

## DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 30th June, 2018.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in Note 51 to the consolidated financial statements.

### BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairman's Statement on pages 11 to 21 of this Annual Report. Description of possible risks and uncertainties that the Group may be facing can be found in the Risk Management Report on pages 71 to 80. Also, the financial risk management objectives and policies of the Group can be found in Note 47 to the consolidated financial statements. Particulars of important events affecting the Group that have occurred since the end of the financial year ended 30th June, 2018, if any, are provided in the Notes to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Group Financial Summary on pages 6 to 10 of this Annual Report.

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

Discussions on the Group's environmental policies, performance and relationships with its key stakeholders are contained in the Environmental, Social and Governance Report on pages 49 to 70. No incident of non-compliance to environmental laws and regulations that has a significant impact on the Group was recorded for the financial year ended 30th June, 2018.

## **DIRECTORS' REPORT** *(Continued)*

### **RESULTS AND APPROPRIATIONS**

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 102.

An interim dividend of HK13 cents per share amounting to HK\$230,442,412, including HK\$884,532 by way of cash dividends and HK\$229,557,880 by way of scrip alternatives and a special dividend of HK45 cents per share amounting to HK\$797,685,273, including HK\$3,054,248 by way of cash dividends and HK\$794,631,025 by way of scrip alternatives, were paid to the shareholders during the year. The Directors now recommend the payment of a final dividend of HK40 cents per share amounting to HK\$725,626,212 payable to shareholders whose names appear on the Register of Members of the Company on 1st November, 2018.

### **MAJOR PROPERTIES**

Details of the major properties of the Group at 30th June, 2018 are set out on pages 226 to 246.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Details of the Company's principal subsidiaries, associates and joint ventures at 30th June, 2018 are set out in Notes 51, 52 and 23 to the consolidated financial statements, respectively.

### **SHARE CAPITAL**

Details of shares issued by the Company during the year are set out in Note 34 to the consolidated financial statements. The shares issued during the year were in lieu of cash dividends.

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

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

### **DISTRIBUTABLE RESERVE OF THE COMPANY**

The Company's reserve available for distribution to shareholders as at 30th June, 2018 was the retained profits of HK\$6,545,078,479 (2017: HK\$5,919,259,718).

### **TREASURY, GROUP BORROWINGS AND INTEREST CAPITALISED**

The Group maintains a prudent approach in its treasury management with foreign exchange exposure being kept at a minimal level and interest rates on a floating rate basis. Bank borrowings and other loans repayable on demand or within one year are classified as current liabilities. Repayment analysis of bank borrowings and other loans as at 30th June, 2018 are set out in Notes 32 and 33 to the consolidated financial statements.

Interest expenses capitalised by the Group during the year in respect of properties under development amounted to HK\$46,634,202.

## DIRECTORS' REPORT *(Continued)*

### NAME OF DIRECTOR

The Directors of the Company during the year and up to the date of this report are:

#### *Executive Directors*

Mr. Robert Ng Chee Siong (Chairman)  
Mr. Daryl Ng Win Kong (Deputy Chairman)

#### *Non-Executive Director*

The Honourable Ronald Joseph Arculli

#### *Independent Non-Executive Directors*

Dr. Allan Zeman  
Mr. Adrian David Li Man-kiu  
Mr. Steven Ong Kay Eng

In accordance with the Company's Articles of Association and pursuant to Appendix 14 to the Listing Rules, Mr. Robert Ng Chee Siong and Dr. Allan Zeman will retire at the forthcoming Annual General Meeting and, who being eligible, will offer themselves for re-election.

The list of directors who have served on the boards of the subsidiaries of the Company included in the annual consolidated financial statements for the financial year ended 30th June, 2018 during the year and up to the date of this report is available on the Company's website at [www.sino.com](http://www.sino.com) under Corporate Governance of the Investor Relations section.

