224,607,351</b>
<b>Current liabilities</b>			
Accounts and other payables	17	4,407,817,445	4,580,470,852
Deposits received on sales of properties		4,398,792,720	7,992,318,014
Amounts due to associates	14	2,154,337,894	1,646,848,617
Amounts due to joint ventures	15	166,407	7,329
Amounts due to non-controlling interests		41,437,940	55,962,725
Taxation payable		1,989,044,134	1,992,541,202
Other borrowings – due within one year	18	–	3,875,439,917
Other loans – unsecured		109,935,136	106,677,728
		<b>13,101,531,676</b>	<b>20,250,266,384</b>
Net current assets		<b>47,796,894,907</b>	<b>40,974,340,967</b>
Total assets less current liabilities		<b>145,621,685,173</b>	<b>136,072,582,891</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*(Continued)*

*At 31st December, 2017*

	<i>Notes</i>	<b>31st December, 2017 HK\$ (Unaudited)</b>	30th June, 2017 HK\$ (Audited)
Capital and reserves			
Share capital	<i>19</i>	<b>11,283,961,193</b>	10,588,811,638
Reserves		<b>60,616,383,760</b>	55,762,416,688
		<hr/>	<hr/>
Equity attributable to the Company's shareholders		<b>71,900,344,953</b>	66,351,228,326
Non-controlling interests		<b>66,428,046,483</b>	62,460,742,601
		<hr/>	<hr/>
Total equity		<b>138,328,391,436</b>	128,811,970,927
		<hr/>	<hr/>
Non-current liabilities			
Long-term bank and other borrowings			
– due after one year	<i>18</i>	<b>1,941,518,320</b>	2,046,229,161
Other loans – due after one year		<b>1,315,245,543</b>	1,355,815,383
Deferred taxation		<b>2,266,745,711</b>	2,175,866,864
Advances from associates	<i>20</i>	<b>1,079,464,797</b>	1,025,320,593
Advances from non-controlling interests	<i>21</i>	<b>690,319,366</b>	657,379,963
		<hr/>	<hr/>
		<b>7,293,293,737</b>	7,260,611,964
		<hr/>	<hr/>
		<b>145,621,685,173</b>	136,072,582,891
		<hr/>	<hr/>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 31st December, 2017*

	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, 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 acquisition 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>
At 1st July, 2017 (audited)	<u>10,588,811,638</u>	<u>1,047,290,845</u>	<u>128,482,223</u>	<u>415,944,749</u>	<u>54,170,698,871</u>	<u>66,351,228,326</u>	<u>62,460,742,601</u>	<u>128,811,970,927</u>
Profit for the period	-	-	-	-	5,401,127,454	5,401,127,454	4,980,620,694	10,381,748,148
Other comprehensive income (expense) for the period	-	-	37,889,052	(103,220,495)	-	(65,331,443)	(57,449,022)	(122,780,465)
Net comprehensive income (expense) for the period	-	-	37,889,052	(103,220,495)	5,401,127,454	5,335,796,011	4,923,171,672	10,258,967,683
Shares issued in lieu of cash dividend	695,149,555	-	-	-	-	695,149,555	-	695,149,555
Deemed acquisition of partial interest in a listed subsidiary	-	216,234,130	-	-	-	216,234,130	(228,149,949)	(11,915,819)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,217,858,384)	(1,217,858,384)
Scrip dividend re-invested by non-controlling interests	-	-	-	-	-	-	490,140,543	490,140,543
Final dividend declared and paid – 2017	-	-	-	-	(698,063,069)	(698,063,069)	-	(698,063,069)
At 31st December, 2017 (unaudited)	<u>11,283,961,193</u>	<u>1,263,524,975</u>	<u>166,371,275</u>	<u>312,724,254</u>	<u>58,873,763,256</u>	<u>71,900,344,953</u>	<u>66,428,046,483</u>	<u>138,328,391,436</u>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31st December, 2017

