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Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present my interim report to shareholders.

INTERIM RESULTS

The Group's unaudited underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the six months ended 31st December, 2012 ("Interim Period"), was HK\$2,273.1 million, an increase of 87.9% from HK\$1,209.4 million in the corresponding period last year. Underlying earnings per share was HK\$1.473 (2011: HK\$0.802).

The Group's net profit attributable to shareholders for the Interim Period was HK\$4,111.9 million, representing an increase of 81.0% from HK\$2,271.6 million for the corresponding period last year. Earnings per share was HK\$2.665 (2011 : HK\$1.505). The reported profit for the period included a revaluation surplus (net of deferred taxation) on investment properties of HK\$1,838.7 million compared with a revaluation surplus (net of deferred taxation) of HK\$1,062.2 million for the last period.

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

DIVIDEND

The Directors have declared an interim dividend of 12 cents per share payable on 24th April, 2013 to those shareholders whose names appear on the Register of Members of the Company on 19th March, 2013.

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

A circular containing details of the scrip dividend scheme will be despatched to shareholders together with the form of election for scrip dividend on or about 22nd March, 2013. It is expected that the interim dividend warrants and share certificates will be despatched to shareholders on or about 24th April, 2013.

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited (“Sino Land”) represent a substantial portion of the operations of the Group as a whole. As at 31st December, 2012 Tsim Sha Tsui Properties Limited (the “Company”) had 50.70% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

Sales Activities

Total revenue from property sales of Sino Land recognised for the Interim Period, including property sales of associates recognised by Sino Land, was HK\$10,233.4 million (2011 : HK\$3,957.4 million).

Sino Land’s total revenue from property sales comprises mainly the sales of residential units in The Coronation in West Kowloon, Park Summit in Mongkok and Le Sommet in Xiamen completed during the Interim Period as well as those completed in previous financial years. Market response to the sales of the units in these three projects was favourable. Over 99% of the total number of residential units in both The Coronation and Park Summit have been sold and as for Le Sommet, all of the units have been sold. In respect of projects completed in previous financial years, these mainly included One Mayfair, Marinella, The Palazzo, The Hermitage, The Balmoral, Goodwood Park and Lake Silver as well as car parking spaces in several residential projects including Island HarbourView, Ocean View, Majestic Park and Dynasty View. Contributions from property sales, including property sales of associates recognised by Sino Land, was HK\$3,880.6 million (2011 : HK\$1,700.5 million).

Sino Land continues to seek good opportunities to sell its projects to enhance shareholders’ value. During the Interim Period, Sino Land continued to sell Providence Bay and Providence Peak, both in Pak Shek Kok, and to date, over 52% and 78% of the total number of residential units in these two projects have been sold respectively. As for China, over 400 residential units in Dynasty Park in Zhangzhou have been launched for sale and over 88% have been sold so far.

Land Bank

As at 31st December, 2012, Sino Land has a land bank of approximately 40.5 million square feet of attributable gross floor area comprising a balanced portfolio of properties of which 64.0% is residential; 24.4% commercial; 5.3% industrial; 3.6% car parks and 2.7% hotels. In terms of breakdown of the land bank by status, 28.2 million square feet were properties under

development, 11.5 million square feet of properties for investment and hotels, together with 0.8 million square feet of properties held for sale. Including the site for residential development (Lot 1949 in DD221) in Sai Kung acquired in January 2013, Sino Land has approximately 40.8 million attributable square feet of land bank in total, of which 28.5 million square feet are properties under development. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

During the period from July 2011 to January 2013, Sino Land has acquired a total of six sites from the HKSAR Government and the development right of a site at Long Ping Station (North) from MTR Corporation Limited with a total attributable gross floor area of 1.2 million square feet mainly for residential development. Details of the projects are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
1. STTL525 Shatin Area 56A, Kau To (Site A), New Territories	Residential	40%	412,588
2. TKOTL 117 Area 66C2, Tseung Kwan O, New Territories	Residential / Commercial	60%	291,939
3. Lot 1949 in Demarcation District 221 Sha Kok Mei, Sai Kung, New Territories	Residential	100%	249,133
4. YLTL 513 Long Ping Station (North), Yuen Long, New Territories	Residential	40%	209,575
5. Lot 726 in Demarcation District No. 4, Mui Wo, Lantau Island, New Territories	Residential / Commercial	100%	49,407
6. Lot 676 in Demarcation District, Peng Chau, New Territories	Residential	100%	36,845
7. Lot 674 in Demarcation District, Peng Chau, New Territories	Residential	100%	14,372
			<u><u>1,263,859</u></u>

Property Development

During the Interim Period, Sino Land obtained Occupation Permits for the following projects in Hong Kong with a total attributable gross floor area of 1.1 million square feet. Details of these projects are presented as follows :-

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> (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
5. The Graces • Providence Bay 9 Fo Chun Road, Pak Shek Kok, Tai Po, New Territories	Residential / Commercial	50%	172,703
			<u>1,128,557</u>

As for China, Le Sommet, a wholly-owned residential project in Xiamen with total gross floor area of 131,700 square feet, was completed during the Interim Period.