## DIRECTORS' REPORT (Continued)

### DIRECTORS' INTERESTS

As at 30th June, 2018, the interests and short positions held by the Directors of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were as follows:

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

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	1,307,136,897 <i>(Note)</i>	Beneficial owner of 701,967 shares and trustee interest in 1,306,434,930 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.05%
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 1,306,434,930 shares comprises:*

- (a) 1,203,327,750 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 124,724,897 shares by Fanlight Investment Limited, 169,020,431 shares by Nippomo Limited, 3,883,909 shares by Orient Creation Limited, 332,427,623 shares by Strathallan Investment Limited, 496,072,283 shares by Tamworth Investment Limited and 77,198,607 shares by Transpire Investment Limited; and*
- (b) 103,107,180 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.*

## DIRECTORS' REPORT (Continued)

### DIRECTORS' INTERESTS (Continued)

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

##### (i) Subsidiary

##### Sino Land Company Limited

Name of Director	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Robert Ng Chee Siong	3,696,222,951 <i>(Note)</i>	Beneficial owner of 212,128 shares, spouse interest in 4,538,994 shares and trustee interest in 3,691,471,829 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	55.97%
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	121,591	Beneficial owner	≈ 0%

Note:

The trustee interest in 3,691,471,829 shares comprises:

- (a) 1,579,544,701 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) 1,899,786,682 shares which were held through wholly-owned subsidiaries of Tsim Sha Tsui Properties Limited;
- (c) 119,422,280 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 197,173 shares by Fanlight Investment Limited, 190,940 shares by Garford Nominees Limited, 42,970,023 shares by Karaganda Investments Inc., 18,532,787 shares by Orient Creation Limited, 9,007,383 shares by Strathallan Investment Limited, 27,148,427 shares by Strong Investments Limited, 20,803,888 shares by Tamworth Investment Limited and 571,659 shares by Transpire Investment Limited; and
- (d) 42,637,899 shares which were held by the co-executors of the estate of the late Mr. Ng Teng Fong.

## DIRECTORS' REPORT (Continued)

### DIRECTORS' INTERESTS (Continued)

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

##### (ii) Associates and joint ventures

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

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

## DIRECTORS' REPORT *(Continued)*

### DIRECTORS' INTERESTS *(Continued)*

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

##### (ii) Associates and joint ventures *(Continued)*

Notes:

1. *Osborne Investments Ltd. ("Osborne") was a wholly-owned subsidiary of Seaview Assets Limited which was in turn 100% owned by Boswell Holdings Limited in which Mr. Robert Ng Chee Siong had a 50% control.*
2. *The shares were held by Erleigh Investment Limited, a company 55% controlled by Osborne.*
3. *The shares were held by Jade Result Limited, a company 50% controlled by Osborne.*
4. *The share(s) was(were) held by Osborne.*
5. *The shares were held by Standard City Limited, a wholly-owned subsidiary of Osborne.*
6. *The share was held by Smart Link Limited in which Mr. Robert Ng Chee Siong had a 100% control.*
7. *The shares were held by Goegan Godown Limited, a wholly-owned subsidiary of Osborne.*
8. *The shares were held by Sino Real Estate Agency Limited, a company 50% controlled by Deansky Investments Limited in which Mr. Robert Ng Chee Siong had a 100% control.*
9. *The shares were held by Deansky Investments Limited.*

Save as disclosed above, as at 30th June, 2018, none of the Directors had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## **DIRECTORS' REPORT** *(Continued)*

### **SHARE OPTION SCHEMES**

The Company and its subsidiaries have no share option schemes.

### **ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES**

At no time during the year was the Company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

Pursuant to Rule 8.10(2) of the Listing Rules, the Company discloses that during the year, the following current Directors held share interests and/or directorships in companies engaged in businesses which compete or likely to compete, either directly or indirectly, with the businesses of the Group:

Mr. Robert Ng Chee Siong and Mr. Daryl Ng Win Kong held share interests and directorships in companies of the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong and/or their respective associates) which engage in businesses of property investment, development and management and hotel operation.

The Honourable Ronald Joseph Arculli is a Non-Executive Director of HKR International Limited, which engages in businesses of property investment, development and management and hotel operation.

As the Board of Directors of the Company is independent of the boards of the aforesaid companies and maintains three Independent Non-Executive Directors, the Group operates its businesses independently of, and at arm's length from, the businesses of the aforesaid companies.

### **DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Apart from the transactions disclosed under the heading "Related Party Disclosures" as set out in Note 49 to the consolidated financial statements, there were no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company or his connected entities had a material interest, whether directly or indirectly, subsisting at the end of the year or at any time during the year.

### **PERMITTED INDEMNITY PROVISION**

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group during the year.