	Six months ended	
	31st December, 2017 <i>HK\$</i> (Unaudited)	31st December, 2016 <i>HK\$</i> (Unaudited)
Net cash (used in) from operating activities	<b>(4,637,458,166)</b>	1,553,727,395
Net cash from (used in) investing activities		
Advances to associates	<b>(169,691,599)</b>	(794,831,158)
Advances to joint ventures	<b>(9,677,214,333)</b>	(1,505,592,926)
Advances to non-controlling interests	<b>(2,836,227)</b>	(105,816,085)
Additions to investment properties	<b>(116,200,114)</b>	(107,345,787)
Additions to property, plant and equipment	<b>(55,371,096)</b>	(48,865,954)
Installments received for the sale of an associate and assignment of loan	<b>1,050,000,000</b>	700,000,000
Proceeds from partial disposal of a subsidiary (net of cash and cash equivalents disposed of)	<b>7,756,711,990</b>	–
Decrease (increase) in time deposits with original maturity over three months	<b>4,490,739,492</b>	(2,819,446,639)
Dividend received from associates	<b>190,100,000</b>	475,880,149
Decrease (increase) in restricted bank deposits	<b>593,246,716</b>	(1,116,254,864)
Proceeds from disposal of investment properties	<b>49,037,815</b>	119,196,049
Repayments from associates	<b>224,162,798</b>	1,504,852,807
Repayments from joint ventures	<b>397,881,694</b>	192,352,479
Repayments from non-controlling interests	<b>8,360,000</b>	–
Other investing activities	<b>233,990,964</b>	147,068,319
	<b>4,972,918,100</b>	(3,358,803,610)
Net cash used in financing activities		
Acquisition of additional interest in a listed subsidiary	–	(5,653,947)
New bank and other loans raised	<b>22,329</b>	1,986,066,251
Advances from associates	<b>553,529,421</b>	450,758,574
Advances from joint ventures	<b>159,078</b>	–
Advances from non-controlling interests	<b>39,170,508</b>	206,599,856
Repayments of bank and other loans	<b>(4,040,642,082)</b>	(1,289,443,815)
Repayments to associates	<b>(1,206,159,503)</b>	(1,122,916,541)
Repayments to joint ventures	–	(226,643)
Repayments to non-controlling interests	<b>(20,755,890)</b>	(107,005,639)
Dividend paid to non-controlling interests	<b>(727,718,018)</b>	(1,066,847,404)
Payment of repurchase of its own shares by a listed subsidiary	<b>(12,200,920)</b>	(7,770,088)
Interest paid	<b>(46,124,159)</b>	(68,415,474)
Other financing activities	<b>(2,981,596)</b>	(3,592,825)
	<b>(5,463,700,832)</b>	(1,028,447,695)
Net decrease in cash and cash equivalents	<b>(5,128,240,898)</b>	(2,833,523,910)
Cash and cash equivalents at the beginning of the period	<b>10,059,701,142</b>	10,694,051,345
Effect of foreign exchange rate changes	<b>50,587,757</b>	(289,405,254)
Cash and cash equivalents at the end of the period	<b>4,982,048,001</b>	7,571,122,181

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the six months ended 31st December, 2017

	Six months ended	
	31st December, 2017 HK\$ (Unaudited)	31st December, 2016 HK\$ (Unaudited)
Analysis of the balances of cash and cash equivalents		
Restricted bank deposits	1,333,182,853	1,661,943,936
Time deposits	19,789,146,675	24,230,393,889
Bank balances and cash	2,033,192,129	2,336,634,868
Deposits, bank balances and cash in the condensed consolidated statement of financial position	23,155,521,657	28,228,972,693
Less: Time deposits with original maturity over three months	(16,840,290,803)	(18,995,906,576)
Restricted bank deposits	(1,333,182,853)	(1,661,943,936)
Cash and cash equivalents in the condensed consolidated statement of cash flows	4,982,048,001	7,571,122,181

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31st December, 2017

## 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, 2017 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, 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

## 2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 30th June, 2017 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 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

The application of the above 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.

The application of amendments to HKAS 7 “*Disclosure Initiative*” will result in additional disclosures on the Group’s financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities which will be provided in the consolidated financial statements for the year ending 30th June, 2018.

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

For the six months ended 31st December, 2017

### 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, 2017

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue <i>HK\$</i>	Results <i>HK\$</i>	Share of revenue <i>HK\$</i>	Share of results <i>HK\$</i>	Segment revenue <i>HK\$</i>	Segment results <i>HK\$</i>
Property						
Property sales	1,302,961,192	556,751,495	3,257,264,639	992,158,037	4,560,225,831	1,548,909,532
Property rental	1,580,912,973	1,344,904,191	434,431,878	397,319,514	2,015,344,851	1,742,223,705
	<b>2,883,874,165</b>	<b>1,901,655,686</b>	<b>3,691,696,517</b>	<b>1,389,477,551</b>	<b>6,575,570,682</b>	<b>3,291,133,237</b>
Property management and other services	540,072,305	131,357,264	52,201,043	7,104,431	592,273,348	138,461,695
Hotel operations	467,243,104	176,375,913	239,388,801	121,651,054	706,631,905	298,026,967
Investments in securities	35,909,823	35,909,823	1,950	1,950	35,911,773	35,911,773
Financing	26,935,907	26,935,907	6,458,609	6,458,609	33,394,516	33,394,516
	<b>3,954,035,304</b>	<b>2,272,234,593</b>	<b>3,989,746,920</b>	<b>1,524,693,595</b>	<b>7,943,782,224</b>	<b>3,796,928,188</b>

