Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present the 2015/2016 Annual Report to shareholders.

FINAL RESULTS

For the year ended 30th June, 2016, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK$2,732.9 million (2014/2015: HK$2,678.5 million). Underlying earnings per share was HK$1.62 (2014/2015: HK$1.63).

The Group's reported net profit attributable to shareholders was HK$3,622.1 million (2014/2015: HK$4,747.1 million). Earnings per share was HK$2.15 (2014/2015: HK$2.89). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK$889.2 million (2014/2015: HK$2,068.6 million).

DIVIDENDS

The Directors have resolved to recommend a final dividend of 38 cents per share in respect of the year ended 30th June, 2016 to shareholders whose names appear on the Register of Members of the Company on 4th November, 2016. Together with the interim dividend of 13 cents per share, the total dividend for the year ended 30th June, 2016 is 51 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 28th October, 2016; 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 10th November, 2016. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 8th December, 2016.

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, 2016, Tsim Sha Tsui Properties Limited (the "Company") had 51.42% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

(1) Sales Activities

Total revenue from property sales for the year ended 30th June, 2016, including property sales of associates and joint ventures recognised by Sino Land, was HK$11,439.4 million (2014/2015 : HK$23,098.6 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in Dragons Range in Kau To, Mayfair By The Sea I and II in Pak Shek Kok, Cluny Park at 53 Conduit Road, Botanica Bay in Lantau and The Avenue Phase 2 in Wan Chai and to date, approximately 95%, 99%, 97%, 44%, 88% and 99% of the units in the respective projects have been sold.

During the financial year 2015/2016, Sino Land launched two new projects for sale, The Mediterranean in Sai Kung and Commune Modern in Fanling and to date, approximately 54% and 98% of the respective projects have been sold.

In China, 2,158 residential units in The Palazzo in Chengdu and 503 residential units in Dynasty Park in Zhangzhou were launched for sale during the financial year 2015/2016. To date, a total of 3,700 residential units in The Palazzo and 1,649 residential units in Dynasty Park have been launched for sale and approximately 69% and 95% of the units in the respective projects have been sold.

(2) Land Bank

As at 30th June, 2016, Sino Land has a land bank of approximately 32.3 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 55.9% is residential; 28.0% commercial; 7.0% industrial; 4.6% car parks and 4.5% hotels. In terms of breakdown of the land bank by status, 19.1 million square feet were properties under development, 11.7 million square feet of properties for investment and hotels, together with 1.5 million square feet of properties held for sale. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

During the year ended 30th June, 2016, Sino Land acquired a site from the HKSAR Government and details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area *(Square feet)*
YLTL 532 Junction of Wang Yip Street West and Hong Yip Street, Tung Tau Industrial Area, Yuen Long, New Territories, Hong Kong	Commercial	100%	497,620

Subsequent to the financial year 2015/2016, Sino Land acquired another site from the HKSAR Government in July 2016 and details of the project are as follows:

Location	Usage	Group's Interest	Attributable Floor Area *(Square feet)*
TPTL 228 Fo Yin Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong	Residential	100%	412,530

(3) Property Development

During the year ended 30th June, 2016, Sino Land obtained Occupation Permits for three projects in Hong Kong and details of the projects are as follows:

Location	Usage	Group's Interest	Attributable Floor Area *(Square feet)*
1. Corinthia By The Sea 23 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	Residential/ Commercial	60%	291,936
2. Riverwalk 6 Ngan Kwong Wan Road, Mui Wo, Hong Kong	Residential/ Commercial	100%	49,407
3. Paloma Bay 18 Peng Lei Road, Peng Chau, New Territories, Hong Kong	Residential	100%	36,845
			378,188

(4) Rental Activities

For the year ended 30th June, 2016, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 4.0% to HK$3,834.1 million (2014/2015: HK$3,684.4 million) and net rental income increased 2.8% to HK$3,344.7 million (2014/2015: HK$3,252.2 million). The increase in rental revenue was mainly due to higher rental rates on renewals. Overall occupancy of Sino Land's investment property portfolio was at approximately 97% (2014/2015: 98%) for the year ended 30th June, 2016.

