Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present the 2011/2012 Annual Report to shareholders.

FINAL RESULTS

For the financial year ended 30th June, 2012, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK$2,685.6 million, an increase of 18.2% from HK$2,270.7 million in the last financial year. Underlying earnings per share was HK$1.764, an increase of 16.0 % from last financial year.

The Group's reported net profit attributable to shareholders was HK$4,997.9 million (2010/2011 : HK$5,436.5 million). Earnings per share was HK$3.284 (2010/2011 : HK$3.640). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK$2,312.3 million compared with a revaluation surplus (net of deferred taxation) of HK$3,165.8 million last financial year.

The turnover of the Group for the financial year 2011/2012 increased 40.7% to HK$8,461.1 million from HK$6,010.3 million in the last financial year.

DIVIDENDS

The Directors have resolved to recommend a final dividend of 36 cents per share in respect of the financial year ended 30th June, 2012 to shareholders whose names appear on the Register of Members of the Company on 7th November, 2012. Together with the interim dividend of 10 cents per share, the total dividend for the financial year is 46 cents per share.

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 31st October, 2012; and (2) The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal.

A circular containing details of the scrip dividend proposal will be dispatched to shareholders together with the form of election for scrip dividend on or about 13th November, 2012. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 11th December, 2012.

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 30th June, 2012 Tsim Sha Tsui Properties Limited (the "Company") had 50.68% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

Sales Activities

Sino Land's total revenue from property sales recognised for the financial year ended 30th June, 2012, including property sales of associates recognised by Sino Land, was HK$7,148.8 million (2010/2011 : HK$9,290.0 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in One Mayfair in Kowloon Tong, Marinella in Aberdeen and Baker Residences in Hung Hom completed during the financial year 2011/2012 as well as those completed in previous financial years. Market response to the sales of the units in One Mayfair, Marinella and Baker Residences was favourable. Since their respective first sales launch, over 86% and 91% of the total number of residential units in One Mayfair and Marinella have been sold respectively. As for Baker Residences, all the units have been sold. In respect of projects completed in previous financial years, these mainly included One SilverSea, St. Andrews Place, The Palazzo, The Hermitage, The Balmoral, Park Avenue and Lake Silver as well as carparking spaces in several residential projects including Vision City, Island HarbourView and Residences Oasis. Contributions from property sales, including property sales of associates recognised by Sino Land, was HK$3,017.6 million (2010/2011 : HK$3,240.7 million).

Sino Land continues to seek good opportunities to launch new projects for sale to enhance shareholders' value. Excluding the new projects that were completed during the financial year 2011/2012, other new projects launched were The Coronation in West Kowloon, Providence Bay and Providence Peak, both in Pak Shek Kok, Park Summit in West Kowloon and Le Sommet in Xiamen. All of the sales launches have been well received. Over 99%, 46%, 27% and 98% of the total number of residential units in The Coronation, Providence Bay, Providence Peak and Park Summit have been sold respectively so far. As for Le Sommet, all of the residential units have been sold.

During the financial year, there are three completed residential projects namely Marinella, One Mayfair and Baker Residences with a total attributable gross floor area of 0.4 million square feet. Details of the projects are presented in the following table :-

Location	**Usage**	**Group's Interest**	**Attributable Gross Floor Area** *(Square feet)*
1. Marinella 9 Welfare Road, Aberdeen, Hong Kong	Residential	35%	225,359
2. One Mayfair 1 Broadcast Drive, Kowloon Tong, Kowloon	Residential	100%	196,592
3. Baker Residences 8 Baker Court, Hung Hom, Kowloon	Residential / Retail	Joint Venture	26,824
			448,775

Land Bank

As at 30th June, 2012, Sino Land has a land bank of approximately 40.7 million square feet of attributable gross floor area comprising a balanced portfolio of properties of which 64.3% is residential; 24.1% commercial; 5.3% industrial; 3.6% car parks and 2.7% hotels. In terms of breakdown of the land bank by status, 28.4 million square feet were properties under development, 11.4 million square feet of properties for investment and hotels, together with 0.9 million square feet of properties held for sale. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

Sino Land acquired three sites from the HKSAR Government for residential development during the financial year. Details of the projects are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Gross Floor Area** *(Square feet)*
1. STTL525 Shatin Area 56A, Kau To (Site A), New Territories	Residential	40%	412,588

Location	Usage	Group's Interest	Attributable Gross Floor Area *(Square feet)*
2. Lot 726 in Demarcation District No. 4, Mui Wo, Lantau Island, New Territories	Residential / Commercial	100%	49,407
3. Lot 676 in Demarcation District, Peng Chau, New Territories	Residential	100%	36,845
			498,840

Property Development

Sino Land expects to complete a total of seven projects with an attributable gross floor area of 1.3 million square feet in the financial year ending 30th June, 2013. Details of the projects are shown as follows :

Location	Usage	Group's Interest	Attributable Gross Floor Area *(Square feet)*
1. The Coronation 1 Yau Cheung Road, South West Kowloon	Residential / Commercial	45%	292,808
2. Providence Bay 5 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential	35%	250,072
3. Park Summit 88 Beech Street, Mongkok, Kowloon	Residential / Commercial	Joint Venture	225,527
4. Providence Peak 8 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential	25%	187,447

Location	Usage	Group's Interest	Attributable Gross Floor Area *(Square feet)*
5. TPTL 187 (Site C) 9 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential / Commercial	50%	172,703
6. Le Sommet West Side of Jia He Lu & North of Song Bai Zhong Lu, Xiamen	Residential / Commercial	100%	131,700
7. Chengdu International Community Xipu Zhen, Pi Xian, Jin Niu District, Chengdu, Sichuan	Commercial	20%	81,529
			1,341,786

Subsequent to the financial year ended 30th June, 2012, the Occupation Permit for The Coronation was issued by the Building Authority of the HKSAR Government in August 2012.

Sino Land will strive to improve its developments by use of environmentally friendly features. Environmental sustainability is an important guiding principle in Sino Land's project development. Efforts to reduce carbon emissions, apply energy efficient designs and layouts as well as employ more greenery landscaping are encouraged.

Rental Activities

For the financial year ended 30th June, 2012, Sino Land's gross rental revenue, including attributable share from associates, increased 11.1% to HK$2,936.0 million (2010/2011 : HK$2,642.4 million) and net rental income increased 13.6% to HK$2,541.5 million (2010/2011 : HK$2,238.0 million). The increase in rental revenue was mainly due to higher rental rates on renewals, as well as improvement in occupancy levels of the existing rental portfolio for the financial year 2011/2012.

Supported by leasing demand for retail spaces from international and local retailers, the retail properties in Hong Kong have generated rental growth throughout the financial year. This continued growth was mainly attributable to the increase in domestic consumption due to household formation, wealth creation in China as well as growth in visitor arrivals over the years. The appreciation of several key Asian currencies against the Hong Kong dollar has also had a favourable impact on the retail sector in Hong Kong. HKSAR Government's efforts in promoting Hong Kong as one of the key shopping destinations in Asia are also positive for the retail sector. Occupancy rates of Sino Land's shopping centres have been maintained at high levels.

The changes in global business environment and market trend have had impact on the demand for office spaces in Hong Kong. An increasing number of multinational companies and international brands have been looking for alternative office locations for expansion or operational efficiency. HKSAR Government's policy to develop Kowloon East as a new core business district has transformed the landscape of the office sector in Hong Kong. While certain areas on Hong Kong Island still remain key commercial areas for Grade A offices, Kowloon East is developing into a new hub and a desirable location for a broader range of businesses. The expansion of international retailers in China translates into additional demand for Hong Kong office space and these new sources of demand will provide support to the sector. Sino Land's office rental portfolio has shown improvements in occupancy rates during the year under review.

The industrial leasing market in Hong Kong has gained momentum since the start of the year mainly due to growth of the retail and office sectors as well as demand from e-commerce. Along with the HKSAR Government's measures to revitalise the traditional industrial districts allowing some industrial buildings to be converted into offices, more multinational enterprises are attracted to relocate their factories and offices to these areas. The occupancy rates of Sino Land's industrial portfolio have been maintained at high levels for the financial year.

Regular asset enhancement programmes are integral to Sino Land's effort to raise asset quality, property values and rental revenues. These programmes include refurbishment and renovation of properties, developing marketing and promotional events, improving service quality, reconfiguring the layouts of premises with the right trade mix, to meet the needs of tenants and customers. By making these improvements, the shopping experience of the customers can be enhanced and tenants can benefit from a sustained flow of shoppers, which will bring more business to the tenants and enhance the value of Sino Land's investment properties.

As at 30th June, 2012, Sino Land has approximately 11.4 million square feet of attributable gross floor area of investment properties and hotels. Of this portfolio, commercial developments (retail and office) account for 64.9%, industrial developments 14.3%, car parks 12.9%, hotels 6.2%, and residential 1.7%.

Hotels

The Fullerton Hotel Singapore and The Fullerton Bay Hotel

Visitor arrivals in Singapore were up 13.1% from 11.6 million in 2010 to 13.1 million in 2011. According to Singapore Tourism Board, it is expected that visitor arrivals in Singapore will be between 13.5 to 14.5 million in 2012. With the growth in both leisure and business travels in the financial year 2011/2012, The Fullerton Hotel and The Fullerton Bay Hotel yielded good financial results. Sino Land will continue to improve the quality of hotel services to ensure its discerning guests have enjoyable stays in the hotels.

Conrad Hong Kong

Visitor arrivals in Hong Kong reached 41.9 million in 2011, representing a 16.4% increase from 36.0 million in 2010. Projected visitor arrivals by Hong Kong Tourism Board for 2012 have been estimated to be 44.2 million, a further growth of 5.5% from 2011. Of the total visitor arrivals, visitors from China continued to be the major contributor along with growth in other markets, namely the United States, South Korea, Singapore and Russia. Both short-haul and long-haul markets performed favourably and the number of overnight arrivals also increased. Conrad Hong Kong yielded favourable financial results for the financial year 2011/2012.

China Business

China's economy has been going through economic adjustments, both cyclically and structurally, as Central Government continues to introduce measures to stabilise growth and implement structural reforms in areas of banking and finance, housing, services and manufacturing to bring about a sustainable economic development. This development will help build a resilient economic system that reduces China's vulnerability to global markets and business cycles. Continuous attempts to improve and develop a more effective fiscal and monetary framework will also help to mitigate the risk of economic shocks, especially at a time when there are economic uncertainties in Europe.

After three decades of industrialization, the economic landscape of China has been changing gradually, moving towards a better business environment with enterprises pursuing quality management, products and services, branding and technological innovation and advancement. Recent economic data in China showed a softening in growth in the first half of calendar year 2012. To revive the growth momentum, Central Government has taken proactive policy easing to accelerate investments in infrastructure and industries, and increase liquidity in the economic system with monetary measures by lowering both interest rates and banks' required reserve ratio.

Residential property market in China is an integral part of Central Government's urbanization, population and social policies which will help support consumption-led growth in the medium to long term. Developing social and private housing will cater to the needs of different income-groups; improve productivity and reduce social discontentment. Housing measures implemented by the Central Government in recent years are conducive to establishing a healthier and sustainable property market. These measures will also bring about a better distribution of income and narrow the wealth disparity gap. Demand for residential property in China is expected to continue to grow due to urbanisation, household formation, preference for home-ownership and investment in real estate assets as a preservation of value.

Throughout the years, Sino Land has completed a number of projects in Xiamen and Fuzhou. Sino Land's interest in the commercial project Raffles City Shanghai located in the central business district of Shanghai and the leasing of Sino International Plaza in Fuzhou have established its presence in these cities. The experience gained from developing and leasing projects in China has also built Sino Land's execution capability in the country.

As at 30th June, 2012, Sino Land's land bank in China totaled 25.4 million square feet and these projects are in Shanghai, Chengdu, Chongqing, Zhangzhou, Guangzhou, Xiamen, Fuzhou and Shenzhen. Of this, 24.4 million square feet are projects currently at different stages of the development, and the remaining represents completed properties for investment and sale. Approximately 90% of the development land bank in China is residential developments, the remaining is commercial and hotel developments. Most of the residential portions of the projects are built for sale and some to be kept for investment purposes. The commercial portions of the developments will be retained mainly for investment purposes. All the projects are situated in cities with good economic and demographic fundamentals. The major property developments in Chengdu, Chongqing and Zhangzhou will be completed by phases over the next few years when expected profit contributions from these projects will be realised.

Other than the matters mentioned above, there has been no material change from the information published in the report and accounts for the financial year ended 30th June, 2011.

FINANCE

As at 30th June, 2012, the Group's gearing ratio was at approximately 13.2%, expressed as a percentage of total borrowings to the total assets. Of the total borrowings, 19.5% was repayable within one year, 61.6% repayable between one and two years and 18.9% repayable between two and five years. The Group, including the attributable share of its associates, had cash resources of approximately HK$17,669.4 million, comprising cash on hand of approximately HK$7,548.5 million together with committed undrawn facilities of approximately HK$10,120.9 million.

The majority of the Group's debts are denominated in Hong Kong dollars, with the balance in Singapore dollars, mainly used to fund The Fullerton Heritage project in Singapore. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the financial year ended 30th June, 2012. The majority of the Group's cash are denominated in Hong Kong dollars, with a relative small portion of Renminbi denominated deposits. Foreign exchange exposure has been prudently kept at a minimal level. The Group has maintained a prudent and sound financial management policy and has not entered into any transaction relating to derivatives and/or any other form of accumulators, swap transactions and options.

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, which are also environmentally friendly, for its developments. Management conducts regular reviews of its properties and service so that improvements can be made on a continuous basis.

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, Sino Land has been actively participating in a wide range of community programmes, voluntary services, charitable fund-raising activities and green initiatives to promote environmental protection, art and cultural events, and staff team-building activities. Sino Land has been a long-standing supporter of a number of organisations serving the community. Sino Land encourages staff of all levels to serve the community and care for those in need; this commitment is extended to support staff in joining voluntary service for at least one day a year during office hours.

Sino Land appreciates its role in protecting the environment. Efforts have constantly been made to make its properties more environmental friendly through well-thought architectural planning, energy saving and management initiatives. Taking another step on the sustainability journey, Sino Land has published its first Sustainability Report that highlights Sino Land’s corporate sustainability footprint and initiatives. This report also demonstrates Sino Land’s commitment to engage its stakeholders in building a greener future.

