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Tsim Sha Tsui Properties Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present 2017/2018 Annual Report to the shareholders.

FINAL RESULTS

The Group's reported net profit attributable to shareholders for the year ended 30th June 2018 was HK$7,328.0 million (2016/2017: HK$3,848.3 million). Earnings per share was HK$4.14 (2016/2017: HK$2.23). The reported profit for the year included a revaluation surplus (net of deferred taxation) on investment properties of HK$1,149.1 million compared with a revaluation surplus (net of deferred taxation) of HK$979.0 million for the last financial year 2016/2017. During the financial year 2017/2018, 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 year would be HK$3,981.1 million.

The Group's underlying net profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the year ended 30th June, 2018 and the fair value gain on the 20% interest retained for The Palazzo, was HK$5,781.3 million (2016/2017: HK$2,869.3 million). Underlying earnings per share was HK$3.27 (2016/2017: HK$1.66). Excluding the one-off gain on disposal, the Group's underlying profit for the year would be HK$2,831.9 million.

DIVIDENDS

The Directors have resolved to recommend a final dividend of 40 cents per share in respect of the year ended 30th June, 2018 to shareholders whose names appear on the Register of Members of the Company on 1st November, 2018. Together with the interim dividend of 13 cents per share and a special dividend of 45 cents per share both paid on 23rd April, 2018, the total dividend for the year ended 30th June, 2018 is 98 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 25th October, 2018; 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 8th November, 2018. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 5th December, 2018.

REVIEW OF OPERATIONS

The operations under Sino Land represent a substantial portion of the operations of the Group as a whole. As at 30th June, 2018, Tsim Sha Tsui Properties Limited had 53.45% interest in Sino Land. Therefore, for discussion purposes, the focus here will be on the operations of Sino Land.

(1) Sales Activities

Sino Land's total revenue from property sales for the year ended 30th June, 2018, including property sales of associates and joint ventures, was HK$8,890.5 million (2016/2017 : HK$15,029.1 million).

Total revenue from property sales of Sino Land comprises mainly the sales of residential units in The Spectra (99% sold) in Yuen Long, The Mediterranean (90% sold) and Park Mediterranean (78% sold), both in Sai Kung, Botanica Bay (100% sold) in Lantau, Dragons Range (100% sold) in Kau To, Providence Bay (99% sold) in Pak Shek Kok, Marinella (99% sold) in Aberdeen and Phase II of Dynasty Park (99% sold) in Zhangzhou.

Sino Land expects to launch three residential projects for sale in the second half of 2018 subject to the timing of receiving the pre-sale consents and these projects are Madison Park in Cheung Sha Wan, Mayfair By The Sea 8 in Pak Shek Kok and Grand Central in Kwun Tong.

In Mainland China, 327 residential units out of a total of 1,268 units in Phase III of Dynasty Park in Zhangzhou were launched for sale in the first half of 2018. To date, approximately 93% of the units launched have been sold.

(2) Land Bank

As at 30th June, 2018, Sino Land has a land bank of approximately 21.9 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 40.0% is commercial; 36.3% residential; 11.0% industrial; 7.2% car parks and 5.5% hotels. In terms of breakdown of the land bank by status, 9.3 million square feet were properties under development, 11.8 million square feet of properties for investment and hotels, together with 0.8 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, 2018, Sino Land acquired in Hong Kong two sites from the HKSAR Government as well as the development rights of four sites with total attributable floor area of approximately 1.2 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. NKIL 6602 Yau Tong Ventilation Building Property Development, Ko Chiu Road, Yau Tong, Kowloon, Hong Kong	Residential	Joint Venture	260,274
3. AIL 467 (Site B) Wong Chuk Hang Station Package Two Property Development, Aberdeen, Hong Kong	Residential	Joint Venture	246,496
4. NKIL 6549 Off Hing Wah Street West, Cheung Sha Wan, Kowloon, Hong Kong	Residential	22.5%	222,258
5. STTL 611 Whitehead, Ma On Shan, Sha Tin, New Territories, Hong Kong	Residential	100%	119,351

Location	Usage	Group's Interest	Attributable Floor Area *(Square feet)*
6. KIL 11254 Reclamation Street/Shantung Street, Mongkok, Kowloon, Hong Kong	Residential	Joint Venture	67,322
			1,225,408