Rental Activities

For the Interim Period, Sino Land's gross rental revenue, including attributable share from associates, increased 9.0% to HK\$1,560.6 million (2011 : HK\$1,431.1 million) and net

rental income increased 8.8% to HK\$1,347.9 million (2011 : HK\$1,239.0 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.

Sino Land's retail portfolio experienced favourable growth in rental rates with overall occupancy being maintained at high level during the Interim Period. The businesses of the tenants in Sino Land's shopping malls have been supported by domestic consumption and tourism. With new malls, namely Coronation Circle – the retail mall in The Coronation residences in West Kowloon and the retail mall in Park Summit in Mongkok, coming on-stream, Sino Land is expected to further expand its retail portfolio and enhance its rental revenue from the sector.

The leasing performance of Sino Land's office portfolio was stable during the period under review with overall occupancy rate at high level and improved rental rates. Corporations are gaining interests in setting up their offices in Grade-A office buildings in Kowloon East and this is mainly due to the HKSAR Government's "Energising Kowloon East" programme as well as the infrastructure development plan to re-position the area, including the old Kai Tak airport, into a well-connected, user-friendly and interesting place for businesses, families and tourists. As for the industrial sector, the overall occupancy for Sino Land's industrial properties has been at high level due to good demand for industrial space.

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, further enhancement of connectivity and accessibility of shopping malls, continuously review and reposition of tenants to optimise use of spaces, 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 our customers can be enhanced and tenants can benefit from a sustained flow of shoppers, which will bring more business to our tenants and enhance the value of Sino Land's investment properties.

As at 31st December, 2012, Sino Land has approximately 11.5 million square feet of attributable gross floor area of investment properties and hotels. Of this portfolio, commercial developments (retail and office) account for 65.2%, industrial developments 14.2%, car parks 12.8%, hotels 6.2%, and residential 1.6%.

Hotels

The Fullerton Hotel and The Fullerton Bay Hotel, Singapore

With the steady growth in both leisure and business travels during the Interim Period, The Fullerton Hotel and The Fullerton Bay Hotel achieved favourable financial and operating results. 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.

Conrad Hong Kong

The financial and operating performance of Conrad Hong Kong for the Interim Period was supported by both business activities and visitor arrivals. Despite a difficult global economic environment, business activities and tourism in Asia remained resilient benefiting Hong Kong's hotel industry.

China Business

2012 was an important year for China as a new generation of political leaders was appointed in the Eighteenth National Congress of the Communist Party of China and the new government will be formed under the National People's Congress in March 2013. This transition of leadership in China will continue to strengthen the economic and financial reforms as well as infrastructure developments set out in the Twelfth Five-Year Plan.

China's GDP growth in the fourth quarter of 2012 has shown signs of improvement with fixed asset investment, external trade and factory output on the recovering trend. Retail sales continued to show double-digit growth in 2012 while economic growth has been on a stable track. The residential property market has recently picked up in terms of transaction volume in most major cities as a result of a stable policy environment. The outlook of the residential property market is positive due to population growth and urbanisation. Demand for housing continues to expand in the long-run as urbanisation is central to stabilise future growth of China. Growing domestic consumption and rising incomes will be conducive to build a more resilient growth model for the economy to weather through unexpected external economic shocks.

Throughout the years, Sino Land has completed a number of projects in Xiamen and Fuzhou. The experience gained from developing and leasing projects in China has also built Sino Land's execution capability in the country. As at 31st December, 2012, Sino Land's land bank in China, including development land bank and investment properties, totaled 25.4 million square feet and these projects are in Shanghai, Chengdu, Chongqing, Zhangzhou, Guangzhou, Xiamen, Fuzhou and Shenzhen. Of this, 24.3 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, 2012.

FINANCE

As at 31st December, 2012, the Group's gearing ratio was at approximately 11.7%, expressed as a percentage of total borrowings to the total assets. Of the total borrowings, 17.9% was repayable within one year, 42.5% repayable between one and two years and 39.6% repayable between two and five years. The Group, including the attributable share of its associates, had cash resources of approximately HK\$19,543.2 million, comprising cash on hand of approximately HK\$10,680.9 million together with committed undrawn facilities of approximately HK\$8,862.3 million.

In September, 2012, Sino Land successfully issued US\$500 million 5-year Notes at a coupon of 3.25% p.a. under the Medium Term Note Programme set up in April of the same year. The transaction was well received with the final order book reaching 7 times of the issued amount and over 140 fixed income investors around the world participated in the deal.

