Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present the 2016/2017 Annual Report to shareholders.

FINAL RESULTS

For the year ended 30th June, 2017, the Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties, was HK$2,869.3 million (2015/2016: HK$2,732.9 million). Underlying earnings per share was HK$1.66 (2015/2016: HK$1.62).

The Group's reported net profit attributable to shareholders was HK$3,848.3 million (2015/2016: HK$3,622.1 million). Earnings per share was HK$2.23 (2015/2016: HK$2.15). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK$979.0 million (2015/2016: HK$889.2 million).

DIVIDENDS

The Directors have resolved to recommend a final dividend of 40 cents per share in respect of the year ended 30th June, 2017 to shareholders whose names appear on the Register of Members of the Company on 2nd November, 2017. Together with the interim dividend of 13 cents per share, the total dividend for the year ended 30th June, 2017 is 53 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 26th October, 2017; 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 9th November, 2017. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 6th December, 2017.

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, 2017, Tsim Sha Tsui Properties Limited had 52.1% 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, 2017, including property sales of associates and joint ventures recognised by Sino Land, was HK$15,029.1 million (2015/2016: HK$11,439.4 million).

Sino Land's total revenue from property sales comprises mainly the sales of residential units in Corinthia By The Sea in Tseung Kwan O, 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 Mayfair By The Lake in Xiamen, and to date, approximately 100%, 99%, 99%, 100%, 93%, 94% and 99% of the units in the respective projects have been sold.

During the financial year 2016/2017, Sino Land launched the residential project Park Mediterranean in Sai Kung for sale and to date, approximately 56% of the units have been sold.

In China, 215 residential units in The Palazzo in Chengdu were launched for sale during the financial year 2016/2017. To date, a total of 3,915 residential units in The Palazzo in Chengdu and 1,649 residential units in Dynasty Park in Zhangzhou have been launched for sale and approximately 99% of the units in both of the projects have been sold.

(2) Land Bank

As at 30th June, 2017, Sino Land has a land bank of approximately 32.8 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 55.3% is residential; 28.7% commercial; 7.4% industrial; 4.6% car parks and 4.0% hotels. In terms of breakdown of the land bank by status, 20.2 million square feet were properties under development, 11.9 million square feet of properties for investment and hotels, together with 0.7 million square feet of properties held for sale. Sino Land will continue to be selective in replenishing its land bank to optimise its earnings potential.

During the year ended 30th June, 2017, Sino Land acquired in Hong Kong three sites from the HKSAR Government as well as the development rights of four sites with a total attributable floor area of approximately 1.5 million square feet. Details of the projects are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
1. TPTL 228 Fo Yin Road, Pak Shek Kok, Tai Po, New Territories, Hong Kong	Residential	100%	412,530
2. Lot No. 1040 in D.D. No. 103 Kam Sheung Road Station Package One Property Development, Kam Ho Road and Tung Wui Road, New Territories, Hong Kong	Residential	Joint Venture	412,247
3. The Fullerton Hotel Ocean Park Hong Kong Tai Shue Wan, Hong Kong	Hotel	60%	262,020
4. KCTL 524 Wing Kei Road, Kwai Chung, New Territories, Hong Kong	Industrial	100%	176,906
5. AIL 462 Yip Kan Street and Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong	Commercial	60%	144,567
6. IL 9064 Site A, Peel Street/Graham Street, Central, Hong Kong	Residential	Joint Venture	84,260
7. NKIL 6558 1-3B Kowloon Road / 1-5 Kiu Yam Street, Sham Shui Po, Kowloon, Hong Kong	Residential/ Retail	Joint Venture	52,571
			1,545,101

Subsequent to the year ended 30th June, 2017, Sino Land acquired a site in Whitehead, Ma On Shan (STTL 611) at a government tender for residential development on 21st July, 2017.

Upon completion, it will provide a total of approximately 119,351 square feet of attributable gross floor area.