(3) Property Development

During the year ended 30th June, 2018, Sino Land obtained Occupation Permits and Certificates of Compliance 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 Mediterranean 8 Tai Mong Tsai Road, Sai Kung, New Territories, Hong Kong	Residential	100%	249,133
2. The Spectra 8 Kwong Yip Street, Yuen Long, New Territories, Hong Kong	Residential	Joint Venture	209,575
3. Park Mediterranean 9 Hong Tsuen Road, Sai Kung, New Territories, Hong Kong	Residential	100%	173,796
			632,504

Subsequent to the financial year 2017/2018, Sino Land obtained the Occupation Permits for two projects, namely Commune Modern at 28 Wo Fung Street, Fanling in July 2018 and The Hillside at 9 Sik On Street, Wan Chai in August 2018. Commune Modern provides a total of approximately 209,909 square feet of plot ratio area comprising approximately 135,891 square feet of residential area, approximately 34,497 square feet of commercial area and approximately 39,521 square feet of car parking spaces. The residential units are for sale (98% sold) and the commercial portion is for leasing purposes. The Hillside comprises 22 residential apartments with approximately 11,195 square feet of plot ratio area and will be held for leasing purposes.

In Mainland China, Sino Land completed Phase II of Dynasty Park in Zhangzhou with attributable floor area of approximately 1.3 million square feet during the year ended 30th June, 2018. Details of the project are as follows:

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

(4) Rental Activities

For the year ended 30th June, 2018, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, increased 3.3% to HK$4,082.5 million (2016/2017: HK$3,949.1 million) and net rental income increased 2.4% to HK$3,572.0 million (2016/2017: HK$3,486.0 million). Overall occupancy of Sino Land's investment property portfolio was at approximately 96% (2016/2017: 97%) for the year ended 30th June, 2018.

Sino Land's retail portfolio in Hong Kong recorded an increase in rental income with overall occupancy rate at approximately 97% (2016/2017: 98%) for the financial year 2017/2018. Leasing performance at Sino Land's flagship shopping malls, namely Tuen Mun Town Plaza Phase I, Olympian City 1, 2 and 3 was steady.

The leasing performance of Sino Land's office portfolio saw stable rental growth while overall occupancy rate was at approximately 96% (2016/2017: 97%) for the financial year 2017/2018. Leasing performance of Sino Land's industrial portfolio saw a steady rental growth despite a decrease in overall occupancy rate to approximately 93% (2016/2017: 95%).

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, 2018, Sino Land has approximately 11.8 million square feet of attributable floor area of investment properties and hotels in Mainland China, Hong Kong, Singapore and Sydney. Of this portfolio, commercial developments (retail and office) account for 61.9%, industrial 14.8%, car parks 12.9%, hotels 7.7%, and residential 2.7%.

(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 year ended 30th June, 2018. 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) Mainland China Business

China's economic structural reform continues to yield good results with GDP growth of 6.8% for three consecutive quarters partly attributable to its focus on consumption and innovation as the new drivers of economic growth. Other economic indicators have also improved such as share of the service sector and private consumption to GDP, urbanisation rate up from 52.6% to 58.5% with some 80 million people gaining permanent urban residency over the past five years. Central Government's tremendous efforts to improve the structure of the domestic economy, open up its markets and promote efficiency at a national level helped achieve a balanced economic development. On the innovation side, China ranked among the top 20 most innovative economies in the world for the first time, according to the Global Innovation Index 2018 as a result of its strategic approach to advance the country's innovation development over the recent years.

On 6th July, 2018, the United States government imposed 25% import tariffs on US$34 billion worth of Chinese goods entering the United States. Subsequently, the United States government released an additional list of Chinese goods that could be subject to further tariffs. The imposition of barrier to international trade is likely to trigger widespread supply-chain issues, reduce the competitiveness of products and slow economic growth to both countries. However, with China's shift from an export-oriented economic growth model to consumption-led growth model since the start of 2011 together with the maintenance of trade relations with countries in the European continent and Asia may help to offset some of the economic impact resulting from the protectionism approach on world trade adopted by the United States.

On the residential property sector side, China saw an increase in sales value and volume in 2017 and first half of 2018. Housing demand remained solid and level of inventory stabilised. The Chinese housing market has been affected by the Central Government's policy of reducing excess inventory; control of financial risk and increased regulatory control imposed to steer China's residential property market towards a more healthy and sustainable environment.