Six months ended 31st December, 2016

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue <i>HK\$</i>	Results <i>HK\$</i>	Share of revenue <i>HK\$</i>	Share of results <i>HK\$</i>	Segment revenue <i>HK\$</i>	Segment results <i>HK\$</i>
Property						
Property sales	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
	<b>9,825,071,298</b>	<b>3,477,976,535</b>	<b>1,645,378,926</b>	<b>660,301,619</b>	<b>11,470,450,224</b>	<b>4,138,278,154</b>
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
	<b>10,890,319,124</b>	<b>3,843,489,396</b>	<b>1,918,668,733</b>	<b>775,372,443</b>	<b>12,808,987,857</b>	<b>4,618,861,839</b>

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 partial disposal of a subsidiary, 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, 2017

### 3. SEGMENT INFORMATION (Continued)

#### Reconciliation of profit before taxation

	Six months ended	
	31st December, 2017 HK\$	31st December, 2016 HK\$
Segment profit	3,796,928,188	4,618,861,839
Change in fair value of investment properties	434,304,569	585,750,164
Other income and other gains or losses	592,591,718	50,285,985
Gain arising from change in fair value of trading securities	1,194,515	327,813
Gain on partial disposal of a subsidiary	7,054,614,889	–
Gain on disposal of investment properties	24,772,940	83,703,697
Administrative expenses and other operating expenses	(464,478,622)	(650,790,569)
Finance income, net	190,874,072	117,765,876
Results shared from associates and joint ventures		
– Other income and other gains or losses	(166,517,985)	15,775,082
– Change in fair value of investment properties	528,251,094	283,799,567
– Gain on disposal of investment properties	3,403,500	7,717,250
– Administrative expenses and other operating expenses	(100,180,751)	(145,323,427)
– Finance costs, net	(32,962,485)	(24,731,340)
– Income tax expense	(320,486,676)	(138,495,704)
	<u>(88,493,303)</u>	<u>(1,258,572)</u>
Profit before taxation	<u>11,542,308,966</u>	<u>4,804,646,233</u>

During the six months ended 31st December, 2017, inter-segment sales of HK\$51,739,245 (*six months ended 31st December, 2016: HK\$50,221,310*) 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, 2017 HK\$	31st December, 2016 HK\$
Interest income on:		
– advances to associates and joint ventures	23,525,306	14,826,509
– advance to an investee company	366,694	375,353
– bank deposits	196,867,892	174,470,184
Imputed interest income on non-current interest-free		
– advances to associates and joint ventures	19,869,921	29,818,520
	<u>240,629,813</u>	<u>219,490,566</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2017

### 5. FINANCE COSTS

	Six months ended	
	31st December, 2017 HK\$	31st December, 2016 HK\$
Interest on bank and other borrowings	42,708,978	69,157,683
Imputed interest expense on non-current interest-free advances from associates	8,478,096	22,226,602
Imputed interest expense on non-current interest-free unsecured other loans	5,947,242	5,906,071
Loan facility arrangement fees and finance charges	2,208,337	4,514,346
	<u>59,342,653</u>	<u>101,804,702</u>
Less: Amounts capitalised to properties under development	(9,972,304)	(339,953)
	<u>49,370,349</u>	<u>101,464,749</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\$504,615,243 (six months ended 31st December, 2016: HK\$241,146,817).

### 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\$23,635,851 (six months ended 31st December, 2016: HK\$42,652,750).