In China, Sino Land acquired a commercial site in Qianhai during the financial year 2016/2017 and details of the project are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
T102-0262 Land Parcel 04, Unit 7, Qianwan Area, Qianhai Shenzhen-Hong Kong Modern Service Industry Corporation Zone, Shenzhen, PRC	Serviced Apartment	50%	247,572

(3) Property Development

During the year ended 30th June, 2017, Sino Land completed the project Mayfair By The Lake in Xiamen and obtained Occupation Permits for two residential projects in Hong Kong and details of the projects are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
1. Mayfair By The Lake 26 North Hubin Road, Xiamen, PRC	Residential/ Retail	100%	522,223
2. The Staunton Suites 22 Staunton Street, Central, Hong Kong	Residential/ Retail	100%	37,629
3. Paloma Cove 8 Peng Chau Ho King Street, Peng Chau, New Territories, Hong Kong	Residential	100%	14,372
			574,224

(4) Rental Activities

For the year ended 30th June, 2017, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 3.0% to HK$3,949.1 million (2015/2016: HK$3,834.1 million) and net rental income increased 4.2% to HK$3,486.0 million (2015/2016: HK$3,344.7 million). The increase in rental revenue was mainly due to higher rental rates on renewals. Overall occupancy of the investment property portfolio under Sino Land was at approximately 97% (2015/2016: 97%) for the year ended 30th June, 2017.

Sino Land's retail portfolio in Hong Kong recorded rental growth with overall occupancy rate at approximately 98% (2015/2016: 97%) for the financial year 2016/2017. The leasing performance of Sino Land's office portfolio was steady with overall occupancy rate at approximately 97% (2015/2016: 98%) for the year ended 30th June, 2017. The leasing performance of Sino Land's industrial portfolio saw stable rental growth with occupancy rate at approximately 95% (2015/2016: 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, 2017, Sino Land has approximately 11.9 million square feet of attributable floor area of investment properties and hotels in Hong Kong, China, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 62.4%, industrial 14.8%, car parks 12.3%, hotels 7.7%, and residential 2.8%.

(5) Hotels

Sino Land has a total of five hotels, namely The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, Conrad Hong Kong, The Westin Sydney and The Olympian Hong Kong. Overall business performance of these 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 has achieved several important international milestones in 2016/2017 which were the inclusion of Renminbi in the International Monetary Fund's basket of reserve currencies; the launch of Shenzhen-Hong Kong Stock Connect; and the imminent inclusion of China's domestic A-shares in the MSCI Emerging Markets Index.

China's economic parameters including inflation rate and job creation were both within target. Economic policies pursued by Central Government continued to focus on controlling capacity in production and sustaining financial healthiness in both fiscal and monetary sectors. On the residential property market, inventory levels have been reduced and Central Government stepped up housing measures and monetary tightening which are expected to suppress growth in home sales prices and volume in the near term.

Sino Land has two projects in China mainly for residential development, namely The Palazzo in Chengdu and Dynasty Park in Zhangzhou and a serviced apartment project in Qianhai Bay, Shenzhen. Attributable plot ratio area from the three projects total approximately 15.8 million square feet.

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, 2016.

FINANCE

As at 30th June, 2017, the Group had cash and bank deposits of HK$33,317.2 million. After netting off total borrowings of HK$7,384.2 million, the Group had net cash of HK$25,933.0 million as at 30th June, 2017. Of the total borrowings, 53.9% was repayable within one year, 23.6% repayable between one and two years and the balance 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 2016/2017. 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 2016/2017, Sino Land published its Sustainability Review 2016 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 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, named 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 was a winner of the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation'.

PROSPECTS

Following decades of export-oriented economic growth, China has established itself as the second largest economy and one of the key contributors in the process of globalisation. The creation of an economic and mutually beneficial trade route between Asia and Europe through the Belt and Road Initiative can benefit Asia, Europe and many other nations. A successful Belt and Road Initiative will go beyond infrastructure development and trade as it will help reduce poverty and regional economic disparity along the Belt and Road. China has taken the role to lead and manage the Belt and Road Initiative since its inception in 2013, pathing the way for the next stage of development. In May 2017, the first Leaders Roundtable of the Belt and Road Forum for International Co-operation was held in Beijing which covered integration issues and the further development of economic partnership. Many state leaders and over a thousand representatives attended the event indicating wide support internationally for the Initiative. Hong Kong has a role to play in the Belt and Road. This year, President Xi Jinping visited Hong Kong for the first time as President of China, to celebrate the 20th anniversary of the handover of sovereignty to China by the British government. During his visit, the President highlighted the benefits for Hong Kong to leverage its strengths and role in advancing the Belt and Road Initiative and to cooperate with other core regions to capitalise on this opportunity.