As at 30th June, 2018, Sino Land has approximately 5.3 million attributable square feet of land bank in Mainland China. Of the total, 4.3 million square feet of attributable floor area are projects currently under development. These projects include 100% interest in Dynasty Park in Zhangzhou, 50% interest in the 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 30th June, 2018, the Group had cash and bank deposits of HK$22,533.5 million. After netting off total borrowings of HK$3,796.2 million, the Group had net cash of HK$18,737.3 million as at 30th June, 2018. Of the total borrowings, 21.8% was repayable within one year, 34.6% repayable between one and two years and the remaining between two and four years. The Group's borrowings are all subject to floating interest rates.

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 financial year 2017/2018. 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 participating in a wide range of community programmes, volunteer services, green initiatives and arts events to promote sustainability, environmental protection, heritage conservation, arts and culture. In recognition of Sino Land's continuous efforts to promote sustainability and uphold 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 2017/2018, Sino Land published Sustainability Review 2017, 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.

To further the sustainability efforts, in April 2018, Sino Land launched the Plastic Awareness Campaign and pledged to reduce consumption of single-use plastic across all business lines by 50% by 2022 from 2017 level. In June 2018, Sino Land celebrated the 10th anniversary of 'Mission Green Top', a multifaceted programme combining urban farming, environmental protection, community engagement and social inclusion. It epitomises what Sino Land strives to achieve with CSR efforts – working with our people, partners and customers to build a greener future.

Nurturing young generations is one of our community engagement foci. To prepare talents for the technology era, Sino Land initiated the 'Go Code' project in 2014 to provide complimentary coding courses for children from underprivileged families. In 2018, 18 social service organisations and schools participated in the programme and the number of places has grown to over 1,500 from about 20 in 2014.

Dedicated to promoting arts and culture and making arts accessible to all, 'Sino Art in Community' was launched in 2013 to extend our reach into community facilities such as kindergartens, schools and children's homes through creating art pieces and organising creative workshops.

In March 2008, the Ng 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 is a winner of the '2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation' and the first UNESCO-awarded hotel in Hong Kong.

PROSPECTS

In the 19th National Congress of the Communist Party of China delivered in October, 2017, Central Government emphasised that priority would be given to the development of Guangdong-Hong Kong-Macao Greater Bay Area Initiative ("GBA"). GBA is a strategic policy at national level spearheaded by President Xi Jinping in which Hong Kong is one of the participants. The main focus of this initiative is to transform the region into a world-class city cluster comprising 11 key cities ideal for working, living and travelling as well as an innovation and technology hub. To this end, much coordination and communication work including legislation, taxes, regulations, health care and scientific research need to be done. Policies and measures will be formulated by the Central Government to facilitate the development. Through this initiative, economic and human capital strengths of each city in the GBA can be synergised.

The two infrastructure projects, namely the sea-crossing Hong Kong-Zhuhai-Macao Bridge and the 26-km Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link which would be integrated with the Guangzhou-Zhongshan-Zhuhai-Macao intercity rail project are both due to complete this year. These developments will enhance connectivity and facilitate market integration within the GBA. The building of Hong Kong-Shenzhen Innovation and Technology Park in Lok Ma Chau Loop and the Science Park in Pak Shek Kok will provide the basic ecosystem to support research and development in various important innovative areas such as healthcare, biomedical technology, artificial-intelligence, material and precision engineering. It is encouraging to see the GBA plan will soon bear fruit, transforming Hong Kong into not only a world-class city but also a 'smart city'. The growth potential and business opportunities arising therefrom can be significant and have long-lasting effects on each of the cities in the GBA region.

China's Belt and Road Initiative ("BRI") with two routes further connected through six economic corridors and the set-up of various supranational organisations and multilateral trade agreements demonstrate Central Government's stance to promote a broader and more dynamic platform for international trade and cooperation. Both BRI and GBA are complementary to one another. While BRI represents China's economic strategy at international level across nations, the GBA is part of Central Government's economic reform in the southern part of China to narrow the economic disparities and strengthen market efficiency between cities. Hong Kong has an important role to play to support our country's development of the BRI through the GBA.