### 8. PROFIT BEFORE TAXATION

	Six months ended	
	31st December, 2017 HK\$	31st December, 2016 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	10,061,875	9,709,747
Cost of properties sold recognised as cost of sales	622,072,066	5,614,772,096
Cost of hotel inventories recognised as direct expenses	63,081,734	54,923,773
Amortisation and depreciation of owner-operated hotel properties	17,703,365	17,213,250
Depreciation of property, plant and equipment	37,268,588	29,316,355
Loss on disposal of property, plant and equipment	1,090,796	3,993
Recognition of impairment loss on trade receivables	147,641	2,768,702
Gain on disposal of an associate (included in other income and other gains or losses) (Note 14)	(542,434,342)	—

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2017

### 9. INCOME TAX EXPENSE

	Six months ended	
	31st December, 2017 HK\$	31st December, 2016 HK\$
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	167,317,503	510,756,870
Other jurisdictions	94,000,896	85,658,412
Land Appreciation Tax (“LAT”) in the People’s Republic of China (the “PRC”)	152,626,169	45,991,550
Withholding tax on the disposal of a subsidiary and an associate	692,982,405	—
	<u>1,106,926,973</u>	<u>642,406,832</u>
Deferred taxation	53,633,845	48,418,333
	<u>1,160,560,818</u>	<u>690,825,165</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, 2016: 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, 2016: 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, 2017

### 10. DIVIDEND PAID

	Six months ended	
	31st December, 2017 HK\$	31st December, 2016 HK\$
Final dividend paid for the year ended 30th June, 2017 of HK40 cents per share (six months ended 31st December, 2016: HK38 cents per share for the year ended 30th June, 2016), with a scrip dividend option	<b>698,063,069</b>	648,224,116

Subsequent to the end of the reporting period, the Directors determined that an interim dividend of HK13 cents (six months ended 31st December, 2016: HK13 cents) per share amounting to HK\$230,442,412 (six months ended 31st December, 2016: HK\$225,576,194) for the six months ended 31st December, 2017 and a special dividend of HK45 cents (six months ended 31st December, 2016: Nil) per share amounting to HK\$797,685,273 (six months ended 31st December, 2016: Nil) would be paid to the Company's shareholders whose names appear on the Register of Members on 19th March, 2018.

### 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, 2017 HK\$	31st December, 2016 HK\$
Earnings for the purpose of basic earnings per share	<b>5,401,127,454</b>	1,762,634,067
	<b>Number of shares</b>	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>1,747,114,886</b>	1,709,681,010

No diluted earnings per share has been presented for the periods ended 31st December, 2017 and 2016 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, 2017

### 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\$4,550,179,524 (six months ended 31st December, 2016: HK\$1,405,267,578) is also presented, excluding the net effect of changes in fair value of the Group's, associates' and joint ventures' investment properties and fair value gain on the residual interest arising from the partial disposal of a subsidiary. 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, 2017 HK\$	31st December, 2016 HK\$
Earnings for the purpose of basic earnings per share	<b>5,401,127,454</b>	1,762,634,067
Change in fair value of investment properties	<b>(434,304,569)</b>	(585,750,164)
Effect of corresponding deferred taxation charges	<b>13,717,548</b>	23,338,083
Share of results of associates		
– Change in fair value of investment properties	<b>(504,615,243)</b>	(241,146,817)
– Effect of corresponding deferred taxation charges	<b>72,503,131</b>	36,060,893
Share of results of joint ventures		
– Change in fair value of investment properties	<b>(23,635,851)</b>	(42,652,750)
	<b>(876,334,984)</b>	(810,150,755)
Amount attributable to non-controlling interests	<b>422,891,685</b>	452,784,266
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	<b>(453,443,299)</b>	(357,366,489)
	<b>4,947,684,155</b>	1,405,267,578
Fair value gain on the residual interest arising from the partial disposal of a subsidiary	<b>(761,878,226)</b>	–
Amount attributable to non-controlling interests	<b>364,373,595</b>	–
	<b>(397,504,631)</b>	–
Underlying profit attributable to the Company's shareholders	<b>4,550,179,524</b>	1,405,267,578
Underlying earnings per share	<b>2.60</b>	0.82

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2017

### 12. INVESTMENT PROPERTIES

The Group's investment properties at 31st December, 2017 and 30th June, 2017 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/or on the basis of discounted cash flow projections based on estimates of future rental income from properties using current market rentals and yields as inputs. During the six months ended 31st December, 2017, the Group acquired investment properties of HK\$79,882,414 (*six months ended 31st December, 2016: HK\$22,471,060*), incurred construction cost in investment properties under redevelopment of Nil (*six months ended 31st December, 2016: HK\$63,956,738*), renovation cost on investment properties of HK\$36,317,700 (*six months ended 31st December, 2016: HK\$20,917,989*), transferred from properties under development of HK\$146,389,290 (*six months ended 31st December, 2016: HK\$584,758,151*), disposed of certain investment properties of HK\$24,264,875 (*six months ended 31st December, 2016: HK\$35,492,352*) and recognised fair value gain on investment properties of HK\$434,304,569 (*six months ended 31st December, 2016: HK\$585,750,164*).