Sino Land's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate at approximately 97% (2014/2015: 98%) for the financial year 2015/2016 mainly due to expiry of leases. Two new malls namely Mayfair Lane in Pak Shek Kok and Lee Tung Avenue in Wan Chai started operations during the financial year 2015/2016. The leasing performance of Sino Land's office portfolio saw stable rental growth while overall occupancy rate was at approximately 98% (2014/2015: 98%) for the year ended 30th June, 2016. The leasing performance of Sino Land's industrial portfolio was steady with occupancy rate at approximately 97% (2014/2015: 97%).

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

As at 30th June, 2016, Sino Land has approximately 11.7 million square feet of attributable floor area of investment properties and hotels in Hong Kong, China, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 62.7%, industrial 15.0%, car parks 12.4%, hotels 7.8%, and residential 2.1%.

(5) Hotels

In addition to The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore and Conrad Hong Kong, two more hotels namely, The Westin Sydney and The Olympian Hong Kong were added to Sino Land's hotel portfolio. During the financial year 2015/2016, Sino Land completed the acquisition of 50% equity interest in The Westin Sydney and the development of The Olympian Hong Kong in West Kowloon which commenced business operations in March 2016. Overall business performance of Sino Land's hotels was slightly affected by soft demand and competitive business environment during the year. Sino Land will continue to improve the quality of its hotel services to ensure our discerning guests have enjoyable experiences during their stays in the hotels.

The Fullerton Hotel Singapore was gazetted as Singapore's 71st national monument on 7th December, 2015 by the country's National Heritage Board. It is the highest form of recognition given to a building for its national significance.

(6) China Business

China achieved GDP growth of 6.7% for the first two quarters in 2016 despite a challenging economic environment both domestically and internationally. As China's economy go through a period of rebalancing, shifting from the old drivers of growth to better reforms and economic policy adjustments in areas including household registration system, industrialisation, social welfare, national health services, education and environmental protection. These changes combined will provide greater stability leading to a more sustainable economy.

The property market in China has seen improvements as reflected in the increase in home sales value and volume as well as decreases in inventory levels during the financial year 2015/2016 mainly due to Central Government's accommodative housing policies in most cities. The lowering of the home mortgage interest rates and increase in the loan-to-value ratio and availability of credit to home purchasers are all favourable to increase the demand for housing.

Sino Land has three projects in China mainly for residential development with a total of approximately 16.0 million square feet of attributable plot ratio area. These projects are The Palazzo in Chengdu, Dynasty Park in Zhangzhou and Mayfair By The Lake in Xiamen.

Other than the matters mentioned above, there has been no material change from the information published in the report and accounts for the year ended 30th June, 2015.

FINANCE

As at 30th June, 2016, the Group had cash and bank deposits of HK$27,538.8 million. After netting off total borrowings of HK$5,900.1 million, the Group had net cash of HK$21,638.7 million as at 30th June, 2016. Of the total borrowings, 1.8% was repayable within one year, 88.4% repayable between one and two years and 9.8% repayable between two and five years.

The majority of the Group's debts are denominated in Hong Kong dollars and US dollars, with the balance in Singapore dollars. The Singapore dollars denominated debts are 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 2015/2016. The majority of the Group's cash are denominated in Hong Kong dollars, with a portion of Renminbi, Australian dollars and US dollars. The Group has maintained a sound financial management policy and foreign exchange exposure has been prudently kept at a minimal level.

CORPORATE GOVERNANCE

The Group places great importance on corporate integrity, business ethics and good governance. With the objective of practising good corporate governance, the Group has formed Audit, Compliance, Remuneration and Nomination Committees. The Group is committed to maintaining corporate transparency and disseminates information about new developments through various channels, including press releases, its corporate website, results briefings, site visits and participation in investor conferences.

CUSTOMER SERVICE

Sino Land is committed to building quality projects. In keeping with its mission to enhance customer satisfaction, Sino Land will, wherever possible, ensure that attractive design concepts and features are also environmentally friendly for its developments. Management conducts regular reviews of its properties and service so that improvements can be made on a continuous basis.

CORPORATE SOCIAL RESPONSIBILITY

As a committed corporate citizen, Sino Land has been actively participating in a wide range of community programmes, voluntary services for charity organisations and events as well as green initiatives to promote sustainability, environmental protection, arts and culture and heritage conservation. In recognition of Sino Land's continuous efforts in promoting sustainability and upholding high standards in environmental, social and corporate governance aspects, Sino Land has been named a constituent company of the Hang Seng Corporate Sustainability Index Series since September 2012. During the financial year 2015/2016, Sino Land published its Sustainability Review 2015 which has been prepared with reference to Hong Kong Exchanges and Clearing Limited's 'Environmental, Social and Governance Reporting Guide' under Appendix 27 to the Main Board Listing Rules.