The concept of the Guangdong-Hong Kong-Macau Greater Bay Area ("Greater Bay Area") can be traced back to 2004 when the first strategic planning study named "Planning Study on the Coordinated Development of the Greater Pearl River Delta Townships" was proposed and completed in 2009. There have been much discussion and reports done since then. The development of the Greater Bay Area is also supported by the 13th Five-Year Plan and it covers 11 cities which are Dongguan, Foshan, Guangzhou, Hong Kong, Huizhou, Jiangmen, Macau, Shenzhen, Zhaoqing, Zhongshan and Zhuhai with a total area of over 56,000 square kilometers. The plan was also stated in the report of the Central Government by the Premier of the State Council in the Fifth Session of the 12th National People's Congress of the People's Republic of China in March 2017. Establishing the Greater Bay Area promotes the development of the metropolitan areas along Pearl River Delta Region and is part of the nation-wide urban agglomeration plan designed by the National Development and Reform Commission. Improvement in connectivity among cities can optimise their synergies and maximise economic potential of the cities.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development, Sino Land will maintain a policy of selectively and continuously replenishing its land bank, which will enable it to strengthen earnings and shareholders' value. Since July 2016, Sino Land has acquired a total of approximately 1.9 million square feet of attributable floor area for sale and investment purposes. 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, 2017

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, 2017 are as follows:

Consolidated Statement of Profit or Loss

	Notes	**2017 HK$**	2016 HK$
Turnover	2	**18,386,482,899**	10,857,439,489
Cost of sales		**(7,859,044,281)**	(3,613,369,102)
Direct expenses		**(2,591,969,351)**	(2,487,574,737)
Gross profit		**7,935,469,267**	4,756,495,650
Change in fair value of investment properties		**1,332,948,974**	1,301,819,986
Other income and other gains or losses		**215,948,884**	87,511,759
Fair value gain on non-current interest-free unsecured other loans		**11,797,519**	11,743,586
Gain (loss) arising from change in fair value of trading securities		**2,573,250**	(3,012,560)
Gain on disposal of investment properties		**86,699,964**	470,005,091
Administrative expenses		**(785,752,435)**	(966,971,206)
Other operating expenses		**(174,409,201)**	(159,425,528)
Finance income		**498,753,540**	490,101,104
Finance costs		**(225,532,798)**	(235,396,444)
Less: Interest capitalised		**17,936,109**	22,443,215
Finance income, net		**291,156,851**	277,147,875
Share of results of associates	3	**1,546,143,601**	1,884,575,901
Share of results of joint ventures	4	**164,165,699**	96,048,080
Profit before taxation	5	**10,626,742,373**	7,755,938,634
Income tax expense	6	**(2,510,869,825)**	(597,691,330)
Profit for the year		**8,115,872,548**	7,158,247,304
Attributable to:			
The Company's shareholders		**3,848,282,418**	3,622,174,285
Non-controlling interests		**4,267,590,130**	3,536,073,019
		8,115,872,548	7,158,247,304
Interim dividend at HK13 cents *(2016: HK13 cents)* per share		**225,576,194**	220,405,311
Proposed final dividend at HK40 cents *(2016: HK38 cents)* per share		**698,063,069**	648,224,116
Earnings per share (reported earnings per share) – basic	7(a)	**2.23**	2.15
Earnings per share (underlying earnings per share) – basic	7(b)	**1.66**	1.62

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2017 **HK$**	2016 HK$
Profit for the year	**8,115,872,548**	7,158,247,304
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Gain (loss) on fair value change of available-for-sale investments	**201,666,102**	(212,299,161)
Exchange differences arising on translation of foreign operations	**(42,801,382)**	(1,137,772,610)
	158,864,720	(1,350,071,771)
Reserve released upon deregistration of an associate	**(117,203,701)**	-
Other comprehensive income (expense) for the year	**41,661,019**	(1,350,071,771)
Net comprehensive income for the year	**8,157,533,567**	5,808,175,533
Net comprehensive income attributable to:		
The Company's shareholders	**3,870,530,273**	2,928,017,417
Non-controlling interests	**4,287,003,294**	2,880,158,116
	8,157,533,567	5,808,175,533