In Hong Kong, increasing land supply has been a key focus for the HKSAR Government in the last few years. In September 2017, the Task Force on Land Supply was established and started a 5-month public consultation on the supply of land for residential properties in April 2018. It is expected that the report on this public consultation will be available before the end of 2018 which should reveal a more comprehensive land supply approach. Pending this release, the HKSAR Government announced six new initiatives to tackle short-term housing supply on 29th June, 2018. The objectives for setting these housing initiatives are to (i) make subsidised sale flats more affordable by unlinking subsidised housing prices from market price; (ii) increase supply of subsidised housing units and provide further support for transitional housing supply; and (iii) encourage more timely supply of residential properties in the private sector. Four of the initiatives relate to government housing, namely (a) reallocate some private housing sites for public housing; (b) revise the pricing policy for subsidised housing to make it more affordable; (c) set up a task force to assist the community to facilitate transitional housing projects and (d) invite the project at Ma Tau Wai Road developed by Urban Renewal Authority to assign it as a Starter-Home pilot project.

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 six sites for residential development, five of which are located in urban areas near good transportation networks with attributable floor area of approximately 1.2 million square feet during the financial year 2017/2018. 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

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, 30th August, 2018

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, 2018 are as follows:

Consolidated Statement of Profit or Loss

	Notes	**2018 HK$**	2017 HK$
Revenue	2	**10,780,571,217**	18,386,482,899
Cost of sales		**(3,659,505,877)**	(7,859,044,281)
Direct expenses		**(2,242,895,517)**	(2,591,969,351)
Gross profit		**4,878,169,823**	7,935,469,267
Change in fair value of investment properties		**927,408,331**	1,332,948,974
Other income and other gains or losses		**701,560,547**	215,948,884
Fair value gain on non-current interest-free unsecured other loans		**11,422,569**	11,797,519
Change in fair value of trading securities		**425,580**	2,573,250
Gain on partial disposal of a subsidiary		**7,054,614,889**	-
Gain on disposal of investment properties		**25,359,937**	86,699,964
Administrative expenses		**(825,743,190)**	(785,752,435)
Other operating expenses		**(187,913,531)**	(174,409,201)
Finance income		**565,825,835**	498,753,540
Finance costs		**(111,465,973)**	(225,532,798)
Less: interest capitalised		**46,634,202**	17,936,109
Finance income, net		**500,994,064**	291,156,851
Share of results of associates	3	**2,358,377,030**	1,546,143,601
Share of results of joint ventures	4	**227,880,222**	164,165,699
Profit before taxation	5	**15,672,556,271**	10,626,742,373
Income tax expense	6	**(1,636,254,440)**	(2,510,869,825)
Profit for the year		**14,036,301,831**	8,115,872,548
Attributable to:			
The Company's shareholders		**7,328,005,075**	3,848,282,418
Non-controlling interests		**6,708,296,756**	4,267,590,130
		14,036,301,831	8,115,872,548
Interim dividend at HK13 cents *(2017: HK13 cents)* per share		**230,442,412**	225,576,194
Special dividend at HK45 cents *(2017: Nil)* per share		**797,685,273**	-
Proposed final dividend at HK40 cents *(2017: HK40 cents)* per share		**725,626,212**	698,063,069
Earnings per share (reported earnings per share) – basic	7(a)	**4.14**	2.23
Earnings per share (underlying earnings per share) – basic	7(b)	**3.27**	1.66

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2018 HK$	2017 HK$
Profit for the year	**14,036,301,831**	8,115,872,548
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
(Loss) gain on fair value change of available-for-sale investments	**(18,924,118)**	201,666,102
Exchange differences arising on translation of foreign operations	**49,426,620**	(42,801,382)
	30,502,502	158,864,720
Items that have been reclassified to profit or loss:		
Reserve released upon partial disposal of a subsidiary	**(238,051,292)**	-
Reserve released upon disposal of an associate	**(250,654,404)**	-
Reserve released upon deregistration of an associate	**-**	(117,203,701)
Other comprehensive (expense) income for the year	**(458,203,194)**	41,661,019
Net comprehensive income for the year	**13,578,098,637**	8,157,533,567
Net comprehensive income attributable to:		
The Company's shareholders	**7,084,569,006**	3,870,530,273
Non-controlling interests	**6,493,529,631**	4,287,003,294
	13,578,098,637	8,157,533,567