Sino Land encourages staff of all levels to serve the community and care for those in needs; this commitment is extended to support staff in joining voluntary service during office hours for at least one day a year. Sino Land is dedicated to playing a part in building a better community through participating in voluntary services and community events, with a strong emphasis on children and youth development for the underprivileged families.

Dedicated to promoting arts and culture to enrich the lives of the public, Sino Land initiated 'Sino Art' in 2006, through which Sino Art provides local and international artists with opportunities to present their works through exhibitions and related activities at the properties of Sino Land. With the launch of 'Sino Art in Community' in 2013, Sino Land has extended its reach into community facilities such as hospitals, kindergartens and children's homes, where local artists create community art in collaboration with the underprivileged, children and educators.

Sino Heritage was established in 2011 with the belief that conservation of cultural heritage helps the community build a sense of identity and strengthen relationships in the city. Sino Heritage identifies and showcases the heritage significance of historical projects in both Hong Kong and Singapore. In March 2008, the Ng Teng Fong Family, the major shareholder of the Group, set up a non-profit-making organisation, Hong Kong Heritage Conservation Foundation Limited ("HCF"). HCF revitalised and converted the Old Tai O Police Station, a Grade II historic building, into a boutique hotel. Named Tai O Heritage Hotel ("Hotel"), it is home to nine colonial-style rooms and suites, and commenced operation in March 2012. The Hotel, operated by HCF as a non-profit-making social enterprise, is part of the HKSAR Government's 'Revitalising Historic Buildings Through Partnership Scheme'. The Hotel is one of the winners of the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation'.

PROSPECTS

With key economic indicators showing a gradual recovery in the US and a more positive outlook of the economy, the Federal Open Market Committee in the US approved a quarter-point increase in its target federal funds rate in December 2015 after more than 7 years of accommodative monetary policy. The increase in federal funds rate was well anticipated by the markets and it has sent a positive signal to the market on the future state of the US economy.

In the Euro zone, the European Central Bank increased the size and scope of its quantitative easing ("QE") programme as well as extending the period of the QE to March 2017. On 23rd June, 2016, Britain voted in a referendum to exit the European Union, generally known as Brexit, casting uncertainty over issues such as trade between Britain and the rest of Europe, London's status as a world financial capital and the reaction of global financial markets to Brexit. Until the process of Brexit is completed, markets are likely to remain volatile creating more doubt over the recovery of the global economy.

In China, the Central Government adopted the Proposal on Formulating the Thirteenth Five-Year Plan on National Economic and Social Development (the "Plan") in the 5th Plenary Session of the 18th CPC Central Committee. The Plan focuses on maintaining economic growth and social stability while continuing reform efforts. In terms of economic growth, the Plan aims to double GDP and per-capita income by 2020 from the country's base in 2010 with domestic consumption, innovation and technology advancement being the key drivers of growth. In respect of welfare, the Plan contains a variety of measures focused on poverty alleviation and extends coverage of urban welfare services to all residents. On the financial sector side, the continuing efforts to liberalise financial services and the internationalisation of Renminbi will strengthen the position of the currency in the global financial markets. On the whole, the Plan targets to establish a better future for the people in China.

The Central Government's Belt and Road initiative aims to connect major Asian and European economies through international cooperation, infrastructure developments, trade and investments. The Belt and Road initiative encourages greater circulation of trade flows and economic cooperation extending towards environmental conservation and protection, removal of investment and trade barriers as well as cultural and academic exchanges. In January 2016, Asia Infrastructure Investment Bank commenced operations and together with other supranational financial institutions such as Asian Development Bank and the World Bank, loans have been granted by these banks to finance the infrastructure development of the countries along the Belt and Road. Hong Kong has a role to play in the Belt and Road and can cooperate with other core regions of the Belt and Road to capitalise on this opportunity.