Consolidated Statement of Financial Position
At 30th June, 2017

	Notes	**2017** **HK$**	2016 HK$
Non-current assets			
Investment properties		**61,360,795,684**	59,255,635,189
Hotel properties		**1,926,929,883**	1,987,487,748
Property, plant and equipment		**210,521,321**	156,754,620
Goodwill		**739,233,918**	739,233,918
Prepaid lease payments – non-current		**1,126,413,923**	1,165,234,108
Interests in associates		**16,563,788,511**	16,233,160,710
Interests in joint ventures		**3,208,139,224**	3,200,426,596
Available-for-sale investments		**967,946,077**	737,994,601
Advances to associates		**4,132,772,917**	6,372,606,832
Advances to joint ventures		**3,009,904,156**	966,095,260
Advance to an investee company		**15,385,955**	16,405,349
Long-term loans receivable		**1,836,410,355**	718,079,975
		95,098,241,924	91,549,114,906
Current assets			
Properties under development		**23,588,805,558**	22,686,748,390
Stocks of completed properties		**1,358,607,587**	4,479,080,881
Hotel inventories		**21,115,825**	19,098,824
Prepaid lease payments – current		**19,823,175**	20,151,711
Trading securities		**15,498,161**	12,796,905
Amounts due from associates		**272,053,241**	188,609,710
Amounts due from joint ventures		**704,540,843**	545,462,658
Amounts due from non-controlling interests		**212,629,297**	81,274,836
Accounts and other receivables	8	**1,367,724,214**	2,687,575,011
Current portion of long-term loans receivable		**65,055,071**	16,324,945
Taxation recoverable		**281,593,373**	209,374,914
Restricted bank deposits		**1,926,429,569**	545,689,072
Time deposits		**28,286,090,112**	23,275,843,911
Bank balances and cash		**3,104,641,325**	3,717,324,511
		61,224,607,351	58,485,356,279
Current liabilities			
Accounts and other payables	9	**4,580,470,852**	5,802,571,667
Deposits received on sales of properties		**7,992,318,014**	9,404,171,155
Amounts due to associates		**1,646,848,617**	1,132,981,774
Amounts due to joint ventures		**7,329**	226,643
Amounts due to non-controlling interests		**55,962,725**	147,634,967
Taxation payable		**1,992,541,202**	1,246,891,654
Other borrowing – due within one year		**3,875,439,917**	-
Other loans – unsecured		**106,677,728**	108,313,383
		20,250,266,384	17,842,791,243
Net current assets		**40,974,340,967**	40,642,565,036
Total assets less current liabilities		**136,072,582,891**	132,191,679,942

Consolidated Statement of Financial Position – continued
At 30th June, 2017

	2017	2016
	HK$	HK$
Capital and reserves		
Share capital	**10,588,811,638**	9,719,312,922
Reserves	**55,762,416,688**	52,438,670,660
Equity attributable to the Company's shareholders	**66,351,228,326**	62,157,983,582
Non-controlling interests	**62,460,742,601**	59,934,117,414
Total equity	**128,811,970,927**	122,092,100,996
Non-current liabilities		
Long-term bank and other borrowings – due after one year	**2,046,229,161**	4,442,167,268
Other loans – due after one year	**1,355,815,383**	1,349,617,278
Deferred taxation	**2,175,866,864**	1,941,369,421
Advances from associates	**1,025,320,593**	1,876,123,504
Advances from non-controlling interests	**657,379,963**	490,301,475
	7,260,611,964	10,099,578,946
	136,072,582,891	132,191,679,942

Notes:

1. Basis of preparation

In the current year, the Company and its subsidiaries (the "Group") have applied the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"):

Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 - 2014 Cycle
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying Consolidated Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

<u>Amendments to HKAS 1 *Disclosure Initiative*</u>

The Group has applied the amendments to HKAS 1 for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information for disclosure purposes. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The Group has applied these amendments retrospectively. The grouping and ordering of certain notes have been revised to give prominence to the areas of the Group's activities that management considers to be the most relevant to an understanding of the Group's financial performance and financial position. Specifically, information to capital risk management and financial instruments was reordered in the consolidated financial statements. Other than the above presentation and disclosure changes, the application of the amendments to HKAS 1 has not resulted in any impact on the financial performance or financial position of the Group in these consolidated financial statements.

1. Basis of preparation – continued

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, with the exception of section 381 which requires a company to include all its subsidiary undertakings (within the meaning of Schedule 1 to the Hong Kong Companies Ordinance) in the company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10 *Consolidated Financial Statements* so far as they apply to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provisions of section 380(6), the Company has departed from section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the accounting policies in the note to the consolidated financial statements. Those excluded subsidiary undertakings of the Group are disclosed in the 2017 annual consolidated financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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, 2017 and 2016 included in this preliminary announcement of annual results 2017 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, 2016 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, 2017 in due course.

