

SINO LAND COMPANY LIMITED

CHAIRMAN'S STATEMENT

INTERIM RESULTS AND DIVIDEND

The Group's half year unaudited consolidated turnover was HK\$849,924,796. The unaudited consolidated net profit attributable to shareholders for the half year ended 31st December, 2000 was HK\$208 million. Earnings per share for the period was 5.71 cents.

The Directors have declared an interim dividend of 2 cents per share payable on 21st May, 2001 to shareholders whose names appear on the Register of Members of the Company on 17th April, 2001.

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

A circular containing details of the scrip dividend scheme will be despatched to shareholders together with the form of election for scrip dividend on or about 18th April, 2001. It is expected that the interim dividend warrants and share certificates will be despatched to shareholders on or about 21st May, 2001.

The unaudited interim results have been reviewed by the Company's auditors, Deloitte Touche Tohmatsu.

REVIEW OF OPERATIONS

During the six months ended 31st December, 2000, the Group had actively replenished its land bank and successfully acquired four pieces of land. On completion, these sites will yield approximately 1,020,587 square feet of attributable gross floor area to its land bank. Details of the acquisitions are as follows:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
Ma On Shan Area 77	Residential	100%	612,472
Tsuen Wan Area 40 Lot No. 404	Residential	50%	112,538
Tsuen Wan Lot No. 214 in D.D. 387	Residential	50%	88,666
Tsuen Wan Area 40 Lot No. 395	Residential	25%	206,911
			<hr/> <u>1,020,587</u>

During the interim period under review, the following developments were completed with a total attributable gross floor area of 834,673 square feet:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
Olympian City Office Accommodation MTR Olympic Station, Site C Kowloon, KIL 11074	Commercial	30%	90,417
148 Electric Road North Point Hong Kong IL 8874	Commercial	100%	197,400
The Fullerton Singapore/ One Fullerton 1 Fullerton Square Singapore	Hotel/ Commercial	100%	546,856
			834,673

In the second half of financial year 2000/2001, the Group expects to complete the following properties with a total attributable gross floor area of 1,760,136 square feet:

<u>Location</u>	<u>Usage</u>	<u>Group's Interest</u>	<u>Attributable Gross Floor Area</u> <i>(Square feet)</i>
Island Resort Chai Wan Inland Lot No. 152 Siu Sai Wan, Hong Kong	Commercial/ Residential	40%	75,676 965,128
Wyndham Street/Arbuthnot Site Inland Lot No. 8828 Central, Hong Kong	Commercial	70%	179,138
Park Avenue MTR Olympic Station, Site B Kowloon, KIL 11090	Residential	42.5%	540,194
			1,760,136

Sales Activities

During the six months ended 31st December, 2000, sales revenue was mainly contributed by the sales of units in Springdale Villas, Island Harbourview and Bayview Park. With regard to the pre-sale of projects under development, substantial units of Park Avenue (Tower 6-10 of Olympian City Site B) were pre-sold at satisfactory prices. The pre-sale of Island Resort and private sale of Central Park (Tower 1-5 of Olympian City Site B) progressed well with steady response from end-users.

Sales activities are expected to be strengthened by favourable economic conditions, low mortgage loan rates, high affordability level and incentives for home purchasers offered by the Government. To capitalize on the economic growth, we expect to market several development projects in the second half of the current financial year. The properties at Nos. 35 and 37 Cloud View Road on Hong Kong Island, Fanling Sheung Shui Town Lot No. 195 and Kwai Chung Town Lot No. 480, 100 Kwai Luen Road, Kwai Chung will be offered for pre-sale in the coming months.

Rental Activities

As at 31st December, 2000, the Group's investment portfolio increased to 7.4 million square feet from a previous level of 6.6 million square feet as at 30th June, 2000. The increase was mainly attributed to recently completed projects, including 148 Electric Road, the MTR Olympic Station Site C (Office Tower), the retail shops at Springdale Villas, a 400-room hotel The Fullerton Singapore and One Fullerton, a commercial building. In terms of attributable gross floor area, the portfolio comprises diversified types of properties: commercial (46%), industrial (21%), car parks (18%), hotels (10%) and residential (5%).

Total gross rental revenue of the Group, including the attributable share of its associated companies, was HK\$579 million for the interim period, a gain of 10% over the corresponding period of last financial year. The Group's major investment properties maintained high occupancy and satisfactory rental growth. With strong improvement in both the commercial and residential rental markets, the Group is well positioned to enjoy the upturn of the rental sector.