### 13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31st December, 2017, additions to property, plant and equipment amounted to HK\$55,371,096 (*six months ended 31st December, 2016: HK\$48,865,954*).

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

	31st December, 2017 HK\$	30th June, 2017 HK\$
Interests in associates:		
Unlisted shares, at cost	5,314,566,606	3,527,866,321
Share of post-acquisition profits, net of dividends received	14,049,334,535	13,035,922,190
	<u>19,363,901,141</u>	<u>16,563,788,511</u>
Advances to associates	4,476,458,157	5,503,463,258
Less: Allowance	(1,352,489,569)	(1,370,690,341)
	<u>3,123,968,588</u>	<u>4,132,772,917</u>

The advances to associates of the Group are unsecured and have no fixed repayment terms. At 31st December, 2017, out of the Group's advances to associates net of allowance, HK\$734,196,346 (*30th June, 2017: HK\$751,685,200*) bears interest which is determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$2,389,772,242 (*30th June, 2017: HK\$3,381,087,717*) 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. 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, 2017

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

The amounts due from associates of the Group classified 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 classified 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 consideration was fully paid by the Purchaser as at 31st December, 2017. During the six months ended 31st December, 2017, the disposal of the subsidiary was completed and a gain on disposal of an associate of approximately HK\$542,000,000 was recognised and included in other income and other gains or losses.

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

	<b>31st December, 2017</b>	30th June, 2017
	<b>HK\$</b>	<b>HK\$</b>
Interests in joint ventures:		
Unlisted shares	<b>544,435,944</b>	451,525,967
Share of post-acquisition profits, net of dividends received	<b>2,861,984,707</b>	2,756,613,257
	<b><u>3,406,420,651</u></b>	<b><u>3,208,139,224</u></b>
Advances to joint ventures	<b><u>2,794,117,208</u></b>	<b><u>3,009,904,156</u></b>

The advances to joint ventures of the Group are unsecured and have no fixed repayment terms. At 31st December, 2017, out of the Group’s advances to joint ventures, HK\$515,348,638 (30th June, 2017: HK\$629,647,225) bears interest which is determined based on the cost-of-funds plus a margin per annum and the remaining balance of HK\$2,278,768,570 (30th June, 2017: HK\$2,380,256,931) is interest-free. The effective interest rate for imputed interest income is determined based on the cost-of-fund of the borrowers. 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, 2017

### 16. ACCOUNTS AND OTHER RECEIVABLES

At 31st December, 2017, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$280,545,632 (30th June, 2017: HK\$210,538,807). Trade receivables mainly comprise rental receivables and properties sales receivables. Rental receivables are billed and payable in advance by tenants. Properties sales receivables are to be settled by the purchasers based on the terms of sales and purchase agreements of property.

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 properties sales receivables. The amounts overdue mainly represent rental receivables billed on a monthly basis and payable by the tenants in advance of the rental periods.

	<b>31st December, 2017 HK\$</b>	30th June, 2017 HK\$
Not yet due	<b>95,757,794</b>	78,482,291
Overdue:		
1 – 30 days	<b>76,737,549</b>	65,093,518
31 – 60 days	<b>60,233,974</b>	20,788,384
61 – 90 days	<b>13,967,639</b>	9,411,699
Over 90 days	<b>33,848,676</b>	36,762,915
	<b>280,545,632</b>	210,538,807

Other receivables mainly comprise consideration receivable from partial disposal of a subsidiary of approximately HK\$2,102,000,000 (30th June, 2017: Nil) as disclosed in Note 22, receivables in relation to rental, utility and other deposits paid of approximately HK\$177,000,000 (30th June, 2017: HK\$164,000,000), prepayments for operating expenses of approximately HK\$54,000,000 (30th June, 2017: HK\$82,000,000), other payment in advance of approximately HK\$298,000,000 (30th June, 2017: HK\$321,000,000) and interest receivables of approximately HK\$149,000,000 (30th June, 2017: HK\$178,000,000).

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

For the six months ended 31st December, 2017

### 17. ACCOUNTS AND OTHER PAYABLES

At 31st December, 2017, included in accounts and other payables of the Group are trade payables of HK\$167,414,256 (30th June, 2017: HK\$151,891,774).

