



WING TAI PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code : 369)

INTERIM REPORT **2010**



WINGTAI ASIA



JANSON PLACE



WINSOR PROPERTIES



Corporate Information

BOARD OF DIRECTORS

Executive Directors

CHENG Wai Chee, Christopher *GBS OBE JP*
(Chairman)

CHENG Wai Sun, Edward *SBS JP*
(Deputy Chairman and Chief Executive)

CHENG Man Piu, Francis

CHOW Wai Wai, John

NG Tak Wai, Frederick

AU Hing Lun, Dennis

Non-Executive Directors

KWOK Ping Luen, Raymond *JP*

YUNG Wing Chung
(also an alternate to KWOK Ping Luen, Raymond)

HONG Pak Cheung, William

LOH Soo Eng

Independent Non-Executive Directors

Simon MURRAY *CBE*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

AUDIT COMMITTEE MEMBERS

YEUNG Kit Shing, Jackson (Chairman)

FANG Hung, Kenneth *GBS CBE JP*

YUNG Wing Chung

HONG Pak Cheung, William

(alternate to YUNG Wing Chung)

REMUNERATION COMMITTEE MEMBERS

CHENG Wai Chee, Christopher *GBS OBE JP*
(Chairman)

CHENG Wai Sun, Edward *SBS JP*

Simon MURRAY *CBE*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

FUNG Ching Man, Janet

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS TO THE COMPANY

Slaughter and May (as to Hong Kong Laws)

Appleby (as to Bermuda Laws)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

HSBC Bank Bermuda Limited

(formerly known as The Bank of Bermuda Limited)

6 Front Street

Hamilton, HM 11

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Hong Kong

REGISTERED OFFICE

Canon's Court, 22 Victoria Street

Hamilton HM 12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

27th Floor, Two Landmark East

100 How Ming Street

Kwun Tong, Kowloon

Hong Kong

COMPANY WEBSITE

<http://www.wingtaiproperties.com>

HONG KONG STOCK EXCHANGE STOCK CODE

369

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Milestones of Past Ten Years



▲ **The Waterfront**
Kowloon Station, Tsim Sha Tsui,
Hong Kong

1999



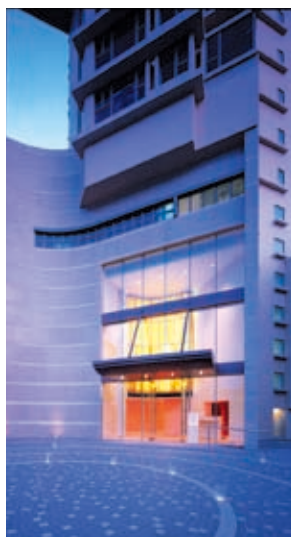
▲ **The Hillgrove**
Siu Lam, Hong Kong

2001



▲ **Lanson Place Waterfront Residences**
Kowloon Station, Tsim Sha Tsui,
Hong Kong

2003



2000

◀ **The Bloomville**
Kowloon Tong, Hong Kong



2004

◀ **The Grandville**
Sha Tin, Hong Kong



Milestones of Past Ten Years



◀ **The Giverny**
Hebe Haven, Hong Kong



◀ **Lanson Place Jin Qiao Residences**
Pudong New District, Shanghai



Lanson Place Jinlin Tiandi Residences ▶
Luwan District, Puxi, Shanghai



▶ **Forfar**
Kowloon Tong, Hong Kong

▶ **Seymour**
Mid-Levels, Hong Kong

2005

2009/2010

2006

▼ **Lanson Place Hotel**
Causeway Bay, Hong Kong



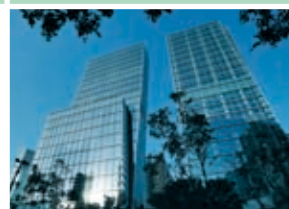
2007

▼ **W Square**
Wan Chai, Hong Kong

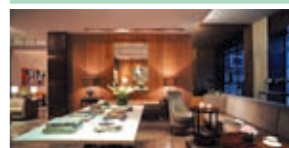


2008

▼ **Landmark East**
Kwun Tong, Hong Kong



▼ **Lanson Place Central Park Residences**
Chaoyang District, Beijing



Chairman's Statement

Dear Shareholders,

The Hong Kong economy experienced a steady recovery in the first half of the year on the back of improving economic fundamentals and stable growth on the Mainland. Sustained low interest rates, ample liquidity and continued demand against tight supply have provided solid support to the overall property market. Sales volume and prices picked up across most of the market sectors, particularly in the luxury residential market. The first half also saw a rise in capital values across all property sectors in Hong Kong.

During the period under review, the Group achieved a net profit of \$794.3 million mainly attributable to recognised profits from the pre-sale of Forfar and Belle Vue Residences, increased rental from Landmark East, disposal of two industrial properties and fair value revaluation gains on investment properties.

Taking advantage of the strong run-up in capital values during the first half, the Group disposed of two industrial properties located in San Po Kong and Kwai Chung held through Winsor Properties Holdings Limited. The disposals helped the Group realise gains from our long-term investment in these properties at an attractive yield rate, allowing the Group to explore other opportunities to enhance its asset portfolio in a strengthened financial position.

The Grade A office leasing market underwent a dynamic period in the first half of this year with companies continued to look for space for relocation and expansion in decentralised areas such as Kowloon East. During the period under review, Landmark East recorded a significant increase in tenancy, with committed leasing rates hitting almost 80% as compared to 50% at the beginning of the year. Rental rates also strengthened with an average 25% growth recorded during the period under review. We expect this upward momentum to extend to the second half of the year as the economy and business conditions continue to improve and vacant Grade A office leasing space in this area rapidly diminishing.

Lanson Place, our serviced residences and boutique hotel operation, continued to perform well during the period on the back of a recovery in the hospitality industry that began in the fourth quarter of 2009. The business delivered strong growth in both occupancy and leasing rates at its serviced residences and hotel operations. Lanson Place Jin Qiao Residences in Shanghai, which was accredited as one of the Designated Serviced Residences for Shanghai World Expo 2010 was launched in May and achieved satisfactory performance during the period.

The Group's other residential developments are progressing on schedule. On the back of the positive market sentiment, the Group will consider putting the remaining units at Seymour and Forfar on the market in the second half of the year. Subject to market condition and regulatory approval, the Tai Po Pak Shek Kok sites, which the Group has 15% interests, will be ready for pre-sale in the first half of 2011. The latest acquisition of a redevelopment site at No.1- 2 Coronation Terrace in Mid-levels West reflects the Group's continued effort to explore opportunities of replenishing its land bank.

With effect from late June 2010, the Company has changed its name to "Wing Tai Properties Limited" to better reflect our business focus as an integrated property developer. The corporate rebranding is also expected to lend resonance to our property projects in Hong Kong and other gateway cities in Asia under the widely recognised "Wing Tai Asia" brand.

I would like to take this opportunity to thank our shareholders for their continued support, and to express my gratitude to my fellow directors for their guidance and our staff for their dedication and hard work.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 27 August 2010

Condensed Consolidated Income Statement

For the six months ended 30 June 2010

INTERIM RESULTS

The Board of Directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) presents the unaudited condensed consolidated interim financial information (“Interim Financial Information”) of the Company and its subsidiaries (the “Group”), and its jointly controlled entities for the six months ended 30 June 2010.

	Note	Unaudited Six months ended 30 June	
		2010 HK\$'M	2009 HK\$'M
Revenue	4	1,356.6	417.0
Cost of sales		(925.4)	(228.1)
Gross profit		431.2	188.9
Other (losses)/gains, net		(10.8)	77.6
Selling and distribution costs		(95.5)	(69.1)
Administrative expenses		(143.8)	(112.2)
Change in fair value of investment properties	9	635.3	(8.0)
Gain on disposal of investment properties		137.8	–
Gain on disposal of other properties, plant and equipment		67.0	–
Profit from operations	5	1,021.2	77.2
Finance costs		(42.7)	(41.9)
Finance income		1.0	15.2
Share of results of associates		56.3	(5.2)
Profit before taxation		1,035.8	45.3
Taxation	6	(30.8)	(16.4)
Profit for the period		1,005.0	28.9
Attributable to:			
Equity holders of the Company		794.3	7.0
Non-controlling interests		210.7	21.9
		1,005.0	28.9
Earnings per share for profit attributable to equity holders of the Company (expressed in HK dollar per share)	7		
– Basic		HK\$0.60	HK\$0.01
– Diluted		HK\$0.60	HK\$0.01
Dividends (expressed in HK\$'M)	8	99.2	29.6

The notes on pages 12 to 24 are an integral part of this Interim Financial Information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010

	Unaudited Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M
Profit for the period	1,005.0	28.9
Other comprehensive income		
Exchange differences on translation of foreign operations	8.3	(8.0)
Release of other property revaluation reserve upon disposal of other properties, plant and equipment	(22.8)	–
Net (loss)/gain on cash flow hedge		
– Fair value losses	(49.5)	(22.6)
– Realised upon settlement	22.4	18.7
Net (loss)/gain arising on revaluation of available-for-sale financial assets		
– Fair value (loss)/gain	(1.6)	33.2
Other comprehensive income for the period, net of tax	(43.2)	21.3
Total comprehensive income for the period	961.8	50.2
Attributable to:		
Equity holders of the Company	759.5	22.1
Non-controlling interests	202.3	28.1
Total comprehensive income for the period	961.8	50.2

The notes on pages 12 to 24 are an integral part of this Interim Financial Information.

Condensed Consolidated Balance Sheet

As at 30 June 2010

	<i>Note</i>	Unaudited 30 June 2010 HK\$'M	Audited 31 December 2009 HK\$'M (As restated)
ASSETS AND LIABILITIES			
Non-current assets			
Land use rights	9	3.4	3.4
Investment properties	9	10,469.2	10,532.0
Other properties, plant and equipment	9	153.4	227.6
Interests in associates		671.8	617.9
Available-for-sale financial assets		381.7	434.0
Loans and receivables		442.8	388.6
Held-to-maturity investments		34.4	31.0
Deferred tax assets		7.7	10.2
		12,164.4	12,244.7
Current assets			
Inventories		160.8	102.2
Properties for sale	10	2,990.1	3,432.5
Loans and receivables		2.9	26.2
Trade and other receivables, deposits and prepayments	11	1,770.0	172.0
Derivative financial instruments		0.1	–
Sales proceeds held in stakeholders' accounts		270.9	255.8
Amounts due from associates		0.9	1.7
Tax recoverable		1.6	4.7
Pledged bank deposits		10.1	38.1
Bank balances and cash		601.1	700.2
		5,808.5	4,733.4
Current liabilities			
Trade and other payables and accruals	12	1,040.1	1,015.5
Derivative financial instruments		42.7	41.1
Amounts due to associates		7.2	21.8
Tax payable		56.0	26.8
Bank loans due within one year	13	1,481.2	540.6
		2,627.2	1,645.8
Net current assets		3,181.3	3,087.6
Total assets less current liabilities		15,345.7	15,332.3

Condensed Consolidated Balance Sheet

As at 30 June 2010

		Unaudited 30 June 2010 HK\$'M	Audited 31 December 2009 HK\$'M (As restated)
	<i>Note</i>		
Non-current liabilities			
Bank loans due after one year	13	3,387.7	4,281.8
Other long-term loans	14	32.5	43.0
Derivative financial instruments		83.3	55.3
Deferred tax liabilities		1,255.3	1,258.1
		4,758.8	5,638.2
NET ASSETS		10,586.9	9,694.1
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	661.4	659.6
Reserves		8,177.2	7,468.0
		8,838.6	8,127.6
Non-controlling interests		1,748.3	1,566.5
TOTAL EQUITY		10,586.9	9,694.1

The notes on pages 12 to 24 are an integral part of this Interim Financial Information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Unaudited											
	Attributable to equity holders of the Company											
	Share capital HK\$'M	Share premium HK\$'M	Hedging reserve HK\$'M	Investment revaluation reserve HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
At 1 January 2009	494.5	2,853.4	(63.0)	-	7.0	33.9	34.3	371.9	3,486.5	7,218.5	1,461.7	8,680.2
Total comprehensive income for the six months ended 30 June 2009	-	-	(3.0)	26.2	-	-	(8.1)	-	7.0	22.1	28.1	50.2
Transactions with owners												
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(0.7)	(0.7)
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	2.2	-	-	-	-	2.2	-	2.2
Incentive shares exercised	0.2	1.3	-	-	(1.3)	-	-	-	-	0.2	-	0.2
Capital injection by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	0.9	0.9
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(18.3)	(18.3)
2008 final dividend paid	-	-	-	-	-	-	-	(14.8)	-	(14.8)	-	(14.8)
Total transactions with owners	0.2	1.3	-	-	0.9	-	-	(14.8)	-	(12.4)	(18.1)	(30.5)
At 30 June 2009	494.7	2,854.7	(66.0)	26.2	7.9	33.9	26.2	357.1	3,493.5	7,228.2	1,471.7	8,699.9
Total comprehensive income for the six months ended 31 December 2009	-	-	(10.4)	88.3	-	8.5	0.9	-	272.0	359.3	101.5	460.8
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	5.5	-	-	-	-	5.5	-	5.5
Share issued under rights issue	164.9	384.5	-	-	-	-	-	-	-	549.4	-	549.4
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(6.7)	(6.7)
2009 interim dividend paid	-	-	-	-	-	-	-	(14.8)	-	(14.8)	-	(14.8)
Total transactions with owners	164.9	384.5	-	-	5.5	-	-	(14.8)	-	540.1	(6.7)	533.4
At 31 December 2009	659.6	3,239.2	(76.4)	114.5	13.4	42.4	27.1	342.3	3,765.5	8,127.6	1,566.5	9,694.1

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2010

	Unaudited											
	Attributable to equity holders of the Company											Total equity HK\$'M
	Share capital HK\$'M	Share premium HK\$'M	Hedging reserve HK\$'M	Investment revaluation reserve HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M	Non-controlling interests HK\$'M	
At 1 January 2010	659.6	3,239.2	(76.4)	114.5	13.4	42.4	27.1	342.3	3,765.5	8,127.6	1,566.5	9,694.1
Total comprehensive income for the six months ended 30 June 2010	-	-	(21.3)	(1.3)	-	(20.5)	8.3	-	794.3	759.5	202.3	961.8
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	2.6	-	-	-	-	2.6	-	2.6
Incentive shares exercised	1.8	9.6	-	-	(9.6)	-	-	-	-	1.8	-	1.8
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(20.5)	(20.5)
2009 final dividend paid	-	-	-	-	-	-	-	(52.9)	-	(52.9)	-	(52.9)
Total transactions with owners	1.8	9.6	-	-	(7.0)	-	-	(52.9)	-	(48.5)	(20.5)	(69.0)
At 30 June 2010	661.4	3,248.8	(97.7)	113.2	6.4	21.9	35.4	289.4	4,559.8	8,838.6	1,748.3	10,586.9

The notes on pages 12 to 24 are an integral part of this Interim Financial Information.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2010

	Unaudited	
	Six months ended 30 June	
	2010	2009
	HK\$'M	HK\$'M
Net cash used in operating activities	(201.3)	(48.3)
Net cash generated from/(used in) investing activities	106.0	(142.9)
Net cash (used in)/generated from financing activities	(2.2)	258.7
Effect of foreign exchange rate changes	(1.6)	2.8
(Decrease)/increase in cash and cash equivalents	(99.1)	70.3
Cash and cash equivalents at the beginning of the period	700.2	495.6
Cash and cash equivalents at the end of the period	601.1	565.9
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	601.1	566.0
Bank overdrafts	–	(0.1)
	601.1	565.9

The notes on pages 12 to 24 are an integral part of this Interim Financial Information.

Notes to the Interim Financial Information

For the six months ended 30 June 2010

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. Its principal subsidiaries are engaged in property development, property investment and management, hospitality investment and management, garment manufacturing, branded products distribution and investing activities. The Company and its subsidiaries are hereinafter collectively referred to as the Group.

The Group’s jointly controlled entities and associates are principally engaged in property investment and property development.

This Interim Financial Information is presented in million of Hong Kong dollars (HK\$’M), unless otherwise stated. It has been approved for issue by the Board of Directors on 27 August 2010.

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2010 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2009.

The Interim Financial Information for the six months ended 30 June 2010 is unaudited, but reviewed by PricewaterhouseCoopers, the Company’s independent auditor in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of Entity” issued by the HKICPA. The Interim Financial Information has also been reviewed by the Company’s Audit Committee.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Company’s annual financial statements for the year ended 31 December 2009, except for the adoption of new standards, amendments and improvements to standards and interpretations of HKFRS as of 1 January 2010, noted below.

The following new or revised standards, amendments and improvements to standards and interpretations of HKFRS are mandatory for accounting periods beginning on or after 1 January 2010 and were adopted by the Group in the current period:

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 7 (Amendment)	Statement of cash flows
HKAS 17 (Amendment)	Leases
HKAS 18 (Amendment)	Revenues
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 28 (Amendment)	Investments in associates
HKAS 31 (Amendment)	Interests in joint ventures
HKAS 36 (Amendment)	Unit of accounting for goodwill impairment test
HKAS 38 (Amendment)	Intangible assets
HKAS 39 (Amendment)	Financial instruments: recognition and measurement on eligible hedge items

Notes to the Interim Financial Information

For the six months ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

HKAS 39 (Amendment)	Financial instruments: recognition and measurement
HKFRS 1 (Revised)	First-time adoption of HKFRSs
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Share-based payment
HKFRS 3 (Revised)	Business combinations
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations
HKFRS 8 (Amendment)	Operating segments
HK(IFRIC) – Int 9 (Amendment)	Reassessment of embedded derivatives
HK(IFRIC) – Int 16 (Amendment)	Hedges of a net investment in a foreign operation
HK(IFRIC) – Int 17	Distribution of non-cash assets to owners

Except for HKAS 17 (Amendment), the adoption of the other new or revised standards, amendments and improvements to standards and interpretations of HKFRS stated above did not have any significant impacts to the Group's Interim Financial Information in current and prior periods.

HKAS 17 (Amendment), "Leases" deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest of which title is not expected to pass to the Group by the end of the lease term and is not held for sale or earning rentals was classified as operating lease under "Leasehold land and land use rights", and amortised over the lease term.

HKAS 17 (Amendment) is adopted for annual period beginning on 1 January 2010 and is applied retrospectively. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

The accounting for land interest classified as finance lease is as below:

- If the property interest is held for own use, that land interest is accounted for as other properties, plant and equipment and is depreciated from the land interest available for its intended use over the shorter of the useful life of the asset and the lease term.
- If the property interest is held for sale in the ordinary course of business or is in the process of being developed for such sale, that land interest is accounted for as inventory under "Properties held for sale", and stated at the lower of cost and net realisable value.
- If the property interest is held to earn rentals and/or for capital appreciation, that land interest is accounted for as investment property and carried at fair value.

Notes to the Interim Financial Information

For the six months ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The adoption of this amendment has no impact on the Group's leasehold land categorised as properties held for sale and investment properties. The effect of the adoption of this amendment is as below:

(i) Effect on condensed consolidated balance sheet at 30 June 2010

	At 30 June 2010 (Under previous accounting policy) HK\$'M	Effect of HKAS 17 (Amendment) HK\$'M	At 30 June 2010 (Under revised accounting policy) HK\$'M
Leasehold land and land use rights	31.9	(31.9)	–
Land use rights	–	3.4	3.4
Other properties, plant and equipment	124.9	28.5	153.4
	156.8	–	156.8

(ii) Effect on condensed consolidated balance sheet at 31 December 2009

	At 31 December 2009 (As previously reported) HK\$'M	Effect of HKAS 17 (Amendment) HK\$'M	At 31 December 2009 (As restated) HK\$'M
Leasehold land and land use rights	38.3	(38.3)	–
Land use rights	–	3.4	3.4
Other properties, plant and equipment	192.7	34.9	227.6
	231.0	–	231.0

The adoption of this amendment has no impact on opening retained earnings at 1 January 2010, profit for the periods ended 30 June 2009 and 2010, total comprehensive income for the periods ended 30 June 2009 and 2010, and earnings per share for the periods ended 30 June 2009 and 2010.

Notes to the Interim Financial Information

For the six months ended 30 June 2010

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group has not early adopted the following new or revised standards, amendments and improvements to standards and interpretations of HKFRS that have been issued but are not yet effective for the period.

		Effective for accounting periods beginning on or after
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HKAS 32 (Amendment)	Classification of rights issue	1 February 2010
HKFRS 9	Financial instruments	1 January 2013
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a minimum funding requirement	1 January 2011
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010

The HKICPA has made amendments to HKFRS in May 2010 in response to the annual improvements project.

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2011
HKAS 34 (Amendment)	Interim financial reporting	1 January 2011
HKFRS 1 (Amendment)	First-time adoption of Hong Kong financial reporting standards	1 January 2011
HKFRS 3 (Amendment)	Business combinations	1 July 2010
HKFRS 7 (Amendment)	Financial instruments: disclosures	1 July 2011
HK(IFRIC) – Int 13 (Amendment)	Customer loyalty programme	1 January 2011

The Group is in the process of making assessment of the impact of these new or revised standards, amendments and improvements to standards and interpretations of HKFRS and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

4. REVENUE AND SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

Segment information reported to the Group's management for the purposes of resources allocation and assessment of performance are analysed on the basis of the Group's operating divisions (i.e. property development, property investment and management, hospitality investment and management, garment manufacturing, branded products distribution, investing activities and corporate). The presentation of the Group's reportable segments has changed in a manner consistent with the internal reporting. Comparatives for 2009 segment disclosures have been restated to conform with current period's presentation.

Notes to the Interim Financial Information

For the six months ended 30 June 2010

4. REVENUE AND SEGMENT INFORMATION (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Garment manufacturing HK\$'M	Branded products distribution HK\$'M	Investing activities HK\$'M	Corporate HK\$'M	Elimination HK\$'M	Consolidated HK\$'M
For the six months ended 30 June 2010									
REVENUE									
External sales	881.6	173.2	53.3	137.9	101.0	9.6	-	-	1,356.6
Inter-segment sales	-	9.8	-	-	-	-	-	(9.8)	-
Total	881.6	183.0	53.3	137.9	101.0	9.6	-	(9.8)	1,356.6
RESULTS									
Segment results before change in fair value of investment properties, impairment loss on available-for-sale financial assets and gain on disposals of investment properties and other properties, plant and equipment	146.4	94.1	21.9	(16.0)	(17.6)	12.5	(40.5)	-	200.8
Change in fair value of investment properties	-	629.1	5.6	0.6	-	-	-	-	635.3
Impairment loss of available-for-sale financial assets	-	(13.8)	-	-	-	(4.3)	(0.1)	-	(18.2)
Gain on disposal of investment properties	-	137.8	-	-	-	-	-	-	137.8
Gain on disposal of other properties, plant and equipment	-	67.0	-	-	-	-	-	-	67.0
Reportable segment results	146.4	914.2	27.5	(15.4)	(17.6)	8.2	(40.6)	-	1,022.7
<i>Reconciliation:</i>									
Fair value loss on derivative financial instruments	-	(1.5)	-	-	-	-	-	-	(1.5)
Profit from operations	146.4	912.7	27.5	(15.4)	(17.6)	8.2	(40.6)	-	1,021.2
Finance costs	(0.8)	(36.0)	(5.0)	-	(0.7)	-	(0.9)	0.7	(42.7)
Finance income	-	-	1.0	0.7	-	-	-	(0.7)	1.0
Share of results of associates	60.4	-	3.6	-	-	(7.7)	-	-	56.3
Profit before taxation	206.0	876.7	27.1	(14.7)	(18.3)	0.5	(41.5)	-	1,035.8
Taxation	-	-	-	-	-	-	-	-	(30.8)
Profit for the period	-	-	-	-	-	-	-	-	1,005.0
Other items									
Amortisation of trademark	-	-	0.1	-	-	-	-	-	0.1
Depreciation and amortisation of other properties, plant and equipment	3.8	2.4	-	2.4	3.6	-	1.2	-	13.4
Write off/loss on disposal of other properties, plant and equipment	8.2	-	-	-	0.1	-	-	-	8.3
Provision for trade receivables, net	-	-	-	0.2	-	-	-	-	0.2

Notes to the Interim Financial Information

For the six months ended 30 June 2010

4. REVENUE AND SEGMENT INFORMATION (Continued)

	Property development HK\$'M (As restated)	Property investment and management HK\$'M (As restated)	Hospitality investment and management HK\$'M (As restated)	Garment manufacturing HK\$'M (As restated)	Branded products distribution HK\$'M (As restated)	Investing activities HK\$'M (As restated)	Corporate HK\$'M (As restated)	Elimination HK\$'M (As restated)	Consolidated HK\$'M (As restated)
For the six months ended 30 June 2009									
REVENUE									
External sales	5.4	135.5	43.5	122.5	101.2	8.9	-	-	417.0
Inter-segment sales	-	8.2	-	-	-	-	-	(8.2)	-
Total	5.4	143.7	43.5	122.5	101.2	8.9	-	(8.2)	417.0
RESULTS									
Segment results before change in fair value of investment properties	(8.2)	61.9	33.1	(22.5)	(4.4)	9.5	(34.6)	-	34.8
Change in fair value of investment properties	-	(7.8)	(1.1)	0.9	-	-	-	-	(8.0)
Reportable segment results	(8.2)	54.1	32.0	(21.6)	(4.4)	9.5	(34.6)	-	26.8
<i>Reconciliation:</i>									
Fair value gain on derivative financial instruments	-	50.4	-	-	-	-	-	-	50.4
Profit from operations	(8.2)	104.5	32.0	(21.6)	(4.4)	9.5	(34.6)	-	77.2
Finance costs	(4.2)	(29.4)	(7.5)	-	(0.6)	-	(1.1)	0.9	(41.9)
Finance income	13.5	-	1.6	0.9	0.1	-	-	(0.9)	15.2
Share of results of associates	-	0.4	(1.5)	-	-	(4.1)	-	-	(5.2)
Profit before taxation	1.1	75.5	24.6	(20.7)	(4.9)	5.4	(35.7)	-	45.3
Taxation	-	-	-	-	-	-	-	-	(16.4)
Profit for the period									28.9
Other items									
Amortisation of trademark	-	-	0.1	-	-	-	-	-	0.1
Depreciation and amortisation of other properties, plant and equipment	1.4	3.1	-	1.8	2.9	-	1.1	-	10.3
Write back of trade receivables, net	(9.8)	-	-	-	-	-	-	-	(9.8)
Provision for impairment of loans to an associate	-	-	-	-	-	-	1.6	-	1.6

Notes to the Interim Financial Information

For the six months ended 30 June 2010

4. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's revenue by geographical areas in which the customer is located, irrespective of the origin of the goods/services:

	Revenue by geographical market Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M
Hong Kong	1,098.2	181.0
North America	105.0	81.4
United Kingdom	95.3	96.0
Other areas	58.1	58.6
	1,356.6	417.0

5. PROFIT FROM OPERATIONS

	Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M (As restated)
Profit from operations has been arrived at after charging/(crediting) the following:		
Amortisation of interest income on held-to-maturity investments	(3.7)	(3.0)
Amortisation of trademark	0.1	0.1
Depreciation and amortisation of other properties, plant and equipment	13.4	10.3
Net fair value loss/(gain) on derivative financial instruments	1.5	(50.4)
Share-based compensation expenses	4.4	2.4
Impairment loss on available-for-sale finance assets	18.2	–
Provision for diminution in value of inventories	2.8	0.1
Write off/loss on disposal of other properties, plant and equipment	8.3	–
Provision for/(write back of) trade receivables, net	0.2	(9.8)
Provision for impairment of loans to an associate	–	1.6

Notes to the Interim Financial Information

For the six months ended 30 June 2010

6. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M
Current taxation		
– Hong Kong profits tax	31.3	9.2
– Over-provision in prior years	–	(0.3)
– Taxation in other jurisdictions	0.1	(0.1)
	31.4	8.8
Deferred taxation		
– Change in fair value of investment properties	105.2	(0.3)
– Reversal upon disposals of investment properties and other properties, plant and equipment	(92.5)	–
– Other temporary differences	(13.3)	7.9
	(0.6)	7.6
	30.8	16.4

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for profit attributable to equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M
Profit attributable to equity holders of the Company for the purpