TSIM SHA TSUI PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 247)

CHAIRMAN'S STATEMENT

I am pleased to present 2019/2020 Annual Report to the shareholders.

FINAL RESULTS

The Group's underlying profit attributable to shareholders, excluding the effect of fair-value changes on investment properties for the year ended 30th June, 2020 ("Financial Year") was HK$2,471.8 million compared to HK$2,508.6 million last year. Underlying earnings per share was HK$1.32, compared to HK$1.37 last year.

After taking into account the revaluation loss (net of deferred taxation) on investment properties of HK$1,386.4 million, which is a non-cash item, compared to a revaluation surplus (net of deferred taxation) of HK$1,298.2 million last year, the Group reported a net profit attributable to shareholders of HK$901.7 million for the Financial Year (2018/2019: HK$3,714.7 million). Earnings per share for the Financial Year was HK$0.48 (2018/2019: HK$2.03).

DIVIDENDS

The Directors have resolved to recommend a final dividend of HK41 cents per share in respect of the Financial Year to shareholders whose names appear on the Register of Members of the Company on 4th November, 2020. Together with the interim dividend of HK14 cents per share paid on 20th April, 2020, the total dividend for the Financial Year is HK55 cents per share.

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend proposal is subject to: (1) the approval of the proposed final dividend at the Annual General Meeting to be held on 28th October, 2020; 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 11th November, 2020. It is expected that the final dividend warrants and share certificates for the scrip dividend will be dispatched to shareholders on or about 8th December, 2020.

REVIEW OF OPERATIONS

The operations under Sino Land Company Limited ("Sino Land") represent a substantial portion of the operations of the Group as a whole. As at 30th June, 2020, Tsim Sha Tsui Properties Limited had 54.82% interest in Sino Land. Therefore, for discussion purposes, the focus here will be on the operations of Sino Land.

(1) Sales Activities

For the Financial Year, Sino Land's property sales at subsidiary level was HK$863.9 million compared to HK$2,541.7 million last year. The year-on-year reduction was primarily due to no new completion of property sales took place at subsidiary level this Financial Year, whereas, there were booking of property sales of HK$1,305.4 million from Commune Modern in the last financial year. Including property sales of associates and joint ventures recognised by Sino Land, the total revenue from property sales attributable to Sino Land for the Financial Year was HK$2,372.7 million compared to HK$2,986.5 million last year.

Sino Land's property sales at subsidiary level for the Financial Year comprise mainly the sales of residential units as well as carparking spaces in projects completed in previous financial years including Park Mediterranean in Sai Kung (100% sold), The Mediterranean in Sai Kung (96% sold), The Palazzo in Shatin (100% sold), and Commune Modern in Fanling (100% sold). Property sales of Sino Land's associates and joint ventures for the Financial Year comprise mainly the sales of commercial space in Capital Tower at 38 Wai Yip Street in Kowloon East (50% sold); as well as residential units and carparking spaces in projects completed in previous financial years including Providence Bay in Pak Shek Kok (100% sold), The Coronation in South West Kowloon (100% sold), and The Spectra in Yuen Long (99% sold).

During the Financial Year, certain units of 133 Portofino in Sai Kung were launched for sale by way of tender. Subsequent to the Financial Year end, Sino Land obtained pre-sale consent for St. George's Mansions at 24A Kadoorie Avenue in Ho Man Tin in July 2020 and certain units of the project were launched for sale by way of tender. Sino Land expects to obtain pre-sale consents for five other residential projects in the next 12 months. These residential projects are Silversands (STTL 611) in Ma On Shan, KIL 11254 in Mongkok, Grand Victoria (NKIL 6549) in Cheung Sha Wan, IL 9064 (Site A) in Central, and AIL 467 (Site B) in Aberdeen. The timing for launching the projects for sale will depend on when the pre-sale consents are received and the prevailing market conditions.