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

	<b>31st December, 2017 HK\$</b>	30th June, 2017 HK\$
0 – 30 days	<b>120,966,668</b>	99,848,755
31 – 60 days	<b>27,681,760</b>	17,098,036
61 – 90 days	<b>4,311,041</b>	3,705,431
Over 90 days	<b>14,454,787</b>	31,239,552
	<b>167,414,256</b>	151,891,774

Other payables mainly comprise construction cost payable of approximately HK\$996,000,000 (30th June, 2017: HK\$988,000,000), rental and utilities deposits received of approximately HK\$809,000,000 (30th June, 2017: HK\$790,000,000), other receipt in advance of approximately HK\$1,548,000,000 (30th June, 2017: HK\$1,471,000,000) and rental receipt in advance of approximately HK\$159,000,000 (30th June, 2017: HK\$174,000,000).

### 18. BANK AND OTHER BORROWINGS

During the six months ended 31st December, 2017, the Group did not obtain any new bank loan (six months ended 31st December, 2016: HK\$811,000,000). All of the bank borrowings carry interest at contracted interest rates (which are also the effective interest rates) at Hong Kong Interbank Offered Rate or Singapore Interbank Offered 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) under the US\$1,000,000,000 Medium Term Note Programme (the Programme was increased to US\$2,000,000,000 in April 2013). The notes bear interest at the fixed rate at 3.25% per annum payable semi-annually in arrears. The notes were guaranteed by Sino Land. On 21st September, 2017, the notes matured and were fully redeemed by Sino Land.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2017

### 19. SHARE CAPITAL

	2017		2016	
	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	1,745,157,672	10,588,811,638	1,705,852,938	9,719,312,922
Issue of shares in lieu of cash dividend	27,476,267	695,149,555	29,348,551	644,787,665
	<u>1,772,633,939</u>	<u>11,283,961,193</u>	<u>1,735,201,489</u>	<u>10,364,100,587</u>

On 6th December, 2017, the Company issued and allotted a total of 27,476,267 ordinary shares at an issue price of HK\$25.30 per ordinary share in lieu of cash for the 2017 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 have 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.

### 21. ADVANCES FROM NON-CONTROLLING INTERESTS

The advances from non-controlling interests of the Group amounted to HK\$14,545,560 (30th June, 2017: HK\$9,283,591) are unsecured, bear interest at fixed rates ranging from 1% to 6.25% (30th June, 2017: 1% to 6.25%) per annum and have no fixed repayment terms. The remaining balance of HK\$675,773,806 (30th June, 2017: HK\$648,096,372) is unsecured and interest-free. The non-controlling interests have 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, 2017

### 22. PARTIAL DISPOSAL OF A SUBSIDIARY

During the six months ended 31st December, 2017, the Group disposed 80% equity interest in 信和置業(成都)有限公司, a wholly-owned subsidiary of the Group, for a consideration of RMB8,767,500,000 (equivalent to approximately HK\$10,510,000,000) to an independent third party as announced by the Company on 7th September, 2017. The disposal was completed during the period. The net assets of 信和置業(成都)有限公司 at the date of disposal were as follows:

	HK\$
Net assets disposed of:	
Property, plant and equipment	7,660,278
Properties under development	6,285,311,977
Stocks of completed properties	67,200,692
Amount due from a subsidiary of the Group	1,205,785,467
Accounts and other receivables	6,973,772
Taxation recoverable	188,609,418
Bank balances and cash	652,049,234
Accounts and other payables	(263,225,794)
Deposits received on sales of properties	(3,041,208,130)
Taxation payable	(882,001)
	<hr/>
	5,108,274,913
Fair value of residual interest in an associate	(1,783,533,209)
Reserve released upon partial disposal of a subsidiary	(238,051,292)
Gain on partial disposal of a subsidiary	7,054,614,889
	<hr/>
	10,141,305,301
	<hr/>
Satisfied by:	
Cash consideration received	8,408,761,224
Consideration receivable within one year	2,102,190,306
Expenses incurred for disposal	(369,646,229)
	<hr/>
	10,141,305,301
	<hr/>
Net cash inflow arising on partial disposal:	
Cash consideration received	8,408,761,224
Less: Bank balances and cash disposed of	(652,049,234)
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	7,756,711,990
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The subsidiary partially disposed of during the current period did not contribute significantly to the turnover, operating results or cash flows to the Group for the period ended 31st December, 2017.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2017