Dedicated to promoting local art and culture and enriching the daily lives of Hong Kong people, Sino Land initiated Sino Art (formerly ‘Art in Hong Kong’) in 2006. The programme organises art exhibitions and activities at various properties of Sino Land. By providing local and international artists and arts groups with more platforms and opportunities to showcase their visual, community and performing arts talents, Sino Art aims to add vigour to a more creative and culturally vibrant Hong Kong. In 2011/2012, Sino Art collaborated with shopping malls of Sino Land and acclaimed artists to host interesting exhibitions, bringing an element of inspiration to the daily lives of the general public. Additionally, Sino Art has also collaborated with the Hong Kong Museum of History for the first time to present ‘Transformation of the Qipao’, promoting the unique Chinese cultural and artistic legacy of the qipao.

In March 2008, the Ng family, the ultimate major shareholder of Sino Land, set up a non-profit organisation named Hong Kong Heritage Conservation Foundation (“HCF”). In December 2008, HCF was fortunate to win the tender to revitalise and convert the Old Tai O Police Station into a boutique hotel. Named Tai O Heritage Hotel, it is home to nine colonial-style rooms and suites which commenced operation in March this year.

PROSPECTS

The financial year 2011/2012 was a challenging year for policy makers, businesses and financial sectors around the globe. The economic conditions in the Euro zone have had wide-spread effects across industries and countries. Given the complexity of the national debt issues and the number of nations involved, a significant amount of resources, efforts and time are needed to bring the economies back on their growth tracks. The economy of the Euro zone is expected to be soft for a period of time.

In the United States, the economy is on a course of recovery despite mixed signals from the economic data. Federal Reserve's accommodative stance for monetary policy will be conducive to support the growth momentum. With global economic conditions remaining volatile, the year ahead is expected to remain uncertain.

China has been developing its own model to manage its economy for counteracting cyclical trends and structural changes to stabilize growth. The easing of economic growth in the first two quarters of this calendar year was anticipated by policy makers because of the policy shift from the last three decades of export-led growth to consumption-led growth. Central Government's approach in exercising reforms in the areas of banking and housing will lead to a better allocation of resources and distribution of income.

The Hong Kong residential property market has been supported by economic and demographic fundamentals. The resilient local economic environment is evident by stable employment, subdue inflation, growth in the retail sector and continued growth in visitor arrivals have provided a good platform for the sector to grow. The increase in household formation and the number of marriages and births have created new demand for housing. The home buyers continue to benefit from the low mortgage interest rates and good liquidity from the banking sector. Not only does the low interest rate environment make mortgage loan repayment more affordable, home owners can earn a positive return by leasing their flats.

The HKSAR Government's policy to develop a balanced mix of public rental housing, Home Ownership Scheme and private housing, will address the housing needs of different income groups. The regular land sales initiated by the HKSAR Government, Land Application List System, and the supply of sites from the Mass Transit Railway Corporation and Urban Renewal Authority of Hong Kong will maintain a continuous supply of sites for residential development. The HKSAR Government has indicated that there will be more land made available for private housing development. The Group with its cash resources is well positioned to participate on this opportunity to acquire land with good development value.

Although global market conditions are unclear, the Group is cautiously optimistic on the prospects for its business and operating conditions to grow. With favourable sales from a number of residential projects during the financial year, Sino Land has the strength and resources to pursue further investments in the property business. Sino Land will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. Sino Land will maintain a policy of selectively and continuously replenishing its land bank and is well placed to participate in future land acquisitions.

STAFF AND MANAGEMENT

On behalf of the Board, I would like to take this opportunity to express my sincere appreciation to all staff for their commitment, dedication and continuing support. I would also like to express my gratitude to my fellow Directors for their guidance and wise counsel.

Robert NG Chee Siong
Chairman

Hong Kong, 29th August, 2012

Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

FINAL RESULTS

The audited results of the Group for the year ended 30th June, 2012 are as follows:

Consolidated Income Statement

	Notes	2012 HK$	2011 HK$
Turnover	2	**8,461,180,724**	6,010,307,935
Cost of sales		**(2,283,937,012)**	(1,076,645,840)
Direct expenses		**(1,677,437,739)**	(1,459,500,161)
Gross profit		**4,499,805,973**	3,474,161,934
Increase in fair value of investment properties		**4,470,950,610**	5,999,114,359
Other income and other gains or losses		**99,458,469**	90,338,038
Fair value gain on non-current interest-free unsecured other loans		**61,349,079**	50,650,084
Gain on disposal of available-for-sale investments		**117,792,135**	131,076,070
(Loss) gain arising from change in fair value of trading securities		**(158,293,225)**	192,335,668
Gain on disposal of a subsidiary		**143,139,005**	-
Gain on disposal of an associate		**389,223,795**	-
Gain on disposal of investment properties		**224,369,741**	15,364,869
Administrative expenses		**(637,944,617)**	(738,413,346)
Other operating expenses		**(163,497,602)**	(169,281,503)
Finance income		**249,064,207**	153,396,824
Finance costs		**(294,624,806)**	(338,736,518)
Less: Interest capitalised		**87,133,774**	81,118,571
Finance income (costs), net		**41,573,175**	(104,221,123)
Share of results of associates	3	**2,212,999,694**	3,627,544,720
Profit before taxation	4	**11,300,926,232**	12,568,669,770
Income tax expense	5	**(1,304,515,802)**	(1,656,310,424)
Profit for the year		**9,996,410,430**	10,912,359,346
Attributable to:			
Company's shareholders		**4,997,931,328**	5,436,560,830
Non-controlling interests		**4,998,479,102**	5,475,798,516
		9,996,410,430	10,912,359,346
Interim dividend at HK10 cents *(2011: HK10 cents)* per share		**153,188,136**	149,919,412
Proposed final dividend at HK36 cents *(2011: HK35 cents)* per share		**554,234,964**	526,972,739
Earnings per share (reported earnings per share) – basic	6(a)	**3.284**	3.640
Earnings per share (underlying earnings per share) – basic	6(b)	**1.764**	1.520