(2) Land Bank

As at 30th June, 2020, Sino Land has a land bank of approximately 22.3 million square feet of attributable floor area in Mainland China, Hong Kong, Singapore and Sydney which comprises a balanced portfolio of properties of which 39.7% is commercial; 37.1% residential; 10.8% industrial; 7.0% car parks and 5.4% hotels. In terms of breakdown of the land bank by status, 9.8 million square feet were properties under development, 11.8 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 Financial Year, Sino Land was awarded the right to develop a residential project at Wong Chuk Hang Station from MTR Corporation Limited with attributable floor area of approximately 159,576 square feet. Details of the project are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
AIL 467 (Site D) Wong Chuk Hang Station Package Four Property Development, Wong Chuk Hang, Aberdeen, Hong Kong	Residential	Joint Venture	159,576

In addition, Sino Land acquired a commercial site in Qianhai in Shenzhen. The project will provide total attributable plot ratio area of 258,336 square feet. Details of the project are as follows:

Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
Lot No. T102-0261 Land Parcel 03, Unit 7, Qianwan Area, Qianhai, Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, People's Republic of China	Commercial	30%	258,336

(3) Property Development

During the Financial Year, Sino Land obtained Occupation Permits for two projects, namely Madison Park and 133 Portofino. Details of the two projects are as follows:

	Location	**Usage**	**Group's Interest**	**Attributable Floor Area** *(Square feet)*
1.	Madison Park 1 Kowloon Road, Cheung Sha Wan, Kowloon, Hong Kong	Residential/ Retail	Joint Venture	52,571

	Location	Usage	Group's Interest	Attributable Floor Area *(Square feet)*
2.	133 Portofino 133 Hong Kin Road, Sai Kung, New Territories, Hong Kong	Residential	100%	51,592
				104,163

(4) Rental Activities

For the Financial Year, Sino Land's gross rental revenue, including attributable share from associates and joint ventures, was HK$4,061.9 million (2018/2019: HK$4,239.9 million), representing a decrease of 4.2% year-on-year. The decrease was primarily due to the impact of the COVID-19 pandemic, including rental relief granted to tenants. In terms of net rental income, it only declined 2.3% year-on-year, to HK$3,599.8 million for the Financial Year (2018/2019: HK$3,685.2 million), as the decline in relevant expenses is greater than that of the gross rental revenue. Overall occupancy of the Group's investment property portfolio was at approximately 94.8% for the Financial Year (2018/2019: 96.3%).

Rental income from Sino Land's retail portfolio was much affected by the rental relief granted to tenants and a slightly lower occupancy rate of 96.0% (2018/2019: 97.2%). As for the leasing performance of Sino Land's office portfolio, there was a slight rental growth compared to last year mainly due to positive rental reversion on lease renewals, while occupancy rate remains broadly flat at approximately 95.2% (2018/2019: 96.0%). Leasing performance of Sino Land's industrial portfolio saw a slight rental decline mainly due to occupancy rate which declined 3.4% points to approximately 90.3% (2018/2019: 93.7%).

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, Sino Land performs regular review of the properties as part of its asset enhancement initiatives. Going forward, Sino Land will adopt a proactive asset management approach to its balanced portfolio of rental 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. With health and safety being our utmost priority, proactive measures have been taken to strengthen the standards of hygiene at Sino Land's shopping malls, offices, and other properties to offer a safe and clean environment for customers, residents, and staff.

As at 30th June, 2020, 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 61.6%, industrial 14.7%, car parks 13.2%, hotels 7.7%, and residential 2.8%.

Total attributable value of Sino Land's investment properties (including associates and joint ventures) amounted to HK$83,385.3 million (2018/2019: HK$86,285.6 million), representing an overall decrease of 3.36% year-on-year. Excluding additions and disposals during the year, the decrease in value of Sino Land's investment properties is 2.83%.

(5) Hotels

The performance of Sino Land's hotels was much affected by the outbreak of COVID-19 and its adverse impact on cross border and international travel. For the Financial Year, Sino Land's hotel revenue, including attributable share from associates and joint ventures, was HK$811.3 million compared to HK$1,353.0 million last year, and the corresponding operating profit was HK$192.6 million compared to HK$537.3 million last year.

Sino Land is taking all practicable measures to cope with the challenges. The first priority is to deliver feeling of safety to our discerning guests therefore we are putting in place strict sanitization and hygiene protocol to ensure guests returning to stay or dine with us will have complete peace of mind and full assurance in our product and service. Moreover, we are introducing marketing and sales recovery strategies to target the domestic market (staycation) and at the same time, taking decisive decision to reduce operating costs. 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.

As at 30th June, 2020, Sino Land's portfolio of hotels comprises The Fullerton Hotel Singapore, The Fullerton Bay Hotel Singapore, Conrad Hong Kong, The Fullerton Hotel Sydney (rebranded from Westin Sydney Hotel in October 2019) and The Olympian Hong Kong.

(6) Mainland China Business

Urbanisation continues to play a key role in Central Government's urban planning and policy. In November 2019, Central Government introduced a total of 16 measures to expedite the economic cooperation within the Greater Bay Area. These measures would fortify the economic strengths of the cities within the Greater Bay Area and open a wide spectrum of opportunities for people and enterprises. In December 2019, the Communist Party of China Central Committee and the State Council jointly published an outline for integrating the cities within Yangtze River Delta setting the development goals and roadmap for the region by 2025. The policy of developing city clusters will significantly take urbanisation in Mainland China to the next level.

As at 30th June, 2020, Sino Land has approximately 5.5 million attributable square feet of land bank in Mainland China. Of the total, approximately 4.5 million square feet are projects under development and the remaining are mainly investment properties. The projects under development include 100% interest in Dynasty Park in Zhangzhou, 50% interest in a serviced apartment project in Qianhai, 20% interest in The Palazzo in Chengdu, and 30% interest in a new commercial development site located in Qianwan Area in Qianhai.

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, 2019.

FINANCE

The Group's financial position remains strong. As at 30th June, 2020, the Group had cash and bank deposits of HK$43,834.9 million. After netting off total borrowings of HK$6,696.7 million, the Group had net cash of HK$37,138.2 million as at 30th June, 2020. Of the total borrowings, 14.0% repayable within one year, 71.0% repayable between one and three years and the remaining between four and five years. The majority of the Group's borrowings are subject to floating interest rates. Total assets and shareholders' funds of the Group were HK$187,778.2 million and HK$78,883.0 million, respectively.

As at 30th June, 2020, the majority of the Group's debts are denominated in Hong Kong dollars. 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. The majority of the Group's cash are denominated in Hong Kong dollars with a portion in 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, non-deal roadshows, 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

Sustainability is integral to the Group's business and operations. We have been structuring our corporate social responsibility efforts around the six areas crucial to our vision of 'Creating better lifescapes', namely Green, Wellness, Design, Innovation, Heritage & Culture and Community. In recognition of the Group's continuous efforts in promoting sustainability and upholding high standards in environmental, social and governance aspects, Sino Land has been named a constituent company of the Hang Seng Corporate Sustainability Index Series since September 2012.

Management recognises the importance of environmental protection, social responsibility and governance, as well as our role in building a more sustainable community. Sino Land's annual sustainability reporting highlights the corporate sustainability footprints and initiatives, and has been conducted 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.

Sino Land joined the United Nations Global Compact as a Signatory in April 2020, becoming one of the first property companies in Hong Kong to do so. Incorporating the Ten Principles of the United Nations Global Compact into strategies, policies and procedures, the participation reaffirms our commitment to operating in a principled and responsible manner.

The built environment has a profound impact on health and well-being. In March 2020, 133 Portofino, Sino Land's latest residential project in Sai Kung, received WELL v2™ Pre-certification, becoming the first Hong Kong residential project accredited by WELL v2™, the world's first architectural benchmark focusing exclusively on human health and wellness to improve sustainability.

Sino Land's integrated green project 'Farm Together' was launched in March 2020 to promote urban farming and bring nature into the lives of those in our community. With a total area of over 23,000 square feet, the 'Farm Together' project currently operates across the city including Sky Farm at the Skyline Tower, 148 Farm at 148 Electric Road, Gold Coast Fun Farm, Gold Coast Eco Farm, Gold Coast Farm and the Butterflies and Herbs Farm at the Hong Kong Gold Coast Hotel. The harvest of the farms has been shared with our staff, tenants, residents and donated to charity organisations to support the community.

The Group initiates programmes and collaborates with charitable organisations to promote volunteering and community services for the less resourced on a regular basis. Sino Caring Friends, volunteers comprising staff of the Group, have been actively taking part in community programmes and charitable work. During the reporting period, over 174,000 volunteering service hours have been recorded.

The Group seeks to foster a culture of innovation to harness technology and explore business applications. Sino Inno Lab, a sandbox platform for technology companies to facilitate co-creation and support innovation, has been honoured at the Global Most Innovative Knowledge Enterprise (MIKE) Award 2019 and Hong Kong MIKE Award 2019, alongside 21 organisations from eight countries and regions. Sino Inno Lab is part of the holistic innovation ecosystem of Hong Kong Innovation Foundation to support innovation and technology. Since its inception, Sino Inno Lab has showcased more than 70 inventions and technologies, facilitated over 40 adoptions and welcomed more than 4,800 visitors from business associates, trade organisations and the academia.

In a further effort to foster innovation, Sinovation, a group-wide competition, was launched in June 2019 to encourage innovative ideas from staff and to turn concepts into functional prototypes. Sino Land has also been supporting the HKUST-Sino One Million Dollar Entrepreneurship Competition since 2018 to nurture home-grown innovations.

In March 2008, the Ng Family 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, it has been operating as a not-for-profit social enterprise since March 2012 with surpluses used to support maintenance of the site. 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'. It provides permanent employment opportunities for Tai O and Lantau residents, and has organised community engagement programmes encompassing cultural activities, community services and home care services for the elderly living in Tai O. In 2018, HCF initiated ‘Tai O Stilt House Restoration Programme’ to provide financial assistance to repair and restore stilt houses of elderly villagers, and to preserve its unique architecture and cultural value. Six stilt houses have been repaired and restored since launch. The Hotel won Merit Award at the ‘2013 UNESCO Asia-Pacific Awards for Cultural Heritage Conservation’, becoming the first UNESCO-awarded hotel in Hong Kong.

PROSPECTS

The financial year 2019/2020 was indeed challenging due to unprecedented and exceptional circumstances, exacerbated by the outbreak of the COVID-19 pandemic. While central banks and governments have been supportive with measures such as interest rate cuts and stimulus plans (including relief packages, wage subsidies, and one time direct cash payment to individuals etc.) to ease the pressure during this difficult time, economic growth is expected to slow before it recovers as economies gradually re-open. Despite macro headwinds, the residential property market in Hong Kong remains resilient and fundamentally sound. Record low interest rates and favorable mortgage terms continue to encourage home ownership and they are providing support to the Hong Kong residential market.

For China, although its economy was negatively impacted by the pandemic in the first quarter of 2020, the leadership implemented good decisions on monetary and fiscal stimuli which are lending support to a recovery of the mainland economy. Moreover, the Central Government has adopted decisive measures to overcome the outbreak. China is now the first major economy to recover from the pandemic. With long-term positive economic fundamentals, China is expected to remain one of the world’s key growth engine. Prominent Central Government policy like the Greater Bay Area and Belt and Road Initiatives will be instrumental in driving this growth. Hong Kong, as the most open and international city for business in the Greater Bay Area, and with an established economic and regulatory system, is well positioned to benefit from opportunities arising from continuous and rapid developments in the region. This will strengthen Hong Kong’s position as an international hub for finance, business, trade and tourism, and support a stable economic environment for Hong Kong. We remain optimistic that Hong Kong will see brighter tomorrow and continue to be a vibrant international city.

During these challenging times, management have taken the opportunity to learn and improve. We have reviewed the processes, procedures, and the structure of operations in order to streamline workflow to enhance efficiency, as well as taken decisive decisions to achieve cost savings across the organization. When the situation improves and economic recovery returns, the Group is able to leverage on an enhanced operational structure which will lead to higher shareholders’ value.

The Group will continue to optimize earnings, enhance efficiency and productivity, and improve the quality of products and services. Management of Sino Land shall maintain a policy of selectively and continuously replenishing its land bank. In terms of property sales, product quality and service as well as price are the main critical success factors and Sino Land shall make every effort to deliver what the customers want in order to further enhance our brand. Regarding recurrent businesses of Sino Land, which comprise property leasing, hospitality, and property management services, they will continue to be core pillars of Sino Land contributing a good and steady stream of income. Additionally, the importance of applying commercially viable technologies in the business operations to expedite our work has been well recognized by management. Technology advancement is growing at an exponential speed and the Group will stay abreast with the latest digitization developments and use it to enhance business development and operational efficiency.

The Group is cautiously optimistic on the outlook of the economy and property market in Hong Kong. We have strong faith that Hong Kong will overcome this challenging period. Meanwhile our organization must adopt a new mindset and take this as the most important lesson that we should learn and improve from. With a strong financial position and sustainable business growth strategy, the Group is well placed to meet the challenging economic environment and to grasp opportunities.

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, 26th August, 2020

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, 2020 are as follows:

Consolidated Statement of Profit or Loss

	Notes	**2020 HK$**	2019 HK$
Revenue	2	**5,934,504,668**	8,060,213,837
Cost of sales		**(540,711,582)**	(1,319,224,798)
Direct expenses		**(1,929,597,714)**	(2,231,445,443)
Gross profit		**3,464,195,372**	4,509,543,596
Change in fair value of investment properties		**(2,020,824,150)**	1,965,519,436
Other income and other gains or losses		**210,856,119**	100,888,384
Change in fair value of financial assets at fair value through profit or loss ("FVTPL")		**(4,831,296)**	1,150,475
Gain on disposal of investment properties		**137,663,664**	77,044,126
Gain on disposal of subsidiaries		**41,623,517**	49,855,396
Administrative expenses		**(850,518,488)**	(940,883,876)
Other operating expenses		**(199,797,960)**	(205,302,589)
Finance income		**1,027,393,784**	645,407,980
Finance costs		**(150,757,867)**	(147,842,886)
Less: interest capitalised		**107,790,738**	74,471,973
Finance income, net		**984,426,655**	572,037,067
Share of results of associates	3	**910,888,761**	1,378,020,003
Share of results of joint ventures	4	**(472,666,590)**	216,478,417
Profit before taxation	5	**2,201,015,604**	7,724,350,435
Income tax expense	6	**(527,491,049)**	(716,425,009)
Profit for the year		**1,673,524,555**	7,007,925,426
Attributable to:			
The Company's shareholders		**901,781,260**	3,714,769,199
Non-controlling interests		**771,743,295**	3,293,156,227
		1,673,524,555	7,007,925,426
Interim dividend at HK14 cents *(2019: HK14 cents)* per share		**263,457,581**	257,848,747
Proposed final dividend at HK41 cents *(2019: HK41 cents)* per share		**775,917,297**	759,176,931
Earnings per share (reported earnings per share) – basic	7(a)	**0.48**	2.03
Earnings per share (underlying earnings per share) – basic	7(b)	**1.32**	1.37

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2020 HK$	2019 HK$
Profit for the year	**1,673,524,555**	7,007,925,426
Other comprehensive (expense) income		
Item that will not be reclassified to profit or loss:		
Change in fair value of equity instruments at fair value through other comprehensive income (“FVTOCI”)	**(300,707,763)**	(86,317,377)
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of hedging instruments designated as cash flow hedges	**(16,020,273)**	-
Reclassification of fair value adjustment to profit or loss on an interest rate swap	**(1,916,161)**	-
Exchange differences arising on translation of foreign operations	**(464,042,574)**	(292,962,821)
Change in fair value of debt instruments at FVTOCI	**362,072**	-
	(481,616,936)	(292,962,821)
Other comprehensive expense for the year	**(782,324,699)**	(379,280,198)
Total comprehensive income for the year	**891,199,856**	6,628,645,228
Total comprehensive income attributable to:		
The Company’s shareholders	**473,507,275**	3,509,964,750
Non-controlling interests	**417,692,581**	3,118,680,478
	891,199,856	6,628,645,228

Consolidated Statement of Financial Position
At 30th June, 2020

	Notes	**2020** **HK$**	2019 HK$
Non-current assets			
Investment properties		**62,658,456,279**	65,035,087,581
Hotel properties		**1,724,061,091**	1,892,461,633
Property, plant and equipment		**181,446,860**	219,848,019
Right-of-use assets		**1,186,301,166**	-
Goodwill		**739,233,918**	739,233,918
Prepaid lease payments – non-current		**-**	1,103,916,724
Interests in associates		**20,798,910,012**	21,977,291,368
Interests in joint ventures		**2,969,843,643**	3,344,737,242
Equity and debt instruments at FVTOCI		**679,630,327**	866,712,547
Advances to associates		**3,363,101,061**	2,051,559,285
Advances to joint ventures		**10,628,066,644**	7,505,992,744
Long-term loans receivable		**2,180,114,880**	2,245,722,825
Other assets		**615,000**	615,000
		107,109,780,881	106,983,178,886
Current assets			
Properties under development		**29,661,206,200**	25,866,538,169
Stocks of completed properties		**1,320,403,999**	1,825,625,869
Hotel inventories		**19,985,062**	21,276,567
Prepaid lease payments – current		**-**	20,135,984
Financial assets at FVTPL		**12,568,237**	17,371,656
Amounts due from associates		**908,925,877**	3,375,515,148
Amounts due from joint ventures		**2,434,175,477**	2,895,614,759
Amounts due from non-controlling interests		**623,317,300**	75,505,655
Trade and other receivables	8	**1,577,625,529**	1,245,519,362
Current portion of long-term loans receivable		**87,741,043**	80,941,385
Taxation recoverable		**187,591,159**	149,887,249
Restricted bank deposits		**121,827,414**	383,731,024
Time deposits		**37,632,078,811**	27,322,778,220
Bank balances and cash		**6,081,049,352**	11,524,945,562
		80,668,495,460	74,805,386,609
Current liabilities			
Trade and other payables	9	**5,006,724,548**	4,994,664,419
Lease liabilities		**32,031,671**	-
Contract liabilities		**23,454,168,068**	16,208,373,613
Amounts due to associates		**1,709,937,674**	2,637,954,369
Amounts due to non-controlling interests		**738,712,759**	881,155,371
Taxation payable		**625,867,436**	738,324,928
Bank borrowings – due within one year		**831,996,000**	-
Other loans – unsecured		**107,953,771**	110,207,809
		32,507,391,927	25,570,680,509
Net current assets		**48,161,103,533**	49,234,706,100
Total assets less current liabilities		**155,270,884,414**	156,217,884,986