The Company's auditor has reported on the financial statements of 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, 2017

	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	**13,184,908,744**	**4,425,733,098**	**1,844,210,544**	**505,794,186**	**15,029,119,288**	**4,931,527,284**
Property rental	**3,121,175,211**	**2,700,930,627**	**855,982,517**	**782,782,017**	**3,977,157,728**	**3,483,712,644**
	16,306,083,955	**7,126,663,725**	**2,700,193,061**	**1,288,576,203**	**19,006,277,016**	**8,415,239,928**
Property management and other services	**1,122,069,384**	**265,094,596**	**102,119,681**	**21,298,371**	**1,224,189,065**	**286,392,967**
Hotel operations	**839,786,627**	**301,614,452**	**435,441,227**	**198,918,004**	**1,275,227,854**	**500,532,456**
Investments in securities	**86,236,240**	**86,236,240**	**3,900**	**3,900**	**86,240,140**	**86,240,140**
Financing	**32,306,693**	**32,306,693**	**7,168,473**	**7,168,473**	**39,475,166**	**39,475,166**
	18,386,482,899	**7,811,915,706**	**3,244,926,342**	**1,515,964,951**	**21,631,409,241**	**9,327,880,657**

For the year ended 30th June, 2016

	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	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

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.

Reconciliation of profit before taxation

	2017	2016
	HK$	HK$
Segment profit	**9,327,880,657**	6,838,091,573
Change in fair value of investment properties	**1,332,948,974**	1,301,819,986
Other income and other gains or losses	**215,526,373**	82,308,408
Gain (loss) arising from change in fair value of trading securities	**2,573,250**	(3,012,560)
Gain on disposal of investment properties	**86,699,964**	470,005,091
Administrative expenses and other operating expenses	**(831,829,342)**	(1,011,855,618)
Fair value gain on non-current interest-free unsecured other loans	**11,797,519**	11,743,586
Finance income, net	**286,800,629**	276,904,587
Results shared from associates and joint ventures		
- Other income and other gains or losses	**32,353,699**	43,808,294
- Change in fair value of investment properties	**810,327,296**	482,716,220
- Gain on disposal of investment properties	**15,551,855**	91,003,825
- Administrative expenses and other operating expenses	**(287,508,541)**	(304,212,443)
- Finance costs, net	**(70,504,856)**	(167,491,895)
- Income tax expense	**(305,875,104)**	(355,890,420)
	194,344,349	(210,066,419)
Profit before taxation	**10,626,742,373**	7,755,938,634

During the year ended 30th June, 2017, inter-segment sales of HK$53,643,787 *(2016: HK$43,613,521)* 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.

2. Operating segments – continued

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	
	2017	2016	**2017**	2016	**2017**	2016
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
Hong Kong	**14,391,971,212**	9,433,461,934	**2,836,989,735**	6,641,506,259	**76,390,691,586**	73,557,865,569
The PRC	**3,011,795,328**	405,806,482	**185,217,023**	210,089,573	**4,452,827,369**	4,787,966,248
Singapore	**982,716,359**	1,018,171,073	**-**	-	**4,107,104,531**	4,159,716,273
Australia	**-**	-	**222,719,584**	203,512,983	**185,198,978**	232,384,799
	18,386,482,899	10,857,439,489	**3,244,926,342**	7,055,108,815	**85,135,822,464**	82,737,932,889

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$614,033,643 *(2016: HK$405,183,839)* 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 share of change in fair value of investment properties of the joint ventures of HK$93,384,583 *(2016: HK$77,862,381)* recognised in the statement of profit or loss of the joint ventures.

5. Profit before taxation

	2017	2016
	HK$	HK$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	**19,987,443**	20,091,421
Cost of hotel inventories consumed (included in direct expenses)	**104,018,586**	109,131,456
Cost of properties sold	**7,859,044,281**	3,613,369,102
Amortisation and depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	**98,741,104**	82,639,990
(Gain) loss on disposal of property, plant and equipment	**(411,414)**	804,696
Property, plant and equipment written off	**3,830**	-
Recognition of impairment loss on trade receivables	**1,646,813**	789,814
Gain on deregistration of an associate (included in other income and other gains or losses)	**(117,360,800)**	-

6. Income tax expense

	2017 HK$	2016 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% *(2016: 16.5%)*	**792,493,128**	543,194,118
Underprovision in previous years	**86,042**	22,316,109
	792,579,170	565,510,227
Taxation in other jurisdictions		
Provision for the year	**381,742,429**	62,528,154
Under(over)provision in previous years	**1,274,296**	(9,105,296)
Land Appreciation Tax	**1,074,994,898**	11,444,786
	1,458,011,623	64,867,644
	2,250,590,793	630,377,871
Deferred taxation	**260,279,032**	(32,686,541)
	2,510,869,825	597,691,330