The majority of the Group's debts are denominated in Hong Kong dollars and US 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 Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars, with a relatively small portion of Renminbi denominated deposits. 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 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 activities and green initiatives to promote environmental protection, art and cultural events, and staff team-building activities. In recognition of its continuous efforts in promoting sustainability and high standards of performance in environmental, social and corporate governance aspects, Sino Land has been selected as a constituent member of the Hang Seng Corporate Sustainability Index in September 2012. Sino Land also published its second Sustainability Report that highlights Sino Land's corporate sustainability footprint and initiatives. This report also demonstrates Sino Land's commitment to engaging its stakeholders in building a greener future.

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 architectural planning, energy saving and management initiatives. During the Interim Period, Sino Estates Management Limited was awarded the 1st Runner-up of Biggest Unit Saver Award (Property Management) in the energy saving contest Power Smart 2012 by Friends of the Earth in recognition of the efforts in environmental protection.

Dedicated to promoting local art and culture, Sino Land initiated Sino Art (formerly ‘Art in Hong Kong’) in 2006. Sino Art 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 July to December 2012, Sino Art has collaborated with local and international artists to hold three thematic exhibitions at Sino Land’s flagship shopping malls, Olympian City and Tuen Mun Town Plaza, which included Happy Rainbow, The Street Market Symphony and X’mas Dreamland, bringing art to the daily lives of the general public.

In March 2008, the Ng family, the ultimate major shareholder of the Group, set up a non-profit organisation named Hong Kong Heritage Conservation Foundation Limited (“HCF”). In December 2008, HCF was fortunate to win the tender to revitalise and convert the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel, it is home to nine colonial-style rooms and suites which commenced operation in March 2012.

PROSPECTS

From the political perspective, the leadership in China and the presidential election in the United States have crystallised. On the economic side, the labour market in the United States has shown improvement since September 2012 and housing market has shown signs of initial recovery. The third round of quantitative easing rolled out in the United States in September 2012 demonstrated that the Federal Reserve is committed to reviving the economy of United States which is favourable to the global economy. The agreement reached among the members of the United States Congress in January 2013 to avert the ‘fiscal cliff’ has sent positive signals to the market that the government of the United States is committed to reduce unemployment and put the economy back on growth trend.

In the Euro zone, it has been a significant breakthrough to have the European Central Bank be in charge of supervising banks in the region as a solution to deal with the crisis. The reforms agreed by the member countries are beginning to provide some effects of financial stability.

In Hong Kong, the economic situation is stable with low unemployment, well-managed banking system and rising purchasing managers index. With increasing household formation, marriages and number of births, demand for housing is on a rising trend. The low mortgage interest rate environment, good liquidity in the mortgage loan market and favourable mortgage interest rate continue to support the purchase demand for residential homes.

Property development is one of the important pillar industries of the Hong Kong economy. It affects livelihood of the people, provides impetus to growth of other sectors, and creates employment. To this end, the HKSAR Government spent resources and efforts to formulate the long-term housing policy in 2012. A long-term housing policy will promote transparency and cater to the housing needs of Hong Kong people, which is important to ensure its social and economic stability. The property transaction volume in Hong Kong has seen improvement for the five consecutive months from July to November 2012 compared with the same period last year. It was mainly supported by good fundamentals mentioned earlier. In October 2012, the HKSAR Government introduced new measures on the residential property market such as the Buyer's Stamp Duty and extended the provisions of the Special Stamp Duty which have the effect of stabilising residential property prices. As a result, transaction volume of residential properties lowered in December 2012. In February 2013, the HKSAR Government increased the stamp duty rates for the purchase of a second residential property. As the measures have just been introduced, the impact on the residential property market is yet to be seen.

As stated in the Policy Address announced in January 2013, the HKSAR Government will provide more land for private housing development through a spectrum of solutions including rezoning areas for residential use, increasing the development density of residential sites and conversion of industrial land for residential use. The Group with its cash resources is well-positioned to benefit from this opportunity and continue to acquire land with good development value.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development and property management, Sino Land will incorporate more environmentally friendly elements in our projects. Sino Land will maintain a policy of selectively and continuously replenishing its land bank, which will enable it to strengthen earnings and shareholders' value.