The Hong Kong property market continues to consolidate as a result of economic and property-related policies. Both sales volume and value showed a decrease during the financial year 2015/2016 when compared to a year ago. The housing policy in the Policy Address announced on 13th January, 2016 states that there will be a consistent supply of land in Hong Kong. The HKSAR Government's effort in zoning or rezoning of sites, introducing new development areas and extending new towns should offer a solution to the long-term supply of both residential and commercial property developments.

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. Sino Land's recurrent businesses, which comprise property leasing, hospitality and property management services, continue to contribute stable stream of income. With a good financial position, Sino Land is well-positioned to respond to challenges ahead.

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, 24th August, 2016

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, 2016 are as follows:

Consolidated Statement of Profit or Loss

	Notes	**2016 HK$**	2015 HK$
Turnover	2	**10,857,439,489**	21,896,326,522
Cost of sales		**(3,613,369,102)**	(13,631,420,045)
Direct expenses		**(2,487,574,737)**	(2,438,761,280)
Gross profit		**4,756,495,650**	5,826,145,197
Change in fair value of investment properties		**1,301,819,986**	3,224,578,500
Other income and other gains or losses		**87,511,759**	77,522,982
Fair value gain on non-current interest-free unsecured other loans		**11,743,586**	18,590,490
(Loss) gain arising from change in fair value of trading securities		**(3,012,560)**	15,085,775
Gain on disposal of investment properties		**470,005,091**	34,837,046
Administrative expenses		**(966,971,206)**	(695,453,727)
Other operating expenses		**(159,425,528)**	(178,585,111)
Finance income		**490,101,104**	504,713,481
Finance costs		**(235,396,444)**	(276,508,473)
Less: Interest capitalised		**22,443,215**	32,838,550
Finance income, net		**277,147,875**	261,043,558
Share of results of associates	3	**1,884,575,901**	1,162,974,740
Share of results of joint ventures	4	**96,048,080**	866,758,262
Profit before taxation	5	**7,755,938,634**	10,613,497,712
Income tax expense	6	**(597,691,330)**	(1,152,558,224)
Profit for the year		**7,158,247,304**	9,460,939,488
Attributable to:			
The Company's shareholders		**3,622,174,285**	4,747,169,520
Non-controlling interests		**3,536,073,019**	4,713,769,968
		7,158,247,304	9,460,939,488
Interim dividend at HK13 cents *(2015: HK12 cents)* per share		**220,405,311**	198,893,273
Proposed final dividend at HK38 cents *(2015: HK38 cents)* per share		**648,224,116**	633,432,855
Earnings per share (reported earnings per share) – basic	7(a)	**2.149**	2.886
Earnings per share (underlying earnings per share) – basic	7(b)	**1.621**	1.628

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2016 HK$	2015 HK$
Profit for the year	**7,158,247,304**	9,460,939,488
Other comprehensive expense		
Items that may be reclassified subsequently to profit or loss:		
Loss on fair value change of available-for-sale investments	**(212,299,161)**	(128,517,536)
Exchange differences arising on translation of foreign operations	**(1,137,772,610)**	(193,915,937)
Other comprehensive expense for the year	**(1,350,071,771)**	(322,433,473)
Net comprehensive income for the year	**5,808,175,533**	9,138,506,015
Net comprehensive income attributable to:		
The Company's shareholders	**2,928,017,417**	4,593,451,684
Non-controlling interests	**2,880,158,116**	4,545,054,331
	5,808,175,533	9,138,506,015