Consolidated Statement of Comprehensive Income

	2012	2011
	HK$	HK$
Profit for the year	**9,996,410,430**	10,912,359,346
Other comprehensive (expense) income		
(Loss) gain on fair value change of available-for-sale investments	**(131,274,231)**	188,605,106
Exchange differences arising on translation of foreign operations	**545,374,933**	571,100,346
Reclassification adjustments upon disposal of available-for-sale investments	**(116,210,851)**	(132,018,435)
Other comprehensive income for the year	**297,889,851**	627,687,017
Total comprehensive income for the year	**10,294,300,281**	11,540,046,363
Total comprehensive income attributable to:		
Company's shareholders	**5,121,547,742**	5,751,198,752
Non-controlling interests	**5,172,752,539**	5,788,847,611
	10,294,300,281	11,540,046,363

Consolidated Statement of Financial Position

At 30th June, 2012

	Notes	**2012** HK$	2011 HK$
Non-current assets			
Investment properties		**51,643,719,403**	47,773,861,006
Hotel properties		**1,609,676,576**	1,657,579,976
Property, plant and equipment		**123,798,174**	150,596,151
Goodwill		**739,233,918**	739,233,918
Prepaid lease payments – non-current		**1,197,808,601**	1,261,852,876
Interests in associates		**11,661,896,749**	11,217,192,063
Interest in a jointly controlled entity		**101,760,704**	89,561,407
Available-for-sale investments		**786,569,326**	1,259,919,936
Advances to associates		**8,490,423,817**	9,578,579,709
Advance to a jointly controlled entity		**2,014,774,277**	1,663,513,308
Advance to non-controlling interests		**133,210,793**	162,149,657
Advance to investee company		**16,899,509**	17,179,670
Long-term loans receivable		**47,178,510**	29,272,858
		78,566,950,357	75,600,492,535
Current assets			
Properties under development		**21,869,542,575**	22,812,356,603
Stocks of completed properties		**1,618,071,092**	1,160,982,428
Hotel inventories		**27,337,338**	27,271,674
Prepaid lease payments – current		**19,104,164**	19,809,674
Trading securities		**710,813,181**	1,305,491,817
Amounts due from associates		**3,097,093,173**	25,733,746
Accounts and other receivables	7	**2,522,220,649**	1,285,264,962
Current portion of long-term loans receivable		**2,236,139**	1,237,374
Taxation recoverable		**275,721**	6,092,665
Restricted bank deposits		**679,660,662**	273,972,025
Time deposits, bank balances and cash		**5,046,181,552**	7,930,343,986
		35,592,536,246	34,848,556,954
Current liabilities			
Accounts and other payables	8	**3,518,802,532**	3,499,227,204
Deposits received on sales of properties		**590,130,004**	-
Amounts due to associates		**706,076,620**	1,728,128,683
Taxation payable		**761,881,080**	768,397,511
Current portion of long-term bank borrowings		-	202,212,486
Bank loans			
– secured		**2,776,883,954**	3,562,429,107
Other loans			
– secured		-	247,484,250
– unsecured		**188,384,705**	193,380,119
Financial guarantee contracts – current		**887**	1,645,869
		8,542,159,782	10,202,905,229
Net current assets		**27,050,376,464**	24,645,651,725
Total assets less current liabilities		**105,617,326,821**	100,246,144,260

Consolidated Statement of Financial Position – continued

At 30th June, 2012

	2012	2011
	HK$	HK$
Capital and reserves		
Share capital	**307,908,314**	301,127,280
Share premium and reserves	**40,524,547,796**	35,242,831,647
Equity attributable to Company's shareholders	**40,832,456,110**	35,543,958,927
Non-controlling interests	**44,972,651,415**	41,259,240,229
Total equity	**85,805,107,525**	76,803,199,156
Non-current liabilities		
Long-term bank borrowings		
– due after one year	**7,823,684,649**	12,501,197,133
Other loans		
– due after one year	**4,351,106,902**	3,729,105,012
Financial guarantee contracts		
– non-current	**-**	948
Deferred taxation	**5,317,391,746**	4,590,535,092
Advances from associates	**1,862,708,895**	2,188,632,210
Advances from non-controlling interests	**457,327,104**	433,474,709
	19,812,219,296	23,442,945,104
	105,617,326,821	100,246,144,260

Notes:

1. Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current year, the Company and its subsidiaries (the "Group") have applied the following revised Standard and Amendments ("new and revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Amendment to HKFRS 7	Disclosures – Transfers of Financial Assets
HKAS 24 (as revised in 2009)	Related Party Disclosures
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement

The application of these new and revised HKFRSs has had no material impact on the consolidated financial statements of the Group for the current or prior accounting periods.