Consolidated Statement of Financial Position
At 30th June, 2018

	Notes	**2018** **HK$**	2017 HK$
Non-current assets			
Investment properties		**62,712,904,952**	61,360,795,684
Hotel properties		**1,914,892,089**	1,926,929,883
Property, plant and equipment		**239,060,406**	210,521,321
Goodwill		**739,233,918**	739,233,918
Prepaid lease payments – non-current		**1,118,004,432**	1,126,413,923
Interests in associates		**20,190,218,736**	16,563,788,511
Interests in joint ventures		**3,262,044,031**	3,208,139,224
Available-for-sale investments		**922,235,235**	967,946,077
Advances to associates		**2,858,796,861**	4,132,772,917
Advances to joint ventures		**10,843,649,095**	3,009,904,156
Advance to an investee company		**-**	15,385,955
Long-term loans receivable		**1,841,372,646**	1,836,410,355
		106,642,412,401	95,098,241,924
Current assets			
Properties under development		**24,892,353,735**	23,588,805,558
Stocks of completed properties		**2,231,970,767**	1,358,607,587
Hotel inventories		**20,933,472**	21,115,825
Prepaid lease payments – current		**20,027,636**	19,823,175
Trading securities		**16,066,229**	15,498,161
Amounts due from associates		**305,893,240**	272,053,241
Amounts due from joint ventures		**2,318,510,095**	704,540,843
Amounts due from non-controlling interests		**65,763,095**	212,629,297
Trade and other receivables	8	**1,019,934,363**	1,367,724,214
Current portion of long-term loans receivable		**63,369,452**	65,055,071
Taxation recoverable		**139,032**	281,593,373
Restricted bank deposits		**433,845,692**	1,926,429,569
Time deposits		**18,576,153,985**	28,286,090,112
Bank balances and cash		**3,523,526,988**	3,104,641,325
		53,488,487,781	61,224,607,351
Current liabilities			
Trade and other payables	9	**5,971,868,115**	4,580,470,852
Deposits received on sales of properties		**1,325,650,079**	7,992,318,014
Amounts due to associates		**2,364,904,027**	1,646,848,617
Amounts due to joint ventures		**65,945**	7,329
Amounts due to non-controlling interests		**36,094,469**	55,962,725
Taxation payable		**1,788,283,932**	1,992,541,202
Bank and other borrowings			
– due within one year		**719,684,111**	3,875,439,917
Other loans – unsecured		**107,799,925**	106,677,728
		12,314,350,603	20,250,266,384
Net current assets		**41,174,137,178**	40,974,340,967
Total assets less current liabilities		**147,816,549,579**	136,072,582,891

Consolidated Statement of Financial Position – continued
At 30th June, 2018

	2018	2017
	HK$	HK$
Capital and reserves		
Share capital	**12,308,150,098**	10,588,811,638
Reserves	**61,738,785,895**	55,762,416,688
Equity attributable to the Company's shareholders	**74,046,935,993**	66,351,228,326
Non-controlling interests	**65,907,528,744**	62,460,742,601
Total equity	**139,954,464,737**	128,811,970,927
Non-current liabilities		
Long-term bank borrowings		
– due after one year	**1,656,000,000**	2,046,229,161
Other loans – due after one year	**1,312,724,719**	1,355,815,383
Deferred taxation	**2,402,470,128**	2,175,866,864
Advances from associates	**1,261,934,843**	1,025,320,593
Advances from non-controlling interests	**1,228,955,152**	657,379,963
	7,862,084,842	7,260,611,964
	147,816,549,579	136,072,582,891

Notes:

1. Basis of preparation

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

The financial information relating to the years ended 30th June, 2018 and 2017 included in this preliminary announcement of annual results 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, 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 and will deliver the financial statements for the year ended 30th June, 2018 in due course.

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

In the current year, the Group has applied the following amendments to 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

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 7 *Disclosure Initiative*</u>

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

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, being the Directors of the Company, for the purposes of resources allocation and performance assessment.