Consolidated Statement of Financial Position – continued
At 30th June, 2020

	2020	2019
	HK$	HK$
Capital and reserves		
Share capital	**14,302,286,718**	13,285,452,664
Reserves	**64,580,746,144**	64,551,971,946
Equity attributable to the Company’s shareholders	**78,883,032,862**	77,837,424,610
Non-controlling interests	**66,389,970,003**	67,840,852,670
Total equity	**145,273,002,865**	145,678,277,280
Non-current liabilities		
Long-term bank borrowings – due after one year	**4,418,199,715**	5,026,688,387
Other loans – due after one year	**1,338,591,095**	1,323,425,929
Derivative financial instrument	**17,936,434**	-
Lease liabilities	**7,537,099**	-
Deferred taxation	**2,502,226,642**	2,460,823,898
Advances from associates	**1,570,678,347**	1,622,090,423
Advances from non-controlling interests	**142,712,217**	106,579,069
	9,997,881,549	10,539,607,706
	155,270,884,414	156,217,884,986

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, 2020 and 2019 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, 2019 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, 2020 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.

The Group has applied the following new and amendments to HKFRSs and an interpretation issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

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

<u>Impacts and changes in accounting policies of application of HKFRS 16 *Leases*</u>

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases*, and the related interpretations.

1. Basis of preparation – continued

Impacts and changes in accounting policies of application of HKFRS 16 *Leases* – continued

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) - Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after the date of initial application, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1st July, 2019.

As at 1st July, 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1st July, 2019. Line items that were not affected by the changes have not been included.

	Notes	Carrying amounts previously reported at 30th June, 2019 HK$	Adjustments HK$	Carrying amounts under HKFRS 16 at 1st July, 2019 HK$
Non-current assets				
Hotel properties	*(a)*	1,892,461,633	(84,318,013)	1,808,143,620
Prepaid lease payments - non-current	*(b)*	1,103,916,724	(1,103,916,724)	-
Right-of-use assets		-	1,289,405,197	1,289,405,197
Current assets				
Prepaid lease payments - current	*(b)*	20,135,984	(20,135,984)	-
Current liabilities				
Lease liabilities		-	48,777,912	48,777,912
Non-current liabilities				
Lease liabilities		-	32,256,564	32,256,564

Notes:

(a) Leasehold land in Hong Kong was classified as hotel properties as at 30th June, 2019. Upon application of HKFRS 16, the leasehold land in Hong Kong amounting to HK$84,318,013 was reclassified from hotel properties to right-of-use assets.

(b) Leasehold land in Singapore was classified as prepaid lease payments as at 30th June, 2019. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to HK$20,135,984 and HK$1,103,916,724 respectively were reclassified to right-of-use assets.

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, 2020

	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 sales	**863,945,244**	**40,361,945**	**1,508,777,294**	**795,840,388**	**2,372,722,538**	**836,202,333**
Property rental	**3,209,262,218**	**2,791,652,243**	**920,891,726**	**839,210,641**	**4,130,153,944**	**3,630,862,884**
	4,073,207,462	**2,832,014,188**	**2,429,669,020**	**1,635,051,029**	**6,502,876,482**	**4,467,065,217**
Property management and other services	**1,146,927,916**	**279,841,512**	**115,379,064**	**18,850,815**	**1,262,306,980**	**298,692,327**
Hotel operations	**611,302,969**	**167,860,371**	**200,048,841**	**24,767,439**	**811,351,810**	**192,627,810**
Investments in securities	**33,092,093**	**33,092,093**	**3,900**	**3,900**	**33,095,993**	**33,095,993**
Financing	**69,974,228**	**69,974,228**	**11,245,400**	**11,245,400**	**81,219,628**	**81,219,628**
	5,934,504,668	**3,382,782,392**	**2,756,346,225**	**1,689,918,583**	**8,690,850,893**	**5,072,700,975**

