Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present my interim report to the shareholders.

INTERIM RESULTS

The Group's unaudited net profit attributable to shareholders for the six months ended 31st December, 2017 ("Interim Period") was HK$5,401.1 million (2016: HK$1,762.6 million). Earnings per share was HK$3.09 (2016: HK$1.03). The reported profit for the Interim Period included a revaluation surplus (net of deferred taxation) on investment properties of HK$453.4 million compared with a revaluation surplus (net of deferred taxation) of HK$357.4 million for the last period. During the Interim Period, Sino Land Company Limited ("Sino Land") disposed 80% interest in its property development project The Palazzo, Chengdu at a consideration of HK$10,510.9 million and has recorded a one-off gain on disposal of subsidiary of HK$2,949.4 million and a fair value gain on the 20% interest retained of HK$397.5 million. Excluding the one-off gain on disposal and fair value gain on the 20% interest retained for The Palazzo, the Group's net profit for the Interim Period would be HK$2,054.2 million.

The Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the Interim Period and the fair value gain on the 20% interest retained for The Palazzo, was HK$4,550.2 million (2016: HK$1,405.2 million). Underlying earnings per share was HK$2.60 (2016: HK$0.82). Excluding the one-off gain on disposal, the Group's underlying profit for the Interim Period would be HK$1,600.8 million.

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

INTERIM DIVIDEND AND SPECIAL DIVIDEND

The Directors have declared an interim dividend of 13 cents per share payable on 23rd April, 2018 to those shareholders whose names appear on the Register of Members of the Company on 19th March, 2018.

In view of the gain arising from the disposal of Sino Land's 80% interest in the property development project The Palazzo, Chengdu, the Directors have decided to distribute to the shareholders a special dividend of 45 cents per share which will be payable together with the interim dividend to those shareholders whose names appear on the Register of Members of the Company on 19th March, 2018.

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

A circular containing details of the scrip dividend scheme will be despatched to the shareholders together with a form of election for scrip dividend on or about 22nd March, 2018. It is expected that the dividend warrants and share certificates will be despatched to the shareholders on or about 23rd April, 2018.

REVIEW OF OPERATIONS

The operations under Sino Land represent a substantial portion of the operations of the Group as a whole. As at 31st December, 2017, Tsim Sha Tsui Properties Limited (the "Company") had 52.5% interest in Sino Land. Therefore, for discussion purposes, we have focused on the operations of Sino Land.

(1) Sales Activities

Sino Land's total revenue from property sales for the Interim Period, including property sales of associates and joint ventures, was HK$4,560.2 million (2016 : HK$9,499.1 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in The Spectra in Yuen Long, Botanica Bay in Lantau, Dragons Range in Kau To, Providence Bay in Pak Shek Kok, Marinella in Aberdeen and Dynasty Park in Zhangzhou, and to date, approximately 97%, 100%, 100%, 99%, 99% and 41% of their respective residential units have been sold.

(2) Land Bank

As at 31st December, 2017, Sino Land has a land bank of approximately 22.3 million square feet of attributable floor area in Hong Kong, China, Singapore and Sydney which comprises a balanced portfolio of properties of which 38.2% is residential; 38.7% commercial; 10.9% industrial; 6.8% car parks and 5.4% hotels. In terms of breakdown of the land bank by status, 9.7 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 Interim Period, Sino Land acquired in Hong Kong two sites from the HKSAR Government as well as the development rights of three sites with total attributable floor area of approximately 1.0 million square feet. Details of the projects are as follows:

	Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
1.	Nos. 139 – 147 Argyle Street, Ho Man Tin, Kowloon, Hong Kong	Residential	Joint Venture	309,707
2.	AIL 467 (Site B) Wong Chuk Hang Station Package Two Property Development, Aberdeen, Hong Kong	Residential	Joint Venture	246,496
3.	NKIL 6549 Off Hing Wah Street West, Cheung Sha Wan, Kowloon, Hong Kong	Residential	22.5%	222,258
4.	STTL 611 Whitehead, Ma On Shan, Sha Tin, New Territories, Hong Kong	Residential	100%	119,351
5.	KIL 11254 Reclamation Street/Shantung Street, Mongkok, Kowloon, Hong Kong	Residential	Joint Venture	67,322
				965,134