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:

	2017 HK$	2016 HK$
Earnings for the purpose of basic earnings per share	**3,848,282,418**	3,622,174,285

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,724,491,271**	1,685,408,413

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$2,869,275,929 *(2016: HK$2,732,913,420)* 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:

	2017 **HK$**	2016 HK$
Earnings for the purpose of basic earnings per share	**3,848,282,418**	3,622,174,285
Change in fair value of investment properties	**1,332,948,974**	1,301,819,986
Effect of corresponding deferred taxation charges	**(34,006,102)**	(41,295,120)
Share of results of associates		
- Change in fair value of investment properties	**716,942,713**	404,853,839
- Effect of corresponding deferred taxation (charges) credit	**(102,909,070)**	330,000
Share of results of joint ventures		
- Change in fair value of investment properties	**93,384,583**	77,862,381
	2,006,361,098	1,743,571,086
Amount attributable to non-controlling interests	**(1,027,354,609)**	(854,310,221)
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	**979,006,489**	889,260,865
Underlying profit attributable to the Company's shareholders	**2,869,275,929**	2,732,913,420

8. Accounts and other receivables

At 30th June, 2017, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK$210,538,807 *(2016: HK$1,681,010,701)*. Trade receivables mainly comprise rental receivables and properties sales receivables. Rental receivables are billed and payable in advance by tenants. Properties sales receivables are to be settled by the purchasers based on the terms of sales and purchase agreements of property.

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

	2017	2016
	HK$	HK$
Not yet due	**78,482,291**	1,537,371,655
Overdue:		
1-30 days	**65,093,518**	87,785,375
31-60 days	**20,788,384**	16,251,136
61-90 days	**9,411,699**	9,668,844
Over 90 days	**36,762,915**	29,933,691
	210,538,807	1,681,010,701

Trade receivables overdue more than 90 days amounting to HK$36,762,915 *(2016: HK$29,933,691)* 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, 2017, included in accounts and other payables of the Group are trade payables of HK$151,891,774 *(2016: HK$206,305,733).*

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

	2017	2016
	HK$	HK$
0-30 days	**99,848,755**	108,365,035
31-60 days	**17,098,036**	59,589,950
61-90 days	**3,705,431**	1,559,204
Over 90 days	**31,239,552**	36,791,544
	151,891,774	206,305,733

10. Pledge of assets

(a) At 30th June, 2017, the aggregate facilities of bank loans granted to the Group amounting to approximately HK$391,351,000 *(2016: HK$576,575,000)* were secured by certain of the Group's assets amounting to a total carrying amount of HK$1,734,211,954 *(2016: HK$1,793,851,313)*. At the end of the reporting period, all the facilities were utilised by the Group.

(b) At 30th June, 2017, shares in certain associates and joint ventures with aggregate investment costs amounting to HK$42 *(2016: HK$36)*, advances to certain associates and joint ventures in aggregate carrying amount of approximately HK$2,120,580,000 *(2016: HK$1,971,333,000)* and certain assets of the associates and joint ventures were pledged to or assigned to secure loan facilities made available by banks to such associates and joint ventures. Loan facilities granted to certain associates were jointly guaranteed by Sino Land Company Limited and the other shareholders of the associates.

11. Contingent liabilities

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

	2017	2016
	HK$	HK$
Guarantees given to banks in respect of:		
Banking facilities of an associate and a joint venture attributable to the Group		
- Utilised	**1,263,390,500**	907,521,893
- Unutilised	**956,609,500**	979,678,107
	2,220,000,000	1,887,200,000
Mortgage loans granted to property purchasers	**647,461,553**	1,022,802,309

At 30th June, 2017 and 2016, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to an associate and a joint venture. 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.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 26th October, 2017, the register of members of the Company will be closed from Monday, 23rd October, 2017 to Thursday, 26th October, 2017, 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 Friday, 20th October, 2017.

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 Thursday, 2nd November, 2017. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 1st November, 2017 to Thursday, 2nd November, 2017, 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 Tuesday, 31st October, 2017.

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 reviews 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, 2017 have been reviewed by the audit committee of the Company.

2017 ANNUAL REPORT

The 2017 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 Friday, 15th September, 2017.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 24th August, 2017

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.