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, 27th February, 2013



Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

INTERIM RESULTS

The unaudited results of the Group for the six months ended 31st December, 2012 are as follows:

Consolidated Statement of Profit or Loss

		Six months ended	
		31st December, 2012	31st December, 2011
	Notes	HK\$ (Unaudited)	HK\$ (Unaudited and restated)
Turnover	2	5,361,275,656	5,795,960,779
Cost of sales		(2,094,849,733)	(1,953,343,506)
Direct expenses		(976,138,713)	(897,660,363)
Gross profit		2,290,287,210	2,944,956,910
Other income and other gains or losses		43,641,337	64,888,208
Increase in fair value of investment properties		2,923,644,810	1,782,318,490
Gain on disposal of a subsidiary		-	143,139,005
Gain on disposal of investment properties		80,910,312	74,723,188
Gain on disposal of available-for-sale investments		-	117,792,135
Gain (loss) arising from change in fair value of trading securities		135,411,463	(192,200,527)
Administrative expenses		(357,134,094)	(363,092,725)
Other operating expenses		(83,066,097)	(82,367,881)
Finance income		268,020,860	108,336,865
Finance costs		(166,104,840)	(143,108,116)
Less: Interest capitalised		24,364,395	45,864,917
Finance income, net		126,280,415	11,093,666
Share of results of associates	3	3,458,254,010	507,513,320
Profit before taxation	4	8,618,229,366	5,008,763,789
Income tax expense	5	(371,961,200)	(403,991,924)
Profit for the period		8,246,268,166	4,604,771,865
Profit for the period attributable to:			
The Company's shareholders		4,111,900,042	2,271,657,038
Non-controlling interests		4,134,368,124	2,333,114,827
		8,246,268,166	4,604,771,865
Interim dividend at HK12 cents (2011: HK10 cents) per share		188,289,606	153,188,136
Earnings per share (reported earnings per share)			
– basic	6(a)	2.665	1.505
Earnings per share (underlying earnings per share)			
– basic	6(b)	1.473	0.802

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended	
	31st December, 2012 HK\$ (Unaudited)	31st December, 2011 HK\$ (Unaudited and restated)
Profit for the period	<u>8,246,268,166</u>	<u>4,604,771,865</u>
Other comprehensive income (expense)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Gain (loss) on fair value change of available-for-sale investments	305,566,727	(268,680,426)
Exchange differences arising on translation of foreign operations	<u>304,913,895</u>	<u>43,677,722</u>
	<u>610,480,622</u>	<u>(225,002,704)</u>
Reclassification adjustments upon disposal of available-for-sale investments	-	(119,216,997)
Other comprehensive income (expense) for the period	<u>610,480,622</u>	<u>(344,219,701)</u>
Total comprehensive income for the period	<u>8,856,748,788</u>	<u>4,260,552,164</u>
Total comprehensive income attributable to:		
The Company's shareholders	4,419,791,725	2,074,283,414
Non-controlling interests	<u>4,436,957,063</u>	<u>2,186,268,750</u>
	<u>8,856,748,788</u>	<u>4,260,552,164</u>

Consolidated Statement of Financial Position
At 31st December, 2012

	Notes	31st December, 2012 HK\$ (Unaudited)	30th June, 2012 HK\$ (Audited and restated)
Non-current assets			
Investment properties		53,540,551,073	51,643,719,403
Hotel properties		1,659,873,699	1,609,676,576
Property, plant and equipment		119,874,622	123,798,174
Goodwill		739,233,918	739,233,918
Prepaid lease payments – non-current		1,237,406,520	1,197,808,601
Interests in associates		16,392,131,852	12,796,238,259
Interest in a jointly controlled entity		89,259,099	101,760,704
Available-for-sale investments		1,105,696,385	786,569,326
Advances to associates		9,655,291,158	8,490,423,817
Advance to a jointly controlled entity		2,109,121,726	2,014,774,277
Advance to non-controlling interests		116,801,677	133,210,793
Advance to investee company		14,430,474	16,899,509
Long-term loans receivable		29,923,282	47,178,510
		86,809,595,485	79,701,291,867
Current assets			
Properties under development		23,273,716,672	21,869,542,575
Stocks of completed properties		1,205,369,327	1,618,071,092
Hotel inventories		18,429,153	27,337,338
Prepaid lease payments – current		19,835,298	19,104,164
Trading securities		677,389,045	710,813,181
Amounts due from associates		2,188,373,488	3,097,093,173
Accounts and other receivables	7	1,293,380,719	2,522,220,649
Current portion of long-term loans receivable		1,976,491	2,236,139
Taxation recoverable		588,654	275,721
Restricted bank deposits		118,234,446	679,660,662
Time deposits, bank balances and cash		8,409,150,148	5,046,181,552
		37,206,443,441	35,592,536,246
Assets classified as held for sale		1,149,000,000	-
		38,355,443,441	35,592,536,246
Current liabilities			
Accounts and other payables	8	3,848,702,128	3,518,802,532
Deposits received on sales of properties		-	590,130,004
Amounts due to associates		2,369,514,513	706,076,620
Taxation payable		622,040,129	761,881,080
Bank loans – secured		2,443,850,777	2,776,883,954
Other loans – unsecured		193,850,440	188,384,705
Financial guarantee contracts		827	887
		9,477,958,814	8,542,159,782
Net current assets		28,877,484,627	27,050,376,464
Total assets less current liabilities		115,687,080,112	106,751,668,331