### 23. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

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

	<b>Level 1</b>	
	<b>31st December,</b>	30th June,
	<b>2017</b>	2017
	<b>HK\$</b>	<b>HK\$</b>
Available-for-sale investments:		
Equity securities listed in Hong Kong	<b>796,352,320</b>	705,285,018
Equity securities listed outside Hong Kong	<b>212,846,876</b>	214,515,264
Trading securities:		
Equity securities listed in Hong Kong	<b>12,585,390</b>	11,133,180
Equity securities listed outside Hong Kong	<b>4,152,454</b>	4,364,981
	<hr/>	<hr/>
Total	<b>1,025,937,040</b>	935,298,443
	<hr/>	<hr/>

### 24. PLEDGE OF ASSETS

- (a) At 31st December, 2017, the aggregate facilities of bank loans granted to the Group amounting to approximately HK\$286,344,000 (30th June, 2017: HK\$391,351,000) were secured by certain of the Group's assets with an aggregate carrying amount of HK\$1,806,207,902 (30th June, 2017: HK\$1,734,211,954). At the end of the reporting period, all the facilities were utilised by the Group.

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

	<b>31st December,</b>	30th June,
	<b>2017</b>	2017
	<b>HK\$</b>	<b>HK\$</b>
Investment properties	<b>254,203,125</b>	212,690,625
Hotel properties	<b>806,182,526</b>	790,349,873
Prepaid lease payments	<b>745,822,251</b>	731,171,456
	<hr/>	<hr/>
	<b>1,806,207,902</b>	1,734,211,954
	<hr/>	<hr/>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the six months ended 31st December, 2017

### 24. PLEDGE OF ASSETS (Continued)

- (b) At 31st December, 2017, shares in certain associates and joint ventures with aggregate investment costs amounting to HK\$52 (30th June, 2017: HK\$42), advances to certain associates and joint ventures in aggregate carrying amount of approximately HK\$4,350,003,000 (30th June, 2017: HK\$2,120,580,000) 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 and the other shareholders of the associates and joint ventures. Details of the relevant guarantees granted are set out in Note 25.

### 25. CONTINGENT LIABILITIES

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

	<b>31st December, 2017 HK\$</b>	30th June, 2017 HK\$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures attributable to the Group		
– Utilised	<b>2,444,265,135</b>	1,263,390,500
– Unutilised	<b>933,734,865</b>	956,609,500
	<b><u>3,378,000,000</u></b>	<u>2,220,000,000</u>
Mortgage loans granted to property purchasers	<b><u>512,098,888</u></b>	<u>647,461,553</u>

At 31st December, 2017 and 30th June, 2017, 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.

Guarantees are given to banks with respect to loans procured by certain 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, 15th March, 2018 to Monday, 19th March, 2018, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend and the special dividend is at the close of business on Monday, 19th March, 2018.

In order to qualify for the interim dividend and the special 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, 14th March, 2018.

## 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, 2017, 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	1,277,170,923 <i>(Note)</i>	Beneficial owner of 685,876 shares and trustee interest in 1,276,485,047 shares 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 1,276,485,047 shares comprises:*

- (a) 1,175,741,588 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 121,865,592 shares by Fanlight Investment Limited, 165,145,655 shares by Nippomo Limited, 3,794,872 shares by Orient Creation Limited, 324,806,753 shares by Strathallan Investment Limited, 484,699,878 shares by Tamworth Investment Limited and 75,428,838 shares by Transpire Investment Limited; and*
- (b) 100,743,459 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	3,551,017,466 <i>(Note)</i>	Beneficial owner of 203,681 shares, spouse interest in 4,358,233 shares and trustee interest in 3,546,455,552 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	55.06%
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	116,750	Beneficial owner	≈0%

*Note:*

*The trustee interest in 3,546,455,552 shares comprises:*

- (a) *1,516,640,567 shares which were held by Tsim Sha Tsui Properties Limited, which was 72.01% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong;*
- (b) (i) *50,080,267 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) *1,824,129,166 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;*
- (c) *114,665,673 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 189,003 shares by Fanlight Investment Limited, 183,337 shares by Garford Nominees Limited, 41,258,777 shares by Karaganda Investments Inc., 17,794,734 shares by Orient Creation Limited, 8,648,672 shares by Strathallan Investment Limited, 26,067,263 shares by Strong Investments Limited, 19,975,391 shares by Tamworth Investment Limited and 548,496 shares by Transpire Investment Limited; and*
- (d) *40,939,879 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, 2017, 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, 2017, the interests and short positions of the substantial shareholders and other shareholders (other than Directors of the Company) in the shares and underlying shares of the Company as notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long Positions in Shares of the Company