(3) Property Development

During the Interim Period, Sino Land obtained Occupation Permits for the following three projects in Hong Kong and details of the projects are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
1. The Spectra 8 Kwong Yip Street, Yuen Long, New Territories, Hong Kong	Residential	Joint Venture	209,575
2. The Mediterranean 8 Tai Mong Tsai Road, Sai Kung, New Territories, Hong Kong	Residential	100%	249,133
3. Park Mediterranean 9 Hong Tsuen Road, Sai Kung, New Territories, Hong Kong	Residential	100%	173,796
			632,504

In China, Sino Land completed Phase II of Dynasty Park in Zhangzhou with a total attributable floor area of approximately 1.3 million square feet during the Interim Period. Details of the project are presented as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
Dynasty Park No. 298, Tengfei Road, Xiangcheng District, Zhangzhou, Fujian Province, PRC	Residential/ Commercial	100%	1,352,508
			1,352,508

(4) Rental Activities

For the Interim Period, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 2.1% to HK$2,000.4 million (2016: HK$1,958.1 million) and net rental income increased 1.8% to HK$1,747.2 million (2016: HK$1,715.9 million). Overall occupancy of Sino Land's investment property portfolio was at approximately 96% (2016: 97%) for the Interim Period.

Sino Land's retail portfolio in Hong Kong recorded an increase in rental income with overall occupancy rate at approximately 97% (2016: 97%) for the Interim Period. Sino Land's flagship shopping malls, namely Tuen Mun Town Plaza Phase I, Olympian City 1, 2 and 3 showed steady leasing performance.

The leasing performance of Sino Land's office portfolio saw stable rental growth while overall occupancy rate was at approximately 96% (2016: 97%) for the Interim Period. Leasing performance of Sino Land's industrial portfolio saw a steady rental growth despite a decrease in overall occupancy rate to approximately 93% (2016: 96%).

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 31st December, 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's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, Conrad Hong Kong, The Westin Sydney and The Olympian Hong Kong. Overall business performance of Sino Land's hotels was steady during the Interim Period. 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.

(6) China Business

The First Plenary Session of the 19th National Congress of the Communist Party of China ("National Congress") was convened in October, 2017 where a new cabinet of officials of the Central Government was formed. The theme of the National Congress was to continue with the economic goal of building a "moderately prosperous society in all respects" and pursue supply-side structural reforms for better quality of life, higher efficiency and healthy economic growth. In December 2017, the meetings of the Political Bureau of the Communist Party of China Central Committee and the Central Economic Work Conference were convened where the importance of supply-side reforms was reiterated to achieve a balanced economic development and further progress on targeted poverty alleviation and pollution control. With these objectives in the Central Government's policy agenda, efforts will continue to be made on accelerating housing system reform and introducing a housing mechanism with lasting effects and postulating environment protection. These policies will be conducive to building a better economy and society for the best interest of the people.

As at 31st December, 2017, Sino Land has three projects in China with a total of approximately 4.5 million square feet of attributable plot ratio area currently under development. These projects are 100% interest in Dynasty Park in Zhangzhou, 50% interest in a serviced apartment project in Qianhai and 20% interest in The Palazzo in Chengdu.

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, 2017.

FINANCE

As at 31st December, 2017, the Group had cash and bank deposits of HK$23,155.5 million. After netting off total borrowings of HK$3,366.7 million, the Group had net cash of HK$19,788.8 million as at 31st December, 2017. Of the total borrowings, 3.3% was repayable within one year, 47.6% repayable between one and two years and the remaining payable between two and five years.

The majority of the Group's debts are denominated in Hong Kong dollars, with a portion in Singapore and Australian dollars. The Singapore dollars denominated debts are mainly used to fund the projects in Singapore while the Australian dollars denominated debts are mainly used to fund the project in Sydney. Other than the above-mentioned, there was no material change in foreign currency borrowings and the capital structure of the Group for the Interim Period. The majority of the Group's cash are denominated in Hong Kong dollars with a 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, participation in non-deal roadshows and investor conferences.

CUSTOMER SERVICE

Sino Land is committed to building quality projects. In keeping with its mission to enhance customer satisfaction, Sino Land will, wherever possible, ensure that attractive design concepts and features are also environmentally friendly for its developments. Management conducts regular reviews of Sino Land's 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, volunteer 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 Interim Period, Sino Land published the Sustainability Review 2017, its seventh annual report highlighting the corporate sustainability footprints and initiatives, which has been prepared in accordance with Hong Kong Exchanges and Clearing Limited's "Environmental, Social and Governance Reporting Guide" under Appendix 27 to the Main Board Listing Rules.

Dedicated to promoting arts and culture to enrich the everyday lives, Sino Land initiated 'Sino Art' in 2006, through which Sino Land curates events and provides opportunities for local and international artists to showcase their talent to wider audiences in Hong Kong. Sino Land has supported the Hong Kong Arts Festival since 2006 and plays an active role in promoting local talents in Singapore through the Fullerton Arts Programme.

In March 2008, the Ng Teng Fong Family, the Group's major shareholder, 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 and operated as a non-profit-making social enterprise since March 2012. Named Tai O Heritage Hotel ("Hotel"), it is home to nine colonial-style rooms and suites, and is part of the HKSAR Government's "Revitalising Historic Buildings Through Partnership Scheme". 2017 marks the fifth anniversary of the Hotel in which it has received more than one million visitors and guests since opening. The Hotel has provided long-term employment opportunities for Tai O inhabitants and organised more than 100 community engagement programmes including cultural-heritage activities, community services and home care services for the elderly living in Tai O.

The Hotel was one of the winners of the "2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation". During the Interim Period, the Hotel was named "Luxury Historical Hotel – Country Winner", "Luxury Heritage Hotel – Country Winner", and the "Luxury Cultural Retreat – Regional Winner (East Asia)" at the 2017 World Luxury Hotel Awards.

PROSPECTS

China's economy continued to advance in 2017. The economic reforms have taken shape, transforming the country from a manufacturing oriented economy to an innovation based economy. Entrepreneurs have the global market in their sight and are pushing for technological advancement in a number of countries. Chinese consumers are receptive to internet shopping and payment technology which in turn encourage the enterprenuers, investors and academic sector to put more resources in research and development, stimulating the Chinese economy even further in technological changes and innovation.

The economic connection between the cities in the Pearl River Delta Region and Hong Kong has been in existence for decades even before the mid-80s and today, the link within the area has become more prominent. With the infrastructure development in recent years and the economic strengths established in the eleven key cities in the Greater Bay Area, the policy of furtherance of the economic cooperation among the cities has been set as a national priority which will synergise the strengths of each city to face more challenges going forward.

The HKSAR Government has taken steps to put the vision of the Belt and Road Initiative and the Greater Bay Area in action. The Framework Agreement on Deepening Guangdong-Hong Kong-Macao Co-operation in the Development of the Bay Area was signed in July 2017 to promote areas such as infrastructure connectivity, the level of market integration, building of a global technology and innovation hub and a quality living circle for living, working and travelling. The Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative ("Arrangement") was signed in December 2017. The Arrangement serves as a blueprint for putting forward measures to drive further economic development not only for the Belt and Road Initiative, but also for the Guangdong-Hong Kong-Macao Bay Area Development and will benefit Hong Kong in the areas of professional and financial services, trade, transportation and tourism. The development of the Greater Bay Area will lead and enhance the transformation and globalisation process of the Chinese economy and support the Belt and Road Initiative and Hong Kong has an irreplaceable role to play in the development of the Greater Bay Area.