Consolidated Statement of Financial Position – continued
At 31st December, 2012

	31st December, 2012 HK\$ (Unaudited)	30th June, 2012 HK\$ (Audited and restated)
Capital and reserves		
Share capital	313,816,009	307,908,314
Share premium and reserves	47,517,863,752	43,094,543,483
Equity attributable to the Company's shareholders	47,831,679,761	43,402,451,797
Non-controlling interests	51,147,534,407	47,612,643,070
Total equity	98,979,214,168	91,015,094,867
Non-current liabilities		
Long-term bank and other borrowings		
– due after one year	8,212,761,108	7,823,684,649
Other loans		
– due after one year	3,865,818,321	4,351,106,902
Deferred taxation	1,375,558,672	1,241,745,914
Advances from associates	1,870,609,713	1,862,708,895
Advances from non-controlling interests	1,383,118,130	457,327,104
	16,707,865,944	15,736,573,464
	115,687,080,112	106,751,668,331

Notes:

1. Basis of preparation

The unaudited interim 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 with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The accounting policies used in the unaudited interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30th June, 2012 except for the application of the following amendments to Standards issued by the HKICPA and new accounting policy on non-current assets classified as held for sale applied by the Group in the current period.

Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

Amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income*

The amendments to HKAS 1 *Presentation of Items of Other Comprehensive Income* introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a ‘statement of comprehensive income’ is renamed as a ‘statement of profit or loss and other comprehensive income’ and an ‘income statement’ is renamed as a ‘statement of profit or loss’. The application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKAS 12 *Deferred Tax – Recovery of Underlying Assets*

Under the amendments to HKAS 12 *Deferred Tax – Recovery of Underlying Assets*, investment properties that are measured using the fair value model in accordance with HKAS 40 *Investment Property* are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The Group measures its investment properties using the fair value model. As a result of the application of the amendments to HKAS 12, the Directors of the Company reviewed the investment property portfolios of the subsidiaries and associates of the Group and concluded that investment properties held by the subsidiaries and associates of the Group in Hong Kong and the People's Republic of China (the “PRC”) are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, and that the presumption set out in the amendments to HKAS 12 is not rebutted.

As a result of the application of the amendments to HKAS 12, no deferred taxes are recognised on changes in fair value of the investment properties held by the subsidiaries and associates of the Group in Hong Kong as those investment properties in Hong Kong are not subject to any income taxes on disposal.

1. Basis of preparation – continued

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets - continued

For those investment properties in the PRC, the deferred taxes on changes in fair value of the investment properties are recognised taking into account the land appreciation tax (“LAT”) and enterprise income tax payable upon sales of those investment properties. Previously, the deferred taxes on changes in fair value of investment properties were recognised on the basis that the deferred tax was measured based on the assumption that the carrying amounts of the properties would be recovered through use and no LAT on changes in fair value of investment properties in the PRC was recognised. Amendments to HKAS 12 have been applied retrospectively.

The effect of the change in accounting policy on the results for the current and preceding periods described above by line items are as follows:

	Six months ended	
	31st December, 2012 HK\$ (Unaudited)	31st December, 2011 HK\$ (Unaudited)
Consolidated statement of profit or loss		
Increase in share of results of associates	109,832,204	46,487,822
Decrease in income tax expense	384,183,209	270,400,364
Increase in profit for the period	<u>494,015,413</u>	<u>316,888,186</u>
Increase in profit for the period attributable to the Company’s shareholders	241,709,204	158,014,239
Increase in profit for the period attributable to non- controlling interests	252,306,209	158,873,947
Increase in profit for the period	<u>494,015,413</u>	<u>316,888,186</u>

1. Basis of preparation – continued

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets - continued

	Six months ended	
	31st December, 2012	31st December, 2011
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Consolidated statement of profit or loss and other comprehensive income		
Increase (decrease) in exchange differences arising on translation of foreign operations	3,914,450	(14,673,082)
Increase in profit for the period	494,015,413	316,888,186
Increase in total comprehensive income for the period	497,929,863	302,215,104
Increase in total comprehensive income for the period attributable to the Company's shareholders	243,692,761	150,533,627
Increase in total comprehensive income for the period attributable to non-controlling interests	254,237,102	151,681,477
Increase in total comprehensive income for the period	497,929,863	302,215,104

	<u>As originally stated</u>	<u>Adjustments</u>	<u>As restated</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Consolidated statement of profit or loss for the six months ended 31st December, 2011			
Share of results of associates	461,025,498	46,487,822	507,513,320
Income tax expense	(674,392,288)	270,400,364	(403,991,924)
Profit for the period	4,287,883,679	316,888,186	4,604,771,865
Profit for the period attributable to the Company's shareholders	2,113,642,799	158,014,239	2,271,657,038
Profit for the period attributable to non-controlling interests	<u>2,174,240,880</u>	<u>158,873,947</u>	<u>2,333,114,827</u>