2. Operating segments

The Group's operating segments are reported by five operating divisions - property, property management and other services, hotel operations, investments in securities and financing.

Segment results

For the year ended 30th June, 2012

	The Company and its subsidiaries		Associates		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK$	HK$	HK$	HK$	HK$	HK$
Property						
Property sales	4,279,287,892	1,706,189,451	2,869,505,287	1,311,435,731	7,148,793,179	3,017,625,182
Property rental	2,419,995,977	2,058,916,057	585,754,022	529,344,441	3,005,749,999	2,588,260,498
	6,699,283,869	3,765,105,508	3,455,259,309	1,840,780,172	10,154,543,178	5,605,885,680
Property management and other services	888,061,455	198,567,386	73,233,269	7,200,163	961,294,724	205,767,549
Hotel operations	795,932,634	343,461,080	225,791,400	128,556,000	1,021,724,034	472,017,080
Investments in securities	76,758,841	74,830,102	203,900	203,900	76,962,741	75,034,002
Financing	1,143,925	1,143,925	76,665	72,280	1,220,590	1,216,205
	8,461,180,724	4,383,108,001	3,754,564,543	1,976,812,515	12,215,745,267	6,359,920,516

For the year ended 30th June, 2011

	The Company and its subsidiaries		Associates		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK$	HK$	HK$	HK$	HK$	HK$
Property						
Property sales	2,256,316,924	1,003,525,519	7,033,689,320	2,237,227,602	9,290,006,244	3,240,753,121
Property rental	2,199,094,316	1,825,283,837	506,273,523	459,293,209	2,705,367,839	2,284,577,046
	4,455,411,240	2,828,809,356	7,539,962,843	2,696,520,811	11,995,374,083	5,525,330,167
Property management and other services	793,478,962	194,525,211	64,094,512	9,041,431	857,573,474	203,566,642
Hotel operations	677,979,850	267,976,089	214,359,600	121,282,200	892,339,450	389,258,289
Investments in securities	82,564,689	81,643,996	203,900	203,900	82,768,589	81,847,896
Financing	873,194	873,194	138,696	118,416	1,011,890	991,610
	6,010,307,935	3,373,827,846	7,818,759,551	2,827,166,758	13,829,067,486	6,200,994,604

Measurement

Segment results represent the profit 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, gains on disposal of available-for-sale investments, investment properties, a subsidiary and an associate, fair value gain on non-current interest-free unsecured other loans and certain finance costs net of finance income. The profit earned by each segment also includes the share of results from the Group's associates without allocation of the associates' certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value 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 resources allocation and performance assessment.

2. Operating segments – continued

Reconciliation of profit before taxation

	2012	2011
	HK$	HK$
Segment profit	**6,359,920,516**	6,200,994,604
Other income and other gains or losses	**95,095,143**	85,097,947
Increase in fair value of investment properties	**4,470,950,610**	5,999,114,359
(Loss) gain arising from change in fair value of trading securities	**(158,293,225)**	192,335,668
Gain on disposal of available-for-sale investments	**117,792,135**	131,076,070
Gain on disposal of investment properties	**224,369,741**	15,364,869
Gain on disposal of a subsidiary	**143,139,005**	-
Gain on disposal of an associate	**389,223,795**	-
Administrative expenses and other operating expenses	**(680,205,770)**	(802,063,234)
Fair value gain on non-current interest-free unsecured other loans	**61,349,079**	50,650,084
Finance income (costs), net	**41,398,024**	(104,278,559)
Results shared from associates		
- Other income and other gains or losses	**36,404,992**	32,005,020
- Increase in fair value of investment properties	**1,073,552,768**	1,754,727,073
- Administrative expenses and other operating expenses	**(262,398,620)**	(97,852,968)
- Finance costs net of finance income	**(123,203,288)**	(108,883,320)
- Income tax expense	**(488,168,673)**	(779,617,843)
	236,187,179	800,377,962
Profit before taxation	**11,300,926,232**	12,568,669,770

During the year ended 30th June, 2012, all inter-segment sales of HK$44,934,044 *(2011: HK$35,932,550)* were eliminated within the segment of "property management and other services". There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

Geographical segments

Most of the activities of the Group are based in Hong Kong and more than 90% of the Group's turnover, profit before taxation, total non-current assets are derived from activities carried out in Hong Kong.