Segment Results

For the year ended 30th June, 2018

	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	**5,478,521,456**	**1,310,903,127**	**3,412,001,416**	**1,123,803,879**	**8,890,522,872**	**2,434,707,006**
Property rental	**3,235,926,767**	**2,768,902,710**	**918,784,593**	**841,065,965**	**4,154,711,360**	**3,609,968,675**
	8,714,448,223	**4,079,805,837**	**4,330,786,009**	**1,964,869,844**	**13,045,234,232**	**6,044,675,681**
Property management and other services	**1,078,665,248**	**253,447,720**	**105,281,165**	**17,045,552**	**1,183,946,413**	**270,493,272**
Hotel operations	**889,779,489**	**319,580,901**	**454,169,953**	**230,774,473**	**1,343,949,442**	**550,355,374**
Investments in securities	**43,267,590**	**43,267,590**	**3,900**	**3,900**	**43,271,490**	**43,271,490**
Financing	**54,410,667**	**54,410,667**	**13,900,070**	**13,900,070**	**68,310,737**	**68,310,737**
	10,780,571,217	**4,750,512,715**	**4,904,141,097**	**2,226,593,839**	**15,684,712,314**	**6,977,106,554**

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

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

2. Operating segments – continued

Reconciliation of profit before taxation

	2018 HK$	2017 HK$
Segment profit	**6,977,106,554**	9,327,880,657
Change in fair value of investment properties	**927,408,331**	1,332,948,974
Other income and other gains or losses	**700,798,998**	215,526,373
Change in fair value of trading securities	**425,580**	2,573,250
Gain on partial disposal of a subsidiary	**7,054,614,889**	-
Gain on disposal of investment properties	**25,359,937**	86,699,964
Administrative expenses and other operating expenses	**(880,700,081)**	(831,829,342)
Fair value gain on non-current interest-free unsecured other loans	**11,422,569**	11,797,519
Finance income, net	**496,456,081**	286,800,629
Results shared from associates and joint ventures		
- Other income and other gains or losses	**(131,998,448)**	32,353,699
- Change in fair value of investment properties	**1,518,907,692**	810,327,296
- Gain on disposal of investment properties	**3,187,350**	15,551,855
- Administrative expenses and other operating expenses	**(220,714,492)**	(287,508,541)
- Finance costs, net	**(201,019,182)**	(70,504,856)
- Income tax expense	**(608,699,507)**	(305,875,104)
	359,663,413	194,344,349
Profit before taxation	**15,672,556,271**	10,626,742,373

During the year ended 30th June, 2018, inter-segment sales of HK$54,318,404 *(2017: HK$53,643,787)* were not included in the segment of "property management and other services". There were no inter-segment sales in other operating segments. Inter-segment sales were charged at cost plus margin basis as agreed between both parties.

Geographical information

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

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

	The Company's and its subsidiaries' external revenue		Share of revenue from associates and joint ventures		The Group's non-current assets	
	2018 HK$	2017 HK$	**2018 HK$**	2017 HK$	**2018 HK$**	2017 HK$
Hong Kong	**8,556,019,018**	14,391,971,212	**3,873,001,543**	2,836,989,735	**78,716,048,508**	76,390,691,586
The PRC	**1,194,935,309**	3,011,795,328	**811,288,985**	185,217,023	**6,996,103,900**	4,452,827,369
Singapore	**1,029,616,890**	982,716,359	**-**	-	**4,210,280,600**	4,107,104,531
Australia	**-**	-	**219,850,569**	222,719,584	**253,925,556**	185,198,978
	10,780,571,217	18,386,482,899	**4,904,141,097**	3,244,926,342	**90,176,358,564**	85,135,822,464

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$1,165,421,179 *(2017: HK$614,033,643)* 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$146,251,675 *(2017: HK$93,384,583)* recognised in the statement of profit or loss of the joint ventures.

5. Profit before taxation

	2018	2017
	HK$	HK$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	**19,925,406**	19,987,443
Cost of hotel inventories consumed (included in direct expenses)	**114,413,780**	104,018,586
Cost of properties sold	**3,659,505,877**	7,859,044,281
Amortisation and depreciation of property, plant and equipment and hotel properties (included in other operating expenses)	**110,686,636**	98,741,104
Loss (gain) on disposal of property, plant and equipment	**1,066,218**	(411,414)
Property, plant and equipment written off	**400**	3,830
Recognition of impairment loss on trade receivables	**860,094**	1,646,813
Gain on disposal of an associate (included in other income and other gains or losses)	**(542,434,342)**	-
Gain on deregistration of an associate (included in other income and other gains or losses)	**-**	(117,360,800)

6. Income tax expense

	2018	2017
	HK$	HK$
The charge (credit) comprises:		
Taxation attributable to the Company and its subsidiaries		
Hong Kong Profits Tax		
Provision for the year calculated at 16.5% *(2017: 16.5%)*	**456,144,633**	792,493,128
(Over)underprovision in previous years	**(1,834,021)**	86,042
	454,310,612	792,579,170
Taxation in other jurisdictions		
Provision for the year	**173,763,588**	381,742,429
(Over)underprovision in previous years	**(33,951,541)**	1,274,296
Land Appreciation Tax	**149,428,145**	1,074,994,898
Enterprise Income Tax on disposals of a subsidiary and an associate	**692,982,405**	-
	982,222,597	1,458,011,623
	1,436,533,209	2,250,590,793
Deferred taxation	**199,721,231**	260,279,032
	1,636,254,440	2,510,869,825

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:

	2018	2017
	HK$	HK$
Earnings for the purpose of basic earnings per share	**7,328,005,075**	3,848,282,418
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,768,572,376**	1,724,491,271

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$5,781,354,481 *(2017: HK$2,869,275,929)* is also presented, excluding the net effect of changes in fair value of investment properties of the Group, associates and joint ventures 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:

	2018 **HK$**	2017 HK$
Earnings for the purpose of basic earnings per share	**7,328,005,075**	3,848,282,418
Change in fair value of investment properties	**(927,408,331)**	(1,332,948,974)
Effect of corresponding deferred taxation charges	**36,890,999**	34,006,102
Share of results of associates		
- Change in fair value of investment properties	**(1,372,656,017)**	(716,942,713)
- Effect of corresponding deferred taxation charges	**207,234,838**	102,909,070
Share of results of joint ventures		
- Change in fair value of investment properties	**(146,251,675)**	(93,384,583)
	(2,202,190,186)	(2,006,361,098)
Amount attributable to non-controlling interests	**1,053,044,223**	1,027,354,609
Net effect of changes in fair value of investment properties attributable to the Company's shareholders	**(1,149,145,963)**	(979,006,489)
	6,178,859,112	2,869,275,929
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	**5,781,354,481**	2,869,275,929

8. Trade and other receivables

At 30th June, 2018, included in trade and other receivables of the Group are trade receivables (net of allowance for doubtful debts) of HK$210,266,159 *(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:

	2018	2017
	HK$	HK$
Not yet due	**49,837,032**	78,482,291
Overdue:		
1-30 days	**79,155,994**	65,093,518
31-60 days	**37,983,474**	20,788,384
61-90 days	**10,589,347**	9,411,699
Over 90 days	**32,700,312**	36,762,915
	210,266,159	210,538,807

Trade receivables overdue more than 90 days amounting to HK$32,700,312 *(2017: HK$36,762,915)* 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. Trade and other payables

At 30th June, 2018, included in trade and other payables of the Group are trade payables of HK$147,358,510 *(2017: HK$151,891,774).*

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

	2018	2017
	HK$	HK$
0-30 days	**83,702,929**	99,848,755
31-60 days	**40,952,580**	17,098,036
61-90 days	**7,503,674**	3,705,431
Over 90 days	**15,199,327**	31,239,552
	147,358,510	151,891,774

10. Pledge of assets

(a) At 30th June, 2018, the aggregate facilities of bank loans granted to the Group amounting to approximately HK$177,638,000 *(2017: HK$391,351,000)* were secured by certain of the Group's assets amounting to a total carrying amount of HK$1,761,551,516 *(2017: HK$1,734,211,954)*. At the end of the reporting period, all the facilities were utilised by the Group.

(b) At 30th June, 2018, shares in certain associates and joint ventures with aggregate investment costs amounting to HK$52 *(2017: HK$42)*, advances to certain associates and joint ventures in aggregate carrying amount of approximately HK$4,354,618,000 *(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:

	2018	2017
	HK$	HK$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures utilised attributable to the Group	**2,462,157,872**	1,263,390,500
Mortgage loans granted to property purchasers	**459,943,156**	647,461,553

At 30th June, 2018 and 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

For determining the entitlement to attend and vote at the Annual General Meeting to be held on Thursday, 25th October, 2018, the register of members of the Company will be closed from Monday, 22nd October, 2018 to Thursday, 25th October, 2018, 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, 19th October, 2018.

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, 1st November, 2018. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 31st October, 2018 to Thursday, 1st November, 2018, 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, 30th October, 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 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, 2018 have been reviewed by the audit committee of the Company.

2018 ANNUAL REPORT

The 2018 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, 21st September, 2018.

By Order of the Board
Velencia LEE
Company Secretary

Hong Kong, 30th August, 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.