1. Basis of preparation – continued

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets - continued

	As originally <u>stated</u> HK\$ (Unaudited)	<u>Adjustments</u> HK\$ (Unaudited)	<u>As restated</u> HK\$ (Unaudited)
Consolidated statement of profit or loss and other comprehensive income for the six months ended 31st December, 2011			
Exchange differences arising on translation of foreign operations	58,350,804	(14,673,082)	43,677,722
Profit for the period	4,287,883,679	316,888,186	4,604,771,865
Total comprehensive income for the period	3,958,337,060	302,215,104	4,260,552,164
Total comprehensive income attributable to the Company's shareholders	1,923,749,787	150,533,627	2,074,283,414
Total comprehensive income attributable to non-controlling interests	<u>2,034,587,273</u>	<u>151,681,477</u>	<u>2,186,268,750</u>

The effect of the change in accounting policy described above on the financial position of the Group as at the beginning of the comparative period, i.e. 1st July, 2011, is as follows:

	As originally <u>stated</u> HK\$	<u>Adjustments</u> HK\$	<u>As restated</u> HK\$
Consolidated statement of financial position as at 1st July, 2011			
Interests in associates	11,217,192,063	999,160,547	12,216,352,610
Deferred taxation	<u>(4,590,535,092)</u>	<u>3,456,636,073</u>	<u>(1,133,899,019)</u>
Effects on net assets	<u>6,626,656,971</u>	<u>4,455,796,620</u>	<u>11,082,453,591</u>
Retained profits	28,635,749,781	2,205,363,785	30,841,113,566
Capital reserve	234,199,933	(52,154,154)	182,045,779
Exchange reserve	563,520,539	(4,284,947)	559,235,592
Non-controlling interests	<u>41,259,240,229</u>	<u>2,306,871,936</u>	<u>43,566,112,165</u>
Effects on equity	<u>70,692,710,482</u>	<u>4,455,796,620</u>	<u>75,148,507,102</u>

1. Basis of preparation – continued

Amendments to HKAS 12 Deferred Tax – Recovery of Underlying Assets - continued

The effect of the change in accounting policy described above on the financial position of the Group as at the end of the immediately preceding financial year, i.e. 30th June, 2012, is as follows:

	As originally <u>stated</u> HK\$	<u>Adjustments</u> HK\$	<u>As restated</u> HK\$
Consolidated statement of financial position as at 30th June, 2012			
Interests in associates	11,661,896,749	1,134,341,510	12,796,238,259
Deferred taxation	<u>(5,317,391,746)</u>	<u>4,075,645,832</u>	<u>(1,241,745,914)</u>
Effects on net assets	<u>6,344,505,003</u>	<u>5,209,987,342</u>	<u>11,554,492,345</u>
Retained profits	32,953,520,234	2,588,244,771	35,541,765,005
Capital reserve	404,557,789	(7,777,357)	396,780,432
Exchange reserve	845,172,658	(10,471,727)	834,700,931
Non-controlling interests	<u>44,972,651,415</u>	<u>2,639,991,655</u>	<u>47,612,643,070</u>
Effects on equity	<u>79,175,902,096</u>	<u>5,209,987,342</u>	<u>84,385,889,438</u>

Impact on basic earnings per share

	Six months ended	
	31st December, 2012	31st December, 2011
	HK\$	HK\$
	(Unaudited)	(Unaudited)
Basic earnings per share before adjustments	2.508	1.401
Adjustments arising on the application of the amendments to HKAS 12	0.157	0.105
Basic earnings per share	2.665	1.506

Except as described above, the application of other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these consolidated financial statements and disclosures set out in the consolidated financial statements.

In addition, the Group applied the new accounting policy on non-current assets classified as held for sale in the current period.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1. Basis of preparation – continued

Non-current assets held for sale – continued

Non-current assets classified as held for sale that are accounted for using the fair value model in HKAS 40 *Investment Property* are measured at fair value at the end of the reporting period.