3. Share of results of associates

The Group's share of results of associates included the Group's share of increase in fair value of investment properties of the associates, net of deferred taxation, of HK$887,450,476 *(2011: HK$1,459,035,872)* recognised in the income statement of the associates.

The Inland Revenue Department ("IRD") initiated tax inquiries in respect of the deductions on certain loan interest and related expenses for the years of assessment 1994/95 to 2004/05 on a wholly-owned subsidiary, Murdoch Investments Inc. ("MII"), of the Group's associate, Erleigh Investment Limited. Notices of assessment for additional tax in the aggregate amounts of approximately HK$135,038,000 were issued to MII for the years under review and objection was properly lodged with the IRD by MII. The IRD agreed to hold over the tax claim subject to the purchase of tax reserve certificates (the "TRCs") of approximately HK$18,212,000 for those years of assessments. These TRCs were purchased by the corresponding company in prior years.

During the year ended 30th June, 2011, provisions for tax payables in respect of the above assessments of HK$28,736,151 and for the estimated interest payable on additional tax of HK$15,567,102 were made by MII. In prior year, the effective share of tax and the estimated interest payable attributable to the Group were HK$6,426,051 and HK$3,481,155 respectively. During the current year, MII has reached a settlement agreement with the IRD and the final amounts of additional tax and interest payable to be settled are HK$28,757,280 and HK$6,600,000 respectively. Based on this settlement agreement, the effective share of final amounts of additional tax and interest payable attributable to the Group were HK$6,430,856 and HK$1,440,643 respectively. Accordingly, the effective share of additional provision of tax attributable to the Group of HK$4,805 and the effective share of overprovision of interest payable in prior year attributable to the Group of HK$2,040,512 have been charged and written back to the consolidated income statement of the Group for the year, respectively.

4. Profit before taxation

	2012 **HK$**	2011 HK$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	**19,456,920**	18,586,349
Cost of hotel inventories consumed (included in direct expenses)	**89,015,976**	83,668,823
Cost of properties sold	**2,283,937,012**	1,076,645,840
Depreciation (included in other operating expenses)	**76,685,922**	93,213,329
Loss (gain) on disposal of property, plant and equipment	**533,686**	(150,816)
(Reversal) recognition of impairment loss on trade receivables	**(539,121)**	1,487,421

5. Income tax expense

	2012	2011
	HK$	HK$
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% *(2011: 16.5%)*	**454,203,816**	324,454,903
Overprovision in previous years	**(479,870)**	(16,114,493)
Additional provisions in respect of tax inquiries (Note)	**308,180**	208,282,240
	454,032,126	516,622,650
Taxation in other jurisdictions		
Provision for the year	**53,701,016**	44,263,094
(Over)underprovision in previous years	**(906,873)**	46,639,061
	52,794,143	90,902,155
	506,826,269	607,524,805
Deferred taxation		
Current year	**797,689,533**	1,048,785,619
	1,304,515,802	1,656,310,424

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

Note:

The IRD initiated tax inquiries for the years of assessment 1995/96 to 2004/05 on Sing-Ho Finance Company Limited ("Sing-Ho Finance"), a wholly-owned subsidiary of Sino Land which is a subsidiary of the Company. Notices of assessment for additional tax in an aggregate sum of approximately HK$673,880,000 were issued to Sing-Ho Finance for the years under review and objections were properly lodged with the IRD by Sing-Ho Finance. The IRD agreed to hold over the tax claim subject to the purchase of TRCs of approximately HK$109,940,000 for those years of assessments. These TRCs were purchased by the Group in prior years. During the year ended 30th June, 2011, provisions for tax payable in respect of the assessments of HK$208,282,240 and for the estimated interest payable on additional tax of HK$114,339,551 were made by the Group. During the current year, the Group has reached a settlement agreement with the IRD and the final additional tax and interest on additional tax to be settled are HK$208,590,420 and HK$99,436,653 respectively. Based on this settlement agreement, additional provision of tax of HK$308,180 and overprovision of interest payable in prior year of HK$14,902,898 have been charged and written back to administrative expenses in the consolidated income statement of the Group for the year, respectively.

6. 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:

	2012	2011
	HK$	HK$
Earnings for the purpose of basic earnings per share	**4,997,931,328**	5,436,560,830
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,521,759,651**	1,493,273,536

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK$2,685,632,211 *(2011: HK$2,270,761,583)* is also presented, excluding the net effect of changes in fair value of the Group's and the associates' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	2012	2011
	HK$	HK$
Earnings for the purpose of basic earnings per share	**4,997,931,328**	5,436,560,830
Increase in fair value of investment properties	**4,470,950,610**	5,999,114,359
Effect of corresponding deferred tax charges	**(727,306,894)**	(991,598,163)
Share of results of associates		
- Increase in fair value of investment properties	**1,073,552,768**	1,754,727,073
- Effect of corresponding deferred tax charges	**(186,102,292)**	(295,691,201)
	4,631,094,192	6,466,552,068
Non-controlling interests	**(2,318,795,075)**	(3,300,752,821)
Net effect of changes in fair value of investment properties	**2,312,299,117**	3,165,799,247
Underlying profit attributable to the Company's shareholders	**2,685,632,211**	2,270,761,583