### **SERVICE CONTRACTS**

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

## DIRECTORS' REPORT (Continued)

### CONNECTED TRANSACTIONS

#### Continuing Connected Transactions for the year ended 30th June, 2018

The Company and its major subsidiary, Sino Land Company Limited ("Sino Land"), jointly announced on 28th June, 2016 that Sino Land and/or its subsidiaries ("Sino Land Group") had entered into agreements on 28th June, 2016 ("Agreements" or individually, "Agreement") relating to the following continuing connected transactions between Sino Land Group and the Ng Family (including Mr. Robert Ng Chee Siong, Mr. Philip Ng Chee Tat, and as co-executors of the estate of the late Mr. Ng Teng Fong, and/or their respective associates) for the three financial years commencing from 1st July, 2016 and ending on 30th June, 2019 with annual caps fixed for each of the years. Applicable particulars of the Agreements together with the total amount received/paid in respect of the transactions for the year ended 30th June, 2018 are disclosed herein as required under the Listing Rules:

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2018
	Service Provider	Service Recipient				
1. Building Cleaning Services	Best Result Environmental Services Limited, a wholly-owned subsidiary of Sino Land	Ng Family	Provision of building cleaning services and cleaning consultancy services by Sino Land Group to properties developed/owned/partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	(i) HK\$148 million for the period from 1st July, 2017 to 30th June, 2018; and (ii) HK\$163 million for the period from 1st July, 2018 to 30th June, 2019	HK\$97.39 million
2. Car Park Management Services	Sino Parking Services Limited ("SPSL"), a company held as to 50% by Sino Land and 50% by the Ng Family	Sino Land Group	Provision of car park management services by SPSL and/or members of the Ng Family to properties owned/developed or to be owned/developed by Sino Land Group	A lump sum fee to be agreed between the parties which shall be determined by reference to a rate of the total gross revenue generated from car parking operations in the properties managed by SPSL and/or the relevant member of the Ng Family	(i) HK\$58 million for the period from 1st July, 2017 to 30th June, 2018; and (ii) HK\$63 million for the period from 1st July, 2018 to 30th June, 2019	HK\$33.22 million

## DIRECTORS' REPORT (Continued)

### CONNECTED TRANSACTIONS (Continued)

#### Continuing Connected Transactions for the year ended 30th June, 2018 (Continued)

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2018
	Service Provider	Service Recipient				
3. Estate Management and General Administrative Services	Sino Estates Management Limited ("SEML"), a wholly-owned subsidiary of Sino Land	Ng Family	Provision of estate management, life style services, home maintenance services, courtesy services and general administrative services by Sino Land Group to properties developed/owned/ partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be a fixed sum or determined by reference to a rate of the management expenditure as shown in the annual budget of, or actually incurred by, the Ng Family in respect of the properties managed by SEML	(i) HK\$47 million for the period from 1st July, 2017 to 30th June, 2018; and (ii) HK\$51 million for the period from 1st July, 2018 to 30th June, 2019	HK\$25.31 million
4. Security Services	Sino Security Services Limited, a wholly-owned subsidiary of Sino Land	Ng Family	Provision of security services by Sino Land Group to properties developed/owned/ partly owned or to be developed/owned/partly owned by the Ng Family	A lump sum fee to be agreed between the parties which shall be determined by reference to cost plus a profit margin	(i) HK\$123 million for the period from 1st July, 2017 to 30th June, 2018; and (ii) HK\$136 million for the period from 1st July, 2018 to 30th June, 2019	HK\$76.00 million

## DIRECTORS' REPORT *(Continued)*

### CONNECTED TRANSACTIONS *(Continued)*

#### Continuing Connected Transactions for the year ended 30th June, 2018 *(Continued)*

Nature of Services provided under the Agreement	Parties to the Transactions		Nature of Transactions	Basis of Consideration	Applicable Annual Cap(s) under the Agreement	Total Amount received/paid for the Year ended 30th June, 2018
	Service Provider	Service Recipient				
5. Lease of Properties	(i) Ng Family (i) Sino Land Group	(i) Sino Land Group (ii) Ng Family	Lease of properties by:  (i) Sino Land Group of properties owned or to be owned by the Ng Family; and  (ii) the Ng Family of properties owned or to be owned by Sino Land Group	A lump sum rent exclusive of rates and management fees to be agreed between the parties which shall be determined by reference to the prevailing market rent of the particular properties	(i) For the period from 1st July, 2017 to 30th June, 2018, HK\$180.5 million comprising:  (a) HK\$155 million for lease of properties by Sino Land Group; and  (b) HK\$25.5 million for lease of properties by the Ng Family; and  (ii) For the period from 1st July, 2018 to 30th June, 2019, HK\$204.1 million comprising:  (a) HK\$175.2 million for lease of properties by Sino Land Group; and  (b) HK\$28.9 million for lease of properties by the Ng Family	HK\$57.80 million, comprising:  (i) HK\$46.21 million for lease of properties by Sino Land Group; and  (ii) HK\$11.59 million for lease of properties by the Ng Family

## DIRECTORS' REPORT *(Continued)*

### CONNECTED TRANSACTIONS *(Continued)*

#### **Continuing Connected Transactions for the year ended 30th June, 2018** *(Continued)*

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

During the year, the above continuing connected transactions were carried out within their respective applicable annual caps for the year. The Internal Audit Department has reviewed the above continuing connected transactions and concluded that the internal controls over such continuing connected transactions are adequate and effective. The findings have been submitted to the Audit Committee.

The Independent Non-Executive Directors have reviewed and confirmed that during the year, the above continuing connected transactions were all conducted and entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms; and
- (iii) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this Annual Report in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Details of the above continuing connected transactions have been disclosed in accordance with Chapter 14A of the Listing Rules and are set out in the announcement of the Company which is available at the Stock Exchange's website and the Company's website at [www.sino.com](http://www.sino.com).

Details of other related party transactions are set out in Note 49 to the consolidated financial statements.

## DIRECTORS' REPORT (Continued)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER SHAREHOLDERS' INTERESTS

As at 30th June, 2018, 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

Name of Substantial Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Mr. Philip Ng Chee Tat	1,309,134,783 <i>(Notes 1, 2, 3, 4 and 5)</i>	Interest of controlled corporations in 2,699,853 shares and trustee interest in 1,306,434,930 shares in the capacity as one of the co-executors of the estate of the late Mr. Ng Teng Fong	72.16%
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%
Name of Other Shareholder	Number of Ordinary Shares	Capacity and Nature of Interest	% of Issued Shares
Nippomo Limited	161,644,248 <i>(Notes 3 and 5)</i>	Beneficial owner	9.31%
Fanlight Investment Limited	124,724,897 <i>(Notes 3 and 5)</i>	Beneficial owner	6.87%

## DIRECTORS' REPORT (Continued)

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

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

Notes:

1. 2,699,853 shares were held through companies 100% controlled by Mr. Philip Ng Chee Tat, namely, 2,352,153 shares by Far East Ventures Pte. Ltd. and 347,700 shares by Western Properties Pte Ltd.
2. The trustee interest in 1,306,434,930 shares comprises:
  - (a) 1,203,327,750 shares which were held through companies 100% controlled by the co-executors of the estate of the late Mr. Ng Teng Fong, namely, 124,724,897 shares by Fanlight Investment Limited, 169,020,431 shares by Nippomo Limited, 3,883,909 shares by Orient Creation Limited, 332,427,623 shares by Strathallan Investment Limited, 496,072,283 shares by Tamworth Investment Limited and 77,198,607 shares by Transpire Investment Limited; and
  - (b) 103,107,180 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 30th June, 2018, 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.

## **DIRECTORS' REPORT** *(Continued)*

### **DONATIONS**

During the year, the Group made charitable and other donations amounting to approximately HK\$7,655,000.

### **EQUITY-LINKED AGREEMENTS**

No equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

### **MAJOR SUPPLIERS AND CUSTOMERS**

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 56% of the Group's total purchases and the purchases attributable to the Group's largest supplier was approximately 19% of the Group's total purchases.

The percentage of sales attributable to the Group's five largest customers is less than 30% of the Group's total sales for the year.

At no time during the year did the Directors, their close associates or any shareholders of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the share capital of any of the Group's five largest suppliers.

### **CORPORATE GOVERNANCE**

The corporate governance report is set out on pages 26 to 48.

### **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

### **AUDITOR**

The consolidated financial statements for the year ended 30th June, 2018 of the Group have been audited by Messrs. Deloitte Touche Tohmatsu. A resolution will be submitted to the forthcoming Annual General Meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board  
**Robert NG Chee Siong**  
*Chairman*

Hong Kong, 30th August, 2018