The CPC Central Committee proposed very recently revising the clause "The term of office of the President and Vice-President of the People's Republic of China is the same as that of the National People's Congress, and they shall serve no more than two consecutive terms" to "The term of office of the President and Vice-President of the People's Republic of China is the same as that of the National People's Congress" and this revision is in-line with the expectation of the people in China. Not only does it significantly improve the leadership structure, it is also conducive to the development of the new economy and will provide stronger constitutional assurance to the people of China. This will enhance the long term stability and prosperity of China and Hong Kong.

Hong Kong economy saw steady growth in 2017 with volume of exports and re-exports increasing and improving retail sales and visitor arrivals. The residential property market in Hong Kong was active in both primary and secondary markets with first-hand sale transactions reaching record high since 2008 and transactions in the secondary market gaining momentum. HKSAR Government has stepped up efforts to increase supply of land since the new Chief Executive took office in July 2017. In September 2017, the Task Force on Land Supply was set up whose main function is to review the land supply options from a macro perspective with an objective to build consensus in the community and draw up a broad framework of recommendations on overall land supply strategies. This will provide HKSAR Government with a more balanced approach to land supply options after considering the effects on society and the environment.

Management will continue to optimise earnings, enhance efficiency and productivity and improve the quality of products and services. In respect of property development in Hong Kong, Sino Land is pleased to have acquired five sites for residential development, four of which are located in urban areas near good transportation networks with attributable floor area of approximately 1.0 million square feet during the Interim Period. Sino Land will continue to 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 the changing economic environment.

STAFF AND MANAGEMENT

With the support of all the Directors, Mr. Daryl Ng Win Kong has been appointed as Deputy Chairman with effect from 1st November, 2017. 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, 28th February, 2018

Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

INTERIM RESULTS

The unaudited results of the Group for the six months ended 31st December, 2017 are as follows:

Consolidated Statement of Profit or Loss

	Notes	**Six months ended 31st December, 2017 HK$ (Unaudited)**	31st December, 2016 HK$ (Unaudited)
Turnover	2	**3,954,035,304**	10,890,319,124
Cost of sales		**(622,072,066)**	(5,614,772,096)
Direct expenses		**(995,499,233)**	(1,373,955,920)
Gross profit		**2,336,464,005**	3,901,591,108
Change in fair value of investment properties		**434,304,569**	585,750,164
Other income and other gains or losses		**595,114,695**	52,644,598
Gain arising from change in fair value of trading securities		**1,194,515**	327,813
Gain on partial disposal of a subsidiary		**7,054,614,889**	-
Gain on disposal of investment properties		**24,772,940**	83,703,697
Administrative expenses		**(437,072,574)**	(627,507,491)
Other operating expenses		**(94,543,829)**	(84,003,344)
Finance income		**240,629,813**	219,490,566
Finance costs		**(59,342,653)**	(101,804,702)
Less: Interest capitalised		**9,972,304**	339,953
Finance income, net		**191,259,464**	118,025,817
Share of results of associates	3	**1,330,510,700**	675,488,444
Share of results of joint ventures	4	**105,689,592**	98,625,427
Profit before taxation	5	**11,542,308,966**	4,804,646,233
Income tax expense	6	**(1,160,560,818)**	(690,825,165)
Profit for the period		**10,381,748,148**	4,113,821,068
Profit for the period attributable to:			
The Company's shareholders		**5,401,127,454**	1,762,634,067
Non-controlling interests		**4,980,620,694**	2,351,187,001
		10,381,748,148	4,113,821,068
Interim dividend at HK13 cents *(2016: HK13 cents)* per share		**230,442,412**	225,576,194
Special dividend at HK45 cents *(2016: Nil)* per share		**797,685,273**	-
Earnings per share (reported earnings per share) – basic	7(a)	**3.09**	1.03
Earnings per share (underlying earnings per share) – basic	7(b)	**2.60**	0.82