<b>Name of Substantial Shareholder</b>	<b>Number of Ordinary Shares</b>	<b>Capacity and Nature of Interest</b>	<b>% of Issued Shares</b>
Mr. Philip Ng Chee Tat	1,279,123,008 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 2,637,961 shares and trustee interest in 1,276,485,047 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.15%
Tamworth Investment Limited	474,423,302 <i>(Notes 3 and 5)</i>	Beneficial owner	27.34%
Strathallan Investment Limited	317,920,220 <i>(Notes 3 and 5)</i>	Beneficial owner	18.32%
<b>Name of Other Shareholder</b>	<b>Number of Ordinary Shares</b>	<b>Capacity and Nature of Interest</b>	<b>% of Issued Shares</b>
Nippomo Limited	161,644,248 <i>(Notes 3 and 5)</i>	Beneficial owner	9.31%
Fanlight Investment Limited	119,281,806 <i>(Notes 3 and 5)</i>	Beneficial owner	6.87%

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

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

Notes:

1. 2,637,961 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 2,298,231 shares by Far East Ventures Pte. Ltd. and 339,730 shares by Western Properties Pte Ltd.
2. The trustee interest in 1,276,485,047 shares comprises:
  - (a) 1,175,741,588 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 121,865,592 shares by Fanlight Investment Limited, 165,145,655 shares by Nippomo Limited, 3,794,872 shares by Orient Creation Limited, 324,806,753 shares by Strathallan Investment Limited, 484,699,878 shares by Tamworth Investment Limited and 75,428,838 shares by Transpire Investment Limited; and
  - (b) 100,743,459 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 trustee interest of Mr. Philip Ng Chee Tat was duplicated in the trustee interest of Mr. Robert Ng Chee Siong as disclosed under the section headed "Directors' Interests" above as the co-executors of the estate of the late Mr. Ng Teng Fong.
5. The number and the percentage of shares as disclosed are based on the substantial shareholder notices filed with the Stock Exchange.

Save as disclosed above and so far as the Directors of the Company are aware, as at 31st December, 2017, no other person (other than Directors of the Company) had an interest or short position in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and 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

Sino Land Company Limited (“Sino Land”) is a subsidiary of the Company. 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, 2017 <i>HK\$</i>	At 30th June, 2017 <i>HK\$</i>
Sino Land’s share of total indebtedness of its affiliated companies		
– Bank loans	<b>3,201,211,098</b>	2,011,207,748
Advances from Sino Land and its subsidiaries	<b>18,346,696,051</b>	9,762,555,908
	<b>21,547,907,149</b>	11,773,763,656
Sino Land’s share of capital commitments and contingent liabilities of its affiliated companies	–	–

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

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

### **Directors' Updated Biographical Details**

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

#### ***Mr. Robert Ng Chee Siong***

- appointed as a member of the 13th National Committee of the Chinese People's Political Consultative Conference.

#### ***Dr. Allan Zeman***

- appointed as the Chairman of Wynn Macau, Limited.

#### ***Mr. Adrian David Li Man-kiu***

- appointed as a member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference;
- appointed as a member of the Election Committee responsible for electing deputies of the HKSAR to the 13th National People's Congress;
- ceased as a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference; and
- retired as an Independent Non-Executive Director of Sino Hotels (Holdings) Limited.

#### ***Mr. Daryl Ng Win Kong***

- re-designated as Non-Executive Director of The Bank of East Asia, Limited.

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

### **Directors' Emoluments**

During the interim period, Mr. Daryl Ng Win Kong received a discretionary bonus in the amount of HK\$741,600 from the Company's subsidiary, Sino Land, for which he is one of the Directors.

The basis of determining the Directors' emoluments (including bonus payments) remain unchanged during the six months ended 31st December, 2017.

Save as disclosed above, as at 31st December, 2017, 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](http://www.sino.com) and the Stock Exchange's website.

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The Committee 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, the Deputy Chairman of the Board.

## 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](http://www.sino.com) and the Stock Exchange's website.

The Nomination Committee is responsible for regularly reviewing the structure, size and composition of the Board with reference to the board diversity policy of the Company 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, as well as 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](http://www.sino.com) and the Stock Exchange's website.

The Audit Committee reports to the Board and holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, 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 2018, 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, 2017.

## 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 Deputy Chairman of the Board 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, 2017. 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, 2017, 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, 28th February, 2018

# REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



## TO THE BOARD OF DIRECTORS OF TSIM SHA TSUI PROPERTIES LIMITED

*(incorporated in Hong Kong with limited liability)*

### **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 14 to 35, which comprise the condensed consolidated statement of financial position as of 31st December, 2017 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  
28th February, 2018