Consolidated Statement of Financial Position
At 30th June, 2016

	Notes	**2016 HK$**	2015 HK$
Non-current assets			
Investment properties		**59,255,635,189**	58,409,286,223
Hotel properties		**1,987,487,748**	1,695,741,835
Property, plant and equipment		**156,754,620**	139,070,293
Goodwill		**739,233,918**	739,233,918
Prepaid lease payments – non-current		**1,165,234,108**	1,177,613,796
Interests in associates		**16,233,160,710**	15,630,975,681
Interests in joint ventures		**3,200,426,596**	3,100,573,692
Available-for-sale investments		**737,994,601**	910,567,069
Advances to associates		**6,372,606,832**	8,270,997,179
Advances to joint ventures		**966,095,260**	1,058,033,279
Advance to an investee company		**16,405,349**	16,354,049
Long-term loans receivable		**718,079,975**	227,559,528
		91,549,114,906	91,376,006,542
Current assets			
Properties under development		**22,686,748,390**	20,454,301,162
Stocks of completed properties		**4,479,080,881**	7,258,620,820
Hotel inventories		**19,098,824**	17,357,382
Prepaid lease payments – current		**20,151,711**	20,710,267
Trading securities		**12,796,905**	15,688,163
Amounts due from associates		**188,609,710**	500,370,877
Amounts due from joint ventures		**545,462,658**	20,176,534
Amount due from a non-controlling interest		**81,274,836**	-
Accounts and other receivables	8	**2,687,575,011**	2,896,447,101
Current portion of long-term loans receivable		**16,324,945**	5,276,127
Taxation recoverable		**209,374,914**	98,649,164
Restricted bank deposits		**545,689,072**	194,566,781
Time deposits		**23,275,843,911**	13,869,914,839
Bank balances and cash		**3,717,324,511**	5,737,816,820
		58,485,356,279	51,089,896,037
Assets classified as held for sale		**-**	317,000,000
		58,485,356,279	51,406,896,037
Current liabilities			
Accounts and other payables	9	**5,802,571,667**	8,228,563,195
Deposits received on sales of properties		**9,404,171,155**	1,229,453,253
Amounts due to associates		**1,132,981,774**	1,177,213,063
Amounts due to joint ventures		**226,643**	-
Amounts due to non-controlling interests		**147,634,967**	367,503,811
Taxation payable		**1,246,891,654**	1,136,081,255
Bank loans – secured		**-**	801,295,227
Other loans – unsecured		**108,313,383**	97,766,579
		17,842,791,243	13,037,876,383
Net current assets		**40,642,565,036**	38,369,019,654
Total assets less current liabilities		**132,191,679,942**	129,745,026,196

Consolidated Statement of Financial Position – continued
At 30th June, 2016

	2016	2015
	HK$	HK$
Capital and reserves		
Share capital	**9,719,312,922**	8,869,463,206
Reserves	**52,438,670,660**	50,160,601,283
Equity attributable to the Company's shareholders	**62,157,983,582**	59,030,064,489
Non-controlling interests	**59,934,117,414**	58,628,888,325
Total equity	**122,092,100,996**	117,658,952,814
Non-current liabilities		
Long-term bank and other borrowings		
– due after one year	**4,442,167,268**	5,238,278,939
Other loans – due after one year	**1,349,617,278**	2,136,489,301
Deferred taxation	**1,941,369,421**	2,044,659,435
Advances from associates	**1,876,123,504**	1,685,891,370
Advances from non-controlling interests	**490,301,475**	980,754,337
	10,099,578,946	12,086,073,382
	132,191,679,942	129,745,026,196

Notes:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and with applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values.

The financial information relating to the years ended 30th June, 2016 and 2015 included in this preliminary announcement of annual results 2016 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance and will deliver the financial statements for the year ended 30th June, 2016 in due course.

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

2. Operating segments

The Group's operating segments are reported by six operating divisions – property sales, property rental, property management and other services, hotel operations, investments in securities and financing. This is the measure reported to the chief operating decision makers for the purposes of resources allocation and performance assessment.

Segment Results

For the year ended 30th June, 2016

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue	Results	Share of revenue	Share of results	Segment revenue	Segment results
	HK$	HK$	HK$	HK$	HK$	HK$
Property						
Property sales	**5,760,087,495**	**1,422,471,217**	**5,679,321,527**	**1,206,558,555**	**11,439,409,022**	**2,629,029,772**
Property rental	**3,016,086,680**	**2,570,497,104**	**858,866,971**	**763,930,597**	**3,874,953,651**	**3,334,427,701**
	8,776,174,175	**3,992,968,321**	**6,538,188,498**	**1,970,489,152**	**15,314,362,673**	**5,963,457,473**
Property management and other services	**1,155,574,334**	**261,356,403**	**96,810,854**	**18,606,433**	**1,252,385,188**	**279,962,836**
Hotel operations	**858,627,073**	**326,012,542**	**418,224,553**	**199,709,905**	**1,276,851,626**	**525,722,447**
Investments in securities	**63,829,872**	**63,829,872**	**3,900**	**3,900**	**63,833,772**	**63,833,772**
Financing	**3,234,035**	**3,234,035**	**1,881,010**	**1,881,010**	**5,115,045**	**5,115,045**
	10,857,439,489	**4,647,401,173**	**7,055,108,815**	**2,190,690,400**	**17,912,548,304**	**6,838,091,573**