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 31st December, 2017 HK$ (Unaudited)	Six months ended 31st December, 2016 HK$ (Unaudited)
Profit for the period	**10,381,748,148**	4,113,821,068
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Gain on fair value change of available-for-sale investments	**71,807,391**	84,175,036
Exchange differences arising on translation of foreign operations	**294,117,840**	(503,212,586)
Reserve released upon partial disposal of a subsidiary	**(238,051,292)**	-
Reserve released upon disposal of an associate	**(250,654,404)**	-
	(194,587,856)	(503,212,586)
Other comprehensive expense for the period	**(122,780,465)**	(419,037,550)
Net comprehensive income for the period	**10,258,967,683**	3,694,783,518
Net comprehensive income attributable to:		
The Company's shareholders	**5,335,796,011**	1,547,550,071
Non-controlling interests	**4,923,171,672**	2,147,233,447
	10,258,967,683	3,694,783,518

Consolidated Statement of Financial Position
At 31st December, 2017

	Notes	**31st December, 2017 HK$ (Unaudited)**	30th June, 2017 HK$ (Audited)
Non-current assets			
Investment properties		**62,148,576,492**	61,360,795,684
Hotel properties		**1,959,292,820**	1,926,929,883
Property, plant and equipment		**224,593,837**	210,521,321
Goodwill		**739,233,918**	739,233,918
Prepaid lease payments – non-current		**1,150,361,092**	1,126,413,923
Interests in associates		**19,363,901,141**	16,563,788,511
Interests in joint ventures		**3,406,420,651**	3,208,139,224
Available-for-sale investments		**1,057,344,991**	967,946,077
Advances to associates		**3,123,968,588**	4,132,772,917
Advances to joint ventures		**2,794,117,208**	3,009,904,156
Advance to an investee company		**13,266,399**	15,385,955
Long-term loans receivable		**1,843,713,129**	1,836,410,355
		97,824,790,266	95,098,241,924
Current assets			
Properties under development		**22,182,910,422**	23,588,805,558
Stocks of completed properties		**1,370,856,873**	1,358,607,587
Hotel inventories		**20,821,999**	21,115,825
Prepaid lease payments – current		**20,424,327**	19,823,175
Trading securities		**16,737,844**	15,498,161
Amounts due from associates		**335,492,238**	272,053,241
Amounts due from joint ventures		**10,138,973,269**	704,540,843
Amounts due from non-controlling interests		**207,105,524**	212,629,297
Accounts and other receivables	8	**3,373,539,099**	1,367,724,214
Current portion of long-term loans receivable		**74,494,677**	65,055,071
Taxation recoverable		**1,548,654**	281,593,373
Restricted bank deposits		**1,333,182,853**	1,926,429,569
Time deposits		**19,789,146,675**	28,286,090,112
Bank balances and cash		**2,033,192,129**	3,104,641,325
		60,898,426,583	61,224,607,351
Current liabilities			
Accounts and other payables	9	**4,407,817,445**	4,580,470,852
Deposits received on sales of properties		**4,398,792,720**	7,992,318,014
Amounts due to associates		**2,154,337,894**	1,646,848,617
Amounts due to joint ventures		**166,407**	7,329
Amounts due to non-controlling interests		**41,437,940**	55,962,725
Taxation payable		**1,989,044,134**	1,992,541,202
Other borrowings – due within one year		**-**	3,875,439,917
Other loans – unsecured		**109,935,136**	106,677,728
		13,101,531,676	20,250,266,384
Net current assets		**47,796,894,907**	40,974,340,967
Total assets less current liabilities		**145,621,685,173**	136,072,582,891

Consolidated Statement of Financial Position – continued
At 31st December, 2017

	31st December, 2017 HK$ (Unaudited)	30th June, 2017 HK$ (Audited)
Capital and reserves		
Share capital	**11,283,961,193**	10,588,811,638
Reserves	**60,616,383,760**	55,762,416,688
Equity attributable to the Company's shareholders	**71,900,344,953**	66,351,228,326
Non-controlling interests	**66,428,046,483**	62,460,742,601
Total equity	**138,328,391,436**	128,811,970,927
Non-current liabilities		
Long-term bank and other borrowings – due after one year	**1,941,518,320**	2,046,229,161
Other loans – due after one year	**1,315,245,543**	1,355,815,383
Deferred taxation	**2,266,745,711**	2,175,866,864
Advances from associates	**1,079,464,797**	1,025,320,593
Advances from non-controlling interests	**690,319,366**	657,379,963
	7,293,293,737	7,260,611,964
	145,621,685,173	136,072,582,891

Notes:

1. **Basis of preparation and disclosure required by section 436 of the Hong Kong Companies Ordinance**

   The unaudited interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

   The financial information relating to the year ended 30th June, 2017 included in the consolidated statement of financial position as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year 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, 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

   The Company's auditor has reported on these financial statements. The auditor's report was 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.

   The unaudited interim financial statements have been prepared on the historical cost basis, except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

   The accounting policies used in the unaudited interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30th June, 2017 except as described below.

   In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

   The application of the above amendments to HKFRSs in the current interim period has had no material impact on the Group's financial performance and positions for the current and prior periods and/ or on the disclosures set out in these unaudited interim financial statements.

1. Basis of preparation and disclosure required by section 436 of the Hong Kong Companies Ordinance – continued

The application of the amendments to HKAS 7 *Disclosure Initiative* will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities which will be provided in the consolidated financial statements for the year ending 30th June, 2018.

2. Segment information

The following is an analysis of the Group's revenue and results by reportable and operating segments for the period under review:

Six months ended 31st December, 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	**1,302,961,192**	**556,751,495**	**3,257,264,639**	**992,158,037**	**4,560,225,831**	**1,548,909,532**
Property rental	**1,580,912,973**	**1,344,904,191**	**434,431,878**	**397,319,514**	**2,015,344,851**	**1,742,223,705**
	2,883,874,165	**1,901,655,686**	**3,691,696,517**	**1,389,477,551**	**6,575,570,682**	**3,291,133,237**
Property management and other services	**540,072,305**	**131,357,264**	**52,201,043**	**7,104,431**	**592,273,348**	**138,461,695**
Hotel operations	**467,243,104**	**176,375,913**	**239,388,801**	**121,651,054**	**706,631,905**	**298,026,967**
Investments in securities	**35,909,823**	**35,909,823**	**1,950**	**1,950**	**35,911,773**	**35,911,773**
Financing	**26,935,907**	**26,935,907**	**6,458,609**	**6,458,609**	**33,394,516**	**33,394,516**
	3,954,035,304	**2,272,234,593**	**3,989,746,920**	**1,524,693,595**	**7,943,782,224**	**3,796,928,188**

Six months ended 31st December, 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	8,278,859,940	2,156,604,061	1,220,250,286	271,083,416	9,499,110,226	2,427,687,477
Property rental	1,546,211,358	1,321,372,474	425,128,640	389,218,203	1,971,339,998	1,710,590,677
	9,825,071,298	3,477,976,535	1,645,378,926	660,301,619	11,470,450,224	4,138,278,154
Property management and other services	571,761,177	135,292,734	50,779,032	10,308,329	622,540,209	145,601,063
Hotel operations	432,903,153	169,636,631	220,099,404	102,351,124	653,002,557	271,987,755
Investments in securities	52,049,653	52,049,653	1,950	1,950	52,051,603	52,051,603
Financing	8,533,843	8,533,843	2,409,421	2,409,421	10,943,264	10,943,264
	10,890,319,124	3,843,489,396	1,918,668,733	775,372,443	12,808,987,857	4,618,861,839

2. Segment information – continued

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 partial disposal of a subsidiary, gain on disposal of investment properties 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. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Reconciliation of profit before taxation

	Six months ended	
	31st December, 2017 HK$	31st December, 2016 HK$
Segment profit	**3,796,928,188**	4,618,861,839
Change in fair value of investment properties	**434,304,569**	585,750,164
Other income and other gains or losses	**592,591,718**	50,285,985
Gain arising from change in fair value of trading securities	**1,194,515**	327,813
Gain on partial disposal of a subsidiary	**7,054,614,889**	-
Gain on disposal of investment properties	**24,772,940**	83,703,697
Administrative expenses and other operating expenses	**(464,478,622)**	(650,790,569)
Finance income, net	**190,874,072**	117,765,876
Results shared from associates and joint ventures		
- Other income and other gains or losses	**(166,517,985)**	15,775,082
- Change in fair value of investment properties	**528,251,094**	283,799,567
- Gain on disposal of investment properties	**3,403,500**	7,717,250
- Administrative expenses and other operating expenses	**(100,180,751)**	(145,323,427)
- Finance costs, net	**(32,962,485)**	(24,731,340)
- Income tax expense	**(320,486,676)**	(138,495,704)
	(88,493,303)	(1,258,572)
Profit before taxation	**11,542,308,966**	4,804,646,233

During the six months ended 31st December, 2017, inter-segment sales of HK$51,739,245 *(six months ended 31st December, 2016: HK$50,221,310)* 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.

3. Share of results of associates

Share of results of associates included the Group's share of change in fair value of investment properties of the associates of HK$504,615,243 *(six months ended 31st December, 2016: HK$241,146,817).*

4. Share of results of joint ventures

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$23,635,851 *(six months ended 31st December, 2016: HK$42,652,750).*

5. Profit before taxation

	Six months ended	
	31st December, 2017	31st December, 2016
	HK$	HK$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	**10,061,875**	9,709,747
Cost of properties sold recognised as cost of sales	**622,072,066**	5,614,772,096
Cost of hotel inventories recognised as direct expenses	**63,081,734**	54,923,773
Amortisation and depreciation of owner-operated hotel properties	**17,703,365**	17,213,250
Depreciation of property, plant and equipment	**37,268,588**	29,316,355
Loss on disposal of property, plant and equipment	**1,090,796**	3,993
Recognition of impairment loss on trade receivables	**147,641**	2,768,702
Gain on disposal of an associate (included in other income and other gains or losses)	**(542,434,342)**	-

6. Income tax expense

	Six months ended	
	31st December, 2017 HK$	31st December, 2016 HK$
The charge comprises:		
Current taxation		
Hong Kong Profits Tax	**167,317,503**	510,756,870
Other jurisdictions	**94,000,896**	85,658,412
Land Appreciation Tax (“LAT”) in the People’s Republic of China (the “PRC”)	**152,626,169**	45,991,550
Withholding tax on the disposal of a subsidiary and an associate	**692,982,405**	-
	1,106,926,973	642,406,832
Deferred taxation	**53,633,845**	48,418,333
	1,160,560,818	690,825,165

Hong Kong Profits Tax is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used is 16.5% *(six months ended 31st December, 2016: 16.5%).*

Taxes on profits assessable in Singapore and the PRC are recognised based on management’s best estimate of the weighted average annual income tax rates prevailing in the countries and the regions in which the Group operates. The estimated weighted average annual tax rates used are 17% in Singapore and 25% in the PRC *(six months ended 31st December, 2016: 17% in Singapore and 25% in the PRC).*

The provision of LAT is calculated according to the requirements set forth in the relevant tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

Deferred taxation has been provided in relation to the change in fair value of certain investment properties and other temporary differences.

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:

	Six months ended	
	31st December, 2017 HK$	31st December, 2016 HK$
Earnings for the purpose of basic earnings per share	**5,401,127,454**	1,762,634,067
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,747,114,886**	1,709,681,010

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$4,550,179,524 *(six months ended 31st December, 2016: HK$1,405,267,578)* is also presented, excluding the net effect of changes in fair value of the Group's, associates' and joint ventures' investment properties and fair value gain on the residual interest arising from the partial disposal of a subsidiary. The denominators used are the same as those detailed above for reported earnings per share. A reconciliation of profit is as follows:

	Six months ended	
	31st December, 2017 HK$	31st December, 2016 HK$
Earnings for the purpose of basic earnings per share	**5,401,127,454**	1,762,634,067
Change in fair value of investment properties	**(434,304,569)**	(585,750,164)
Effect of corresponding deferred taxation charges	**13,717,548**	23,338,083
Share of results of associates		
- Change in fair value of investment properties	**(504,615,243)**	(241,146,817)
- Effect of corresponding deferred taxation charges	**72,503,131**	36,060,893
Share of results of joint ventures		
- Change in fair value of investment properties	**(23,635,851)**	(42,652,750)
	(876,334,984)	(810,150,755)
Amount attributable to non-controlling interests	**422,891,685**	452,784,266
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	**(453,443,299)**	(357,366,489)
	4,947,684,155	1,405,267,578
Fair value gain on the residual interest arising from the partial disposal of a subsidiary	**(761,878,226)**	-
Amount attributable to non-controlling interests	**364,373,595**	-
	(397,504,631)	-
Underlying profit attributable to the Company's shareholders	**4,550,179,524**	1,405,267,578

8. Accounts and other receivables

At 31st December, 2017, included in accounts and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK$280,545,632 *(30th June, 2017: HK$210,538,807)*. 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:

	31st December, 2017 HK$	30th June, 2017 HK$
Not yet due	**95,757,794**	78,482,291
Overdue:		
1-30 days	**76,737,549**	65,093,518
31-60 days	**60,233,974**	20,788,384
61-90 days	**13,967,639**	9,411,699
Over 90 days	**33,848,676**	36,762,915
	280,545,632	210,538,807

9. Accounts and other payables

At 31st December, 2017, included in accounts and other payables of the Group are trade payables of HK$167,414,256 *(30th June, 2017: HK$151,891,774).*

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

	31st December, 2017 HK$	30th June, 2017 HK$
0-30 days	**120,966,668**	99,848,755
31-60 days	**27,681,760**	17,098,036
61-90 days	**4,311,041**	3,705,431
Over 90 days	**14,454,787**	31,239,552
	167,414,256	151,891,774

10. Pledge of assets

(a) At 31st December, 2017, the aggregate facilities of bank loans granted to the Group amounting to approximately HK$286,344,000 *(30th June, 2017: HK$391,351,000)* were secured by certain of the Group's assets with an aggregate carrying amount of HK$1,806,207,902 *(30th June, 2017: HK$1,734,211,954)*. At the end of the reporting period, all the facilities were utilised by the Group.

(b) At 31st December, 2017, shares in certain associates and joint ventures with aggregate investment costs amounting to HK$52 *(30th June, 2017: HK$42)*, advances to certain associates and joint ventures in aggregate carrying amount of approximately HK$4,350,003,000 *(30th June, 2017: HK$2,120,580,000)* 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 and joint ventures were jointly guaranteed by Sino Land Company Limited and the other shareholders of the associates and joint ventures.

11. Contingent liabilities

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

	31st December, 2017 HK$	30th June, 2017 HK$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures attributable to the Group		
- Utilised	**2,444,265,135**	1,263,390,500
- Unutilised	**933,734,865**	956,609,500
	3,378,000,000	2,220,000,000
Mortgage loans granted to property purchasers	**512,098,888**	647,461,553

At 31st December, 2017 and 30th June, 2017, the Group issued corporate financial guarantees to banks in respect of banking facilities granted to an associate and joint ventures. 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

The register of members of the Company will be closed from Thursday, 15th March, 2018 to Monday, 19th March, 2018, both dates inclusive, during which period no transfer of shares will be effected. The record date for the interim dividend and the special dividend is at the close of business on Monday, 19th March, 2018.

In order to qualify for the interim dividend and the special dividend, shareholders should ensure that all transfers accompanied by the relevant share certificates are lodged with the Company's Share 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, 14th March, 2018.

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

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

During the six months ended 31st December, 2017, the Company has complied with all the code provisions as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except that there was no separation of the roles of the chairman and the chief executive, 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 INTERIM RESULTS

The unaudited interim results of the Group for the six months ended 31st December, 2017 have been reviewed by the Audit Committee and the auditor of the Company, Deloitte Touche Tohmatsu.

2017-2018 INTERIM REPORT

The 2017-2018 interim report containing all the information required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited and the Company's website www.sino.com while printed copies will be sent to shareholders on or about Friday, 16th March, 2018.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 28th February, 2018

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.