7. Accounts and other receivables

At 30th June, 2012, included in accounts and other receivables of the Group are trade receivables net of allowance for doubtful debts of HK$2,008,616,664 *(2011: HK$844,914,676),* of which HK$1,819,308,060 *(2011: HK$658,534,246)* are to be settled based on the terms of the sales and purchase agreements of property. Trade receivables mainly comprise rental receivables and properties sales receivables.

The following is an aged analysis of trade receivables (net of allowance for doubtful debts). Rental receivables are billed and payable in advance by tenants. Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sales and purchase agreements:

	2012	2011
	HK$	HK$
Not yet due	**1,819,482,087**	643,093,551
0-30 days	**119,889,584**	143,890,231
31-60 days	**23,482,512**	19,527,205
61-90 days	**6,362,953**	3,911,603
Over 90 days	**39,399,528**	34,492,086
	2,008,616,664	844,914,676

Trade receivables over 90 days amounting to HK$39,399,528 *(2011: HK$34,492,086)* are sufficiently covered by rental deposits received from the respective tenants and no allowance is required for these receivables under the Group's allowance policy.

8. Accounts and other payables

At 30th June, 2012, included in accounts and other payables of the Group are trade payables of HK$185,621,590 *(2011: HK$214,781,517).*

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

	2012	2011
	HK$	HK$
0-30 days	**149,686,422**	155,486,907
31-60 days	**20,299,278**	42,830,169
61-90 days	**1,732,937**	3,564,369
Over 90 days	**13,902,953**	12,900,072
	185,621,590	214,781,517

9. Pledge of assets

(a) At 30th June, 2012, the aggregate facilities of bank loans and other loans granted to the Group amounting to approximately HK$14,888,689,000 *(2011: HK$22,785,202,000)* were secured by certain of the Group's listed investments, properties, accounts and other receivables, restricted bank deposits, shares of Sino Land and floating charges on bank balances amounting to a total of HK$23,359,640,285 *(2011: HK$41,428,516,799)*. At that date, the facilities were utilised by the Group to the extent of approximately HK$10,820,789,000 *(2011: HK$16,043,702,000)*.

(b) At 30th June, 2012, investments in and advances to certain associates and a jointly controlled entity amounting to approximately HK$502,000 and HK$8,452,659,000 respectively *(2011: HK$136,825,000 and HK$7,201,079,000, respectively)* and certain assets of the associates and a jointly controlled entity were pledged to or assigned to secure loan facilities made available by banks to such associates and jointly controlled entity. The Group's attributable portion of these facilities amounted to HK$7,250,900,000 *(2011: HK$9,058,000,000)*, of which HK$5,435,900,000 *(2011: HK$6,779,550,000)* was utilised by the associates and a jointly controlled entity and guaranteed by Sino Land.

10. Contingent liabilities

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

	2012	2011
	HK$	HK$
Guarantees in respect of banking facilities of:		
Associates and a jointly controlled entity		
- Utilised	**5,435,900,000**	6,779,550,000
- Unutilised	**1,815,000,000**	2,278,450,000
	7,250,900,000	9,058,000,000

As at 30th June, 2012, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates and a jointly controlled entity. At the end of the reporting period, the amounts of HK$887 *(2011: HK$1,646,817)* and Nil *(2011: Nil)*, respectively, have been recognised in the consolidated statement of financial position as liabilities.

(b) At the end of the reporting period, share of contingent liabilities of an associate is as follows:

	2012	2011
	HK$	HK$
Share of contingent liabilities arising from tax affairs of an associate	**-**	23,772,000

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Wednesday, 31st October, 2012, the register of members of the Company will be closed from Monday, 29th October, 2012 to Wednesday, 31st October, 2012, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrars, Tricor Friendly Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, 26th October, 2012.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. The record date for the proposed final dividend is at the close of business on Wednesday, 7th November, 2012. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 6th November, 2012 to Wednesday, 7th November, 2012, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrars, Tricor Friendly Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 5th November, 2012.

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted its own Corporate Governance Code and has complied with all code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") (the "Code") (and the new code provisions since 1st April, 2012 when the amendments to the Code became effective), except that there was no separation of the roles of the chairman and the chief executive officer, 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 will review the management structure regularly to ensure it continues to meet these objectives and is in line with the industry practices.

REVIEW OF AUDITED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Group for the year ended 30th June, 2012 have been reviewed by the audit committee of the Company.

2012 ANNUAL REPORT

The 2012 annual report containing all the information required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited and the Company's website www.sino.com while printed copies will be sent to shareholders on or about Wednesday, 26th September, 2012.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 29th August, 2012

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