2. Operating segments – continued

Segment Results – continued

For the year ended 30th June, 2015

	The Company and its subsidiaries		Associates and joint ventures		Total	
	External revenue HK$	Results HK$	Share of revenue HK$	Share of results HK$	Segment revenue HK$	Segment results HK$
Property						
Property sales	16,956,959,680	2,546,027,534	6,141,684,186	690,718,518	23,098,643,866	3,236,746,052
Property rental	2,919,958,974	2,510,827,210	806,107,637	748,232,191	3,726,066,611	3,259,059,401
	19,876,918,654	5,056,854,744	6,947,791,823	1,438,950,709	26,824,710,477	6,495,805,453
Property management and other services	1,073,178,651	238,682,791	91,404,139	20,595,654	1,164,582,790	259,278,445
Hotel operations	884,783,794	351,306,831	233,724,000	122,016,900	1,118,507,794	473,323,731
Investments in securities	60,289,783	60,289,783	3,900	3,900	60,293,683	60,293,683
Financing	1,155,640	1,155,640	1,401,344	1,401,344	2,556,984	2,556,984
	21,896,326,522	5,708,289,789	7,274,325,206	1,582,968,507	29,170,651,728	7,291,258,296

Measurement

Segment results represent the profit before taxation earned by each segment without allocation of certain other income and other gains or losses, certain administrative expenses and other operating expenses, changes in fair value of investment properties and trading securities, gain on disposal of investment properties, fair value gain on non-current interest-free unsecured other loans and certain finance income net of finance costs. The profit before taxation earned by each segment also includes the share of results from the Group's associates and joint ventures without allocation of the associates' and joint ventures' certain other income and other gains or losses, certain administrative expenses and other operating expenses, change in fair value of investment properties, gain on disposal of investment properties, finance costs net of finance income and income tax expense.

2. Operating segments – continued

Reconciliation of profit before taxation

	2016 HK$	2015 HK$
Segment profit	**6,838,091,573**	7,291,258,296
Other income and other gains or losses	**82,308,408**	69,896,536
Change in fair value of investment properties	**1,301,819,986**	3,224,578,500
Gain on disposal of investment properties	**470,005,091**	34,837,046
(Loss) gain arising from change in fair value of trading securities	**(3,012,560)**	15,085,775
Administrative expenses and other operating expenses	**(1,011,855,618)**	(748,253,015)
Fair value gain on non-current interest-free unsecured other loans	**11,743,586**	18,590,490
Finance income, net	**276,904,587**	260,739,589
Results shared from associates and joint ventures		
- Other income and other gains or losses	**43,808,294**	30,395,686
- Change in fair value of investment properties	**482,716,220**	1,075,912,389
- Gain on disposal of investment properties	**91,003,825**	48,411,905
- Administrative expenses and other operating expenses	**(304,212,443)**	(219,721,611)
- Finance costs, net	**(167,491,895)**	(223,898,801)
- Income tax expense	**(355,890,420)**	(264,335,073)
	(210,066,419)	446,764,495
Profit before taxation	**7,755,938,634**	10,613,497,712

During the year ended 30th June, 2016, inter-segment sales of HK$43,613,521 *(2015: HK$34,328,740)* were not included in the segment of "property management and other services". There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

Geographical information

The Group operates in four principal geographical areas – Hong Kong, the People's Republic of China (the "PRC"), Singapore and Australia.

The Group's revenue from external customers and share of revenue from associates and joint ventures by location of operations and information about its non-current assets by location of assets, excluding financial instruments, are detailed below:

	The Company's and its subsidiaries' external revenue		Share of revenue from associates and joint ventures		The Group's non-current assets	
	2016 HK$	2015 HK$	**2016 HK$**	2015 HK$	**2016 HK$**	2015 HK$
Hong Kong	**9,433,461,934**	19,180,842,564	**6,641,506,259**	6,904,043,400	**73,557,865,569**	71,449,577,037
The PRC	**405,806,482**	1,652,090,274	**210,089,573**	370,281,806	**4,787,966,248**	5,268,318,860
Singapore	**1,018,171,073**	1,063,393,684	**-**	-	**4,159,716,273**	4,174,599,541
Australia	**-**	-	**203,512,983**	-	**232,384,799**	-
	10,857,439,489	21,896,326,522	**7,055,108,815**	7,274,325,206	**82,737,932,889**	80,892,495,438

3. Share of results of associates

The Group's share of results of associates included the Group's share of change in fair value of investment properties of the associates, net of deferred taxation, of HK$405,183,839 *(2015: HK$585,598,241)* recognised in the statement of profit or loss of the associates.