For the year ended 30th June, 2019

	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 sales	2,541,762,910	827,959,801	444,718,168	216,705,676	2,986,481,078	1,044,665,477
Property rental	3,377,364,145	2,868,840,399	947,002,784	859,888,683	4,324,366,929	3,728,729,082
	5,919,127,055	3,696,800,200	1,391,720,952	1,076,594,359	7,310,848,007	4,773,394,559
Property management and other services	1,097,627,033	218,765,642	124,625,257	32,728,094	1,222,252,290	251,493,736
Hotel operations	933,806,583	349,082,203	419,236,692	188,290,291	1,353,043,275	537,372,494
Investments in securities	48,613,422	48,613,422	3,900	3,900	48,617,322	48,617,322
Financing	61,039,744	61,039,744	14,893,741	14,893,741	75,933,485	75,933,485
	8,060,213,837	4,374,301,211	1,950,480,542	1,312,510,385	10,010,694,379	5,686,811,596

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 financial assets at FVTPL, gain on disposal of investment properties, gain on disposal of subsidiaries 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

	2020	2019
	HK$	HK$
Segment profit	**5,072,700,975**	5,686,811,596
Change in fair value of investment properties	**(2,020,824,150)**	1,965,519,436
Other income and other gains or losses	**181,204,854**	99,360,397
Change in fair value of financial assets at FVTPL	**(4,831,296)**	1,150,475
Gain on disposal of investment properties	**137,663,664**	77,044,126
Gain on disposal of subsidiaries	**41,623,517**	49,855,396
Administrative expenses and other operating expenses	**(937,089,657)**	(1,007,169,434)
Finance income, net	**982,264,109**	569,790,408
Results shared from associates and joint ventures		
- Other income and other gains or losses	**(162,813,288)**	117,140,533
- Change in fair value of investment properties	**(503,511,122)**	619,869,986
- Gain on disposal of investment properties	**7,041,567**	146,034,360
- Administrative expenses and other operating expenses	**(245,547,891)**	(230,876,396)
- Finance costs, net	**(67,866,000)**	(29,409,561)
- Income tax expense	**(278,999,678)**	(340,770,887)
	(1,251,696,412)	281,988,035
Profit before taxation	**2,201,015,604**	7,724,350,435

During the year ended 30th June, 2020, inter-segment sales of HK$74,979,392 *(2019: HK$79,954,549)* 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	
	2020	2019	**2020**	2019	**2020**	2019
	HK$	HK$	**HK$**	HK$	**HK$**	HK$
Hong Kong	**5,100,903,743**	6,721,003,671	**2,468,014,740**	1,499,351,545	**78,535,525,661**	81,921,788,877
The PRC	**97,939,806**	263,655,479	**175,129,131**	259,707,011	**7,799,198,720**	8,022,935,962
Singapore and Australia	**735,661,119**	1,075,554,687	**113,202,354**	191,421,986	**3,923,528,588**	4,367,851,646
	5,934,504,668	8,060,213,837	**2,756,346,225**	1,950,480,542	**90,258,252,969**	94,312,576,485

3. Share of results of associates

The Group's share of results of associates included the Group's share of decrease in fair value of investment properties of the associates, net of deferred taxation, of HK$323,654,714 *(2019: share of increase in fair value of investment properties of the associates, net of deferred taxation, of HK$500,137,069)* 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 decrease in fair value of investment properties of the joint ventures of HK$180,895,088 *(2019: share of increase in fair value of investment properties of the joint ventures of HK$91,204,109)* recognised in the statement of profit or loss of the joint ventures.

5. Profit before taxation

	2020	2019
	HK$	HK$
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments (included in other operating expenses)	**-**	20,081,810
Cost of hotel inventories consumed (included in direct expenses)	**77,204,920**	119,720,659
Cost of properties sold	**540,711,582**	1,319,224,798
Amortisation and depreciation of property, plant and equipment, hotel properties and right-of-use assets (included in administrative and other operating expenses)	**185,992,004**	122,857,251
(Gain) loss on disposal of property, plant and equipment	**(107,326)**	1,167,883
Property, plant and equipment written off	**1,150**	22,308
Impairment loss on trade receivables, net of reversal	**15,919,977**	2,914,941

6. Income tax expense

	2020	2019
	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% *(2019: 16.5%)*	**384,478,017**	441,748,442
(Over)underprovision in previous years	**(19,930,970)**	3,188,986
	364,547,047	444,937,428
Taxation in other jurisdictions		
Provision for the year	**48,192,971**	120,431,512
(Over)underprovision in previous years	**(150,162)**	2,113,898
Land Appreciation Tax in the PRC	**23,252,411**	52,905,933
	71,295,220	175,451,343
	435,842,267	620,388,771
Deferred taxation	**91,648,782**	96,036,238
	527,491,049	716,425,009

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:

	2020	2019
	HK$	HK$
Earnings for the purpose of basic earnings per share	**901,781,260**	3,714,769,199
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	**1,871,065,881**	1,831,696,731

7. Earnings per share – continued

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share calculated based on the underlying profit attributable to the Company's shareholders of HK$2,471,844,783 *(2019: HK$2,508,693,897)* is also presented, excluding the net effect of changes in fair value of investment properties of the Group and its associates and joint ventures and fair value adjustment of the residual interest arising from the disposal of a subsidiary, taking into account tax effect and the amount attributable to the Company's shareholders. The denominators used are the same as those detailed above for reported earnings per share.

A reconciliation of profit is as follows:

	2020 **HK$**	2019 HK$
Earnings for the purpose of basic earnings per share	**901,781,260**	3,714,769,199
Change in fair value of investment properties	**2,020,824,150**	(1,965,519,436)
Effect of corresponding deferred taxation charges	**38,225,017**	82,012,224
Share of results of associates		
- Change in fair value of investment properties	**322,616,034**	(528,665,877)
- Effect of corresponding deferred taxation charges	**1,038,680**	28,528,808
Share of results of joint ventures		
- Change in fair value of investment properties	**180,895,088**	(91,204,109)
	2,563,598,969	(2,474,848,390)
Amount attributable to non-controlling interests	**(1,177,140,097)**	1,176,577,253
Unrealised change in fair value of investment properties attributable to the Company's shareholders	**1,386,458,872**	(1,298,271,137)
Realised fair value gain on investment properties disposed of during the year, net of taxation	**335,315,764**	156,618,785
Realised fair value gain on the disposal of a subsidiary upon sales of the underlying properties in current year	**913,113**	15,256,374
Amount attributable to non-controlling interests	**(152,624,226)**	(79,679,324)
	1,570,063,523	(1,206,075,302)
Underlying profit attributable to the Company's shareholders	**2,471,844,783**	2,508,693,897

8. Trade and other receivables

Trade receivables mainly comprise rental receivables and property management and other services. Rental receivables and property management and other services are billed and payable in advance by tenants.

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

	2020	2019
	HK$	HK$
Current	**46,860,965**	37,026,249
Overdue:		
1-30 days	**60,415,256**	98,494,874
31-60 days	**51,605,375**	31,263,713
61-90 days	**25,863,537**	12,408,794
Over 90 days	**74,150,882**	43,541,539
	258,896,015	222,735,169

Trade receivables overdue more than 90 days amounting to HK$74,150,882 *(2019: HK$43,541,539)* 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, 2020, included in trade and other payables of the Group are trade payables of HK$90,260,394 *(2019: HK$119,574,018).*

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

	2020	2019
	HK$	HK$
0-30 days	**38,452,416**	74,284,723
31-60 days	**31,826,558**	20,597,271
61-90 days	**3,632,895**	1,329,600
Over 90 days	**16,348,525**	23,362,424
	90,260,394	119,574,018

10. Pledge of assets

At 30th June, 2019, certain of the Group's assets with a total carrying amount of HK$1,746,472,411 had been pledged to secure banking facilities of the Group. At 30th June, 2020, the Group did not have any pledged assets.

11. Contingent liabilities

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

	2020	2019
	HK$	HK$
Guarantees given to banks in respect of:		
Banking facilities of an associate and joint ventures attributable to the Group		
- Utilised	**6,863,909,096**	5,488,625,000
- Unutilised	**3,892,216,604**	2,425,605,000
	10,756,125,700	7,914,230,000
Mortgage loans granted to property purchasers	**502,404,617**	464,134,435

At 30th June, 2020 and 2019, 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. The amounts of loss allowances determined in accordance with HKFRS 9 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 Wednesday, 28th October, 2020, the register of members of the Company will be closed from Thursday, 22nd October, 2020 to Wednesday, 28th October, 2020, 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 Registrar, Tricor Friendly Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 21st October, 2020.

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 Wednesday, 4th November, 2020. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 3rd November, 2020 to Wednesday, 4th November, 2020, 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 Registrar, Tricor Friendly Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 2nd November, 2020.

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, 2020 have been reviewed by the audit committee of the Company.

2020 ANNUAL REPORT

The 2020 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 Tuesday, 22nd September, 2020.

By Order of the Board
Fanny CHENG Siu King
Company Secretary

Hong Kong, 26th August, 2020

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.