2. 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, 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	3,115,199,479	816,467,534	7,118,198,353	3,064,196,860	10,233,397,832	3,880,664,394
Property rental	1,283,424,691	1,089,667,222	313,347,356	285,237,484	1,596,772,047	1,374,904,706
	<u>4,398,624,170</u>	<u>1,906,134,756</u>	<u>7,431,545,709</u>	<u>3,349,434,344</u>	<u>11,830,169,879</u>	<u>5,255,569,100</u>
Property management and other services	478,494,123	98,091,034	38,131,300	6,122,582	516,625,423	104,213,616
Hotel operations	453,720,939	194,177,157	117,810,300	70,338,600	571,531,239	264,515,757
Investments in securities	29,912,906	29,331,905	1,950	1,950	29,914,856	29,333,855
Financing	523,518	523,518	215,679	215,679	739,197	739,197
	<u>5,361,275,656</u>	<u>2,228,258,370</u>	<u>7,587,704,938</u>	<u>3,426,113,155</u>	<u>12,948,980,594</u>	<u>5,654,371,525</u>

Six months ended 31st December, 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	3,735,755,127	1,577,845,720	221,688,825	122,738,619	3,957,443,952	1,700,584,339
Property rental	1,184,130,937	1,009,061,666	281,614,774	255,457,962	1,465,745,711	1,264,519,628
	<u>4,919,886,064</u>	<u>2,586,907,386</u>	<u>503,303,599</u>	<u>378,196,581</u>	<u>5,423,189,663</u>	<u>2,965,103,967</u>
Property management and other services	445,223,901	99,790,606	36,456,767	2,538,260	481,680,668	102,328,866
Hotel operations	399,222,928	171,409,342	116,115,900	67,600,306	515,338,828	239,009,648
Investments in securities	31,073,525	29,151,351	1,950	1,950	31,075,475	29,153,301
Financing	554,361	554,361	11,542	7,157	565,903	561,518
	<u>5,795,960,779</u>	<u>2,887,813,046</u>	<u>655,889,758</u>	<u>448,344,254</u>	<u>6,451,850,537</u>	<u>3,336,157,300</u>

2. Segment information – continued

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 and a subsidiary 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 resource allocation and performance assessment.

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$ (Restated)
Segment profit	5,654,371,525	3,336,157,300
Other income and other gains or losses	41,396,249	62,575,362
Increase in fair value of investment properties	2,923,644,810	1,782,318,490
Gain on disposal of a subsidiary	-	143,139,005
Gain on disposal of investment properties	80,910,312	74,723,188
Gain on disposal of available-for-sale investments	-	117,792,135
Gain (loss) arising from change in fair value of trading securities	135,411,463	(192,200,527)
Administrative expenses and other operating expenses	(375,750,932)	(385,935,748)
Finance income, net	126,105,084	11,025,518
Other results shared from associates		
- Other income and other gains or losses	15,951,931	8,625,419
- Administrative expenses and other operating expenses	(114,040,332)	(190,407,840)
- Increase in fair value of investment properties	922,089,317	400,758,449
- Finance costs, net	(188,846,278)	(42,749,030)
- Income tax expense	(603,013,783)	(117,057,932)
	32,140,855	59,169,066
Profit before taxation	<u>8,618,229,366</u>	<u>5,008,763,789</u>

During the six months ended 31st December, 2012, inter-segment sales of HK\$43,006,559 (*six months ended 31st December, 2011: HK\$41,793,128*) 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.

3. Share of results of associates

Share of results of associates included the Group's share of increase in fair value of investment properties of the associates of HK\$922,089,317 (*six months ended 31st December, 2011: HK\$400,758,449*).

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.

As at 30th June, 2012, MII had reached a settlement agreement with the IRD and the final amounts of additional tax and interest payable to be settled were approximately HK\$28,757,000 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 approximately HK\$6,431,000 and HK\$1,441,000 respectively. MII will settle the provisions for additional tax and interest on additional tax by installments.

4. Profit before taxation

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	9,743,683	9,625,836
Cost of properties sold recognised as cost of sales	2,094,849,733	1,953,343,506
Cost of hotel inventories recognised as direct expenses	62,781,251	45,784,054
Depreciation of owner-operated hotel properties	11,796,990	11,368,939
Depreciation of property, plant and equipment	26,337,853	26,797,080
(Reversal) recognition of provision for doubtful trade receivables	(905,817)	953,172
Loss on disposal of property, plant and equipment	86,390	1,467,387

5. Income tax expense

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$ (Restated)
The charge comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax	197,401,299	328,938,548
Other jurisdictions	48,842,505	28,695,635
	<u>246,243,804</u>	<u>357,634,183</u>
Deferred taxation	125,717,396	46,357,741
	<u>371,961,200</u>	<u>403,991,924</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, 2011: 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 average annual tax rates used are 17% in Singapore and 25% in the PRC (*six months ended 31st December, 2011: 17% in Singapore and 25% in the PRC*).

Deferred taxation is attributable to the change in fair value of investment properties and other temporary differences.

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 Company Limited ("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. As at 31st December, 2011, provisions for tax payable in respect of the assessments of approximately HK\$208,282,000 and for the estimated interest payable on additional tax of approximately HK\$118,306,000 were made by the Group. During the six months ended 31st December, 2011, the Group had provided for an additional interest on additional tax of approximately HK\$4,000,000 that was included in administrative expenses and had not made any further provision for additional tax. During the year ended 30th June, 2012, the Group had reached a settlement agreement with the IRD and the final additional tax and interest on additional tax to be settled were approximately HK\$208,590,000 and HK\$99,437,000 respectively. The provisions for additional tax and interest on additional tax are to be settled by installments.