4. Share of results of joint ventures

The Group's share of results of joint ventures included the Group's change of change in fair value of investment properties of the joint ventures of HK$77,862,381 *(2015: HK$487,344,148)* recognised in the statement of profit or loss of the joint ventures.

5. Profit before taxation

	2016 **HK$**	2015 HK$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	**20,091,421**	21,599,205
Cost of hotel inventories consumed (included in direct expenses)	**109,131,456**	110,510,255
Cost of properties sold	**3,613,369,102**	13,631,420,045
Amortisation and depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	**82,639,990**	89,742,495
Loss (gain) on disposal of property, plant and equipment	**804,696**	(626,004)
Property, plant and equipment written off	**-**	6,361
Recognition (reversal) of impairment loss on trade receivables	**789,814**	(1,958,767)

6. Income tax expense

	2016	2015
	HK$	HK$
The charge (credit) comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% *(2015: 16.5%)*	**543,194,118**	626,347,976
Underprovision in previous years	**22,316,109**	6,801,117
	565,510,227	633,149,093
Taxation in other jurisdictions		
Provision for the year	**62,528,154**	99,556,820
(Over)underprovision in previous years	**(9,105,296)**	230,403
Land Appreciation Tax	**11,444,786**	81,201,684
	64,867,644	180,988,907
	630,377,871	814,138,000
Deferred taxation	**(32,686,541)**	338,420,224
	597,691,330	1,152,558,224

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

7. Earnings per share

(a) Reported earnings per share

The calculation of the basic earnings per share attributable to the Company's shareholders is based on the following data:

	2016	2015
	HK$	HK$
Earnings for the purpose of basic earnings per share	**3,622,174,285**	4,747,169,520
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,685,408,413**	1,645,120,351

7. Earnings per share – continued

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK$2,732,913,420 *(2015: HK$2,678,531,476)* is also presented, excluding the net effect of changes in fair value of the Group's, associates' and joint ventures' investment properties. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	2016 **HK$**	2015 HK$
Earnings for the purpose of basic earnings per share	**3,622,174,285**	4,747,169,520
Change in fair value of investment properties	**1,301,819,986**	3,224,578,500
Effect of corresponding deferred taxation charges	**(41,295,120)**	(205,274,726)
Share of results of associates		
- Change in fair value of investment properties	**404,853,839**	588,568,241
- Effect of corresponding deferred taxation credit (charges)	**330,000**	(2,970,000)
Share of results of joint ventures		
- Change in fair value of investment properties	**77,862,381**	487,344,148
	1,743,571,086	4,092,246,163
Amount attributable to non-controlling interests	**(854,310,221)**	(2,023,608,119)
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	**889,260,865**	2,068,638,044
Underlying profit attributable to the Company's shareholders	**2,732,913,420**	2,678,531,476

8. Accounts and other receivables

At 30th June, 2016, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK$1,681,010,701 *(2015: HK$2,166,321,388)*, of which HK$1,537,371,655 *(2015: HK$1,866,123,067)* are to be settled based on the terms of sales 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:

	2016	2015
	HK$	HK$
Not yet due	**1,537,371,655**	1,866,123,067
Overdue:		
1-30 days	**87,785,375**	239,661,625
31-60 days	**16,251,136**	21,604,473
61-90 days	**9,668,844**	8,955,887
Over 90 days	**29,933,691**	29,976,336
	1,681,010,701	2,166,321,388

Trade receivables overdue more than 90 days amounting to HK$29,933,691 *(2015: HK$29,976,336)* are sufficiently covered by rental deposits received from the respective tenants and no allowance is required for these receivables under the Group's allowance policy.

9. Accounts and other payables

At 30th June, 2016, included in accounts and other payables of the Group are trade payables of HK$206,305,733 *(2015: HK$103,021,517).*

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

	2016	2015
	HK$	HK$
0-30 days	**108,365,035**	68,032,709
31-60 days	**59,589,950**	16,762,681
61-90 days	**1,559,204**	1,261,730
Over 90 days	**36,791,544**	16,964,397
	206,305,733	103,021,517

10. Pledge of assets

(a) At 30th June, 2016, the aggregate facilities of bank loans granted to the Group amounting to approximately HK$576,575,000 *(2015: HK$3,302,375,000)* were secured by certain of the Group's assets amounting to a total carrying amount of HK$1,793,851,313 *(2015: HK$5,414,434,497)*. At that date, the facilities were utilised by the Group to the extent of approximately HK$576,575,000 *(2015: HK$2,181,375,000)*.

(b) At 30th June, 2016, shares in certain associates and a joint venture with aggregate investment costs amounting to HK$36 *(2015: Nil)*, advances to certain associates and a joint venture in aggregate amounting to approximately HK$1,971,333,000 *(2015: HK$2,587,824,000)* and certain assets of the associates and joint venture were pledged to or assigned to secure loan facilities made available by banks to such associates and joint venture. Loan facilities granted to certain associates were jointly guaranteed by Sino Land Company Limited ("Sino Land") and the other shareholders of the associates.

11. Contingent liabilities

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

	2016	2015
	HK$	HK$
Guarantees given to banks in respect of:		
Banking facilities of associates attributable to the Group		
- Utilised	**907,521,893**	1,497,783,832
- Unutilised	**979,678,107**	661,600,000
	1,887,200,000	2,159,383,832
Mortgage loans granted to property purchasers	**1,022,802,309**	440,534,499

At 30th June, 2016 and 2015, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to associates. At the end of both reporting periods, the Group did not recognise any liabilities in respect of such corporate financial guarantees as the Directors of the Company consider that the fair values of these financial guarantee contracts at their initial recognition and at the end of the reporting period are insignificant.

12. Capital commitments

On 25th May, 2015, Sino Land entered into a memorandum of agreement with a connected person for the formation of a joint venture company on a 50:50 basis (the “Joint Venture”). The Joint Venture, through its direct wholly-owned subsidiary (the “JV’s Subsidiary”), participated in a private bidding process, and entered into a share sale agreement with a vendor, an independent third party, on 25th May, 2015 under which the JV’s Subsidiary agreed to purchase all of the issued shares of the then hotel owner of a hotel in Sydney for the total consideration of AUD445,333,000 (approximately HK$2,739,000,000) subject to adjustments, if necessary, according to the relevant completion accounts as at the date of completion (the “Acquisition”).

As at 30th June, 2015, the estimated total capital expenditure of the Group in respect of the Acquisition contracted but not provided for in the consolidated financial statements was approximately AUD227,700,000 (approximately HK$1,349,000,000).

The Acquisition was completed on 31st July, 2015. The final consideration payable by the Group was approximately AUD223,982,000 (approximately HK$1,267,000,000) and was fully settled by cash during the current year. The Group had no material capital commitments to be disclosed as at 30th June, 2016.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 28th October, 2016, the register of members of the Company will be closed from Tuesday, 25th October, 2016 to Friday, 28th October, 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrars, Tricor Friendly Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 24th October, 2016.

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 Friday, 4th November, 2016. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 3rd November, 2016 to Friday, 4th November, 2016, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Registrars, Tricor Friendly Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 2nd November, 2016.

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted its own Corporate Governance Code and has complied with all the code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that there was no separation of the roles of the chairman and the chief executive, both of the roles are currently undertaken by the Chairman of the Board.

The Board is of the view that the current management structure has been effective in facilitating the Company's operation and business development and that necessary checks and balances consistent with sound corporate governance practices are in place. The implementation of strategies and policies of the Board and the operations of each business unit are overseen and monitored by designated responsible Executive Directors. The Board has found that the current arrangement has worked effectively in enabling it to discharge its responsibilities satisfactorily. In addition, the three Independent Non-Executive Directors have contributed valuable views and proposals for the Board's deliberation and decisions. The Board 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, 2016 have been reviewed by the audit committee of the Company.

2016 ANNUAL REPORT

The 2016 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 Thursday, 15th September, 2016.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 24th August, 2016

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.