Technology

port88, a community portal providing on-line estate management services and lifestyle information to the Group's tenants and residents of the properties of the Group, is currently being revamped. The new version is scheduled to be launched in April 2001. Services of port88 will be extended to all property estates of the Company in addition to The Hacienda, The Royal Cliff and Pacific Palisades.

Finance

As at 31st December 2000, the Group, including the attributable shares of its associated companies, had cash resources of approximately HK\$7,406 million, consisting of cash in hand of approximately HK\$2,193 million and undrawn facilities of about HK\$5,213 million. As at 31st December, 2000, the unaudited net asset value per share of the Group was HK\$7.46.

With the exception of the redemption of convertible bonds of US\$3.9 million due in October 2000 and a net increase in Singapore dollar borrowings of S\$24 million for the development of The Fullerton Singapore, there were no material changes in the borrowings and capital structure of the Group for the half year ended 31st December, 2000. Subsequent to the interim period, the Group redeemed convertible bonds of US\$194.7 million due in February 2001 which further reduced the Group's short term liabilities by the same amount as well as lowered the US\$ foreign exchange exposure by a net amount of US\$174.7 million.

In January 2001, the Group successfully raised approximately HK\$783 million through a placement of 180 million ordinary shares at HK\$4.35 per share, representing approximately 4.7% of the enlarged issued capital of the Company. The net proceeds were used to finance on-going projects. With a stable recurrent rental income and sales revenue from development projects and after the share placement, the gearing ratio of the Group has been maintained at a low level of approximately 26% expressed as a percentage of bank and other borrowings net of cash and bank balances over shareholders' equity.

As at 31st December, 2000, the Group had not recorded any material changes in contingent liabilities since the financial year ended 30th June, 2000.

Future Developments

During the period under review, new sites with a total attributable gross floor area of about one million square feet were acquired. These sites are mainly used for residential purpose. The development of the existing land bank will generate value for the Group and help ensure its earning prospects in the coming years. As at 31st December, 2000, in terms of attributable gross floor area, the total size of the land bank was 15.9 million square feet of which development for sale accounted for 43%, development for investment accounted for 5%, completed properties for sale accounted for 5% and completed investment properties was 47%. The Group continues to build up its land bank.

In January 2001, the Group was granted approval by the Government to convert the usage of Commercial Square from industrial to commercial use thereby enhancing the potential value of the property.

Other than the above mentioned, there were no material changes from the information published in the report and accounts for the year ended 30th June, 2000.

EMPLOYEE PROGRAMMES

As at 31st December, 2000, the Company and its subsidiaries had over 4,700 employees. A series of staff benefits such as employee reward programmes and in-house training are being offered to the staff. During the period, the Group has organized various types of internal and external training programmes for the staff to maintain their quality attributes, to strengthen their professional knowledge and enhance productivity. Over 2,400 employees have participated in our various training programmes and the process is on-going as new courses being developed to meet specific career planning needs.

In addition, the Group runs a programme to identify employees with outstanding performance contributions. The aim of the programme is to recognize staff who have made significant contributions to the Group, identify future leaders and continue to develop their skills so that they can become role models for their fellow colleagues.

PROSPECTS

The economic recovery in the region and China's impending accession to the World Trade Organisation shall induce business opportunities and investment interests that in effect will engender a stronger economic growth due in part to Hong Kong's unique position as an international finance centre and geographic gateway to China.

Signs of a healthy recovery, further interest rate cuts and appealing mortgage terms offered by banks have resulted in the reinstatement of confidence for homebuyers. In conjunction with recent SAR Government announcements in relation to housing policies such as the reduction in supply of Home Ownership Scheme, abolishing certain anti-speculation measures, the public's sentiments have strengthened and outlook of the property market is positive. In the last two years, the Group's land bank has been actively replenished with an additional 2.2 million square feet bought at reasonable prices, which will provide prospects for profit in coming years. An improvement in the commercial and residential rental markets is also encouraging as the Group's stable portfolio of investment properties generates solid recurrent income. The Directors are confident about the medium and long-term prospects of the Group.

STAFF AND MANAGEMENT

On behalf of the Board, I would like to welcome Mr. Ambrose Cheung Wing Sum to join the Board as an Executive Director on 1st November, 2000. I also take this opportunity to express my appreciation and thanks to all my fellow Directors and staff of the Group for their commitment and contribution.

Robert Ng Chee Siong
Chairman

Hong Kong, 20th March, 2001