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:

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$ (Restated)
Earnings for the purpose of basic earnings per share	<u>4,111,900,042</u>	<u>2,271,657,038</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>1,542,912,806</u>	<u>1,508,917,018</u>

(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\$2,273,166,185 (*six months ended 31st December, 2011: HK\$1,209,445,138*) 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:

	Six months ended	
	31st December, 2012 HK\$	31st December, 2011 HK\$ (Restated)
Earnings for the purpose of basic earnings per share	<u>4,111,900,042</u>	<u>2,271,657,038</u>
Increase in fair value of investment properties	(2,923,644,810)	(1,782,318,490)
Effect of corresponding deferred tax charges	62,317,570	27,581,288
Share of results of associates		
- Increase in fair value of investment properties	(922,089,317)	(400,758,449)
- Effect of corresponding deferred tax charges	44,183,581	23,505,732
	<u>(3,739,232,976)</u>	<u>(2,131,989,919)</u>
Non-controlling interests	<u>1,900,499,119</u>	<u>1,069,778,019</u>
Net effect of changes in fair value of investment properties	<u>(1,838,733,857)</u>	<u>(1,062,211,900)</u>
Underlying profit attributable to the Company's shareholders	<u>2,273,166,185</u>	<u>1,209,445,138</u>

7. Accounts and other receivables

At 31st December, 2012, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK\$777,390,129 (30th June, 2012: HK\$2,008,616,664), of which HK\$575,121,238 (30th June, 2012: HK\$1,819,308,060) are to be settled based on the terms of sale and purchase agreements of property. Rental receivables are billed and payable in advance by tenants. Trade receivables mainly comprise rental receivables and properties sales receivables.

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
Not yet due	575,121,238	1,819,482,087
0-30 days overdue	120,409,543	119,889,584
31-60 days overdue	34,544,091	23,482,512
61-90 days overdue	5,438,000	6,362,953
Over 90 days overdue	41,877,257	39,399,528
	<u>777,390,129</u>	<u>2,008,616,664</u>

8. Accounts and other payables

At 31st December, 2012, included in accounts and other payables of the Group are trade payables of HK\$228,651,407 (30th June, 2012: HK\$185,621,590).

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
0-30 days	185,217,539	149,686,422
31-60 days	17,506,162	20,299,278
61-90 days	2,750,773	1,732,937
Over 90 days	23,176,933	13,902,953
	<u>228,651,407</u>	<u>185,621,590</u>

9. Pledge of assets

- (a) At 31st December, 2012, the aggregate facilities of bank loans and other loans granted to the Group amounting to approximately HK\$10,956,413,000 (*30th June, 2012: HK\$14,888,689,000*) 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 carrying amount of HK\$23,777,771,674 (*30th June, 2012: HK\$23,359,640,285*). At that date, the facilities were utilised by the Group to the extent of approximately HK\$7,028,413,000 (*30th June, 2012: HK\$10,820,789,000*).
- (b) At 31st December, 2012, investments in and advances to certain associates and a jointly controlled entity amounting to approximately HK\$502,000 and HK\$4,753,692,000 respectively (*30th June, 2012: HK\$502,000 and HK\$8,452,659,000, 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\$4,667,050,000 (*30th June, 2012: HK\$7,250,900,000*), of which HK\$3,310,050,000 (*30th June, 2012: HK\$5,435,900,000*) was utilised by the associates and a jointly controlled entity and guaranteed by the Sino Land.

10. Contingent liabilities

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

	31st December, 2012 HK\$	30th June, 2012 HK\$
Guarantees in respect of banking facilities of associates and a jointly controlled entity:		
- Utilised	3,310,050,000	5,435,900,000
- Unutilised	1,357,000,000	1,815,000,000
Total guarantees	<u>4,667,050,000</u>	<u>7,250,900,000</u>

At 31st December, 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\$827 (*30th June, 2012: HK\$887*) have been recognised in the consolidated statement of financial position as liabilities.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 15th March, 2013 to Tuesday, 19th March, 2013, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend is at the close of business on Tuesday, 19th March, 2013.

In order to qualify for the interim dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's 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 Thursday, 14th March, 2013.

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.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2012, the Company has complied with all the code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that there was no separation of the roles of the chairman and the chief executive 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 INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 31st December, 2012 have been reviewed by the Audit Committee and the auditor of the Company, Deloitte Touche Tohmatsu.

2012-2013 INTERIM REPORT

The 2012-2013 interim 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 Thursday, 14th March, 2013.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 27th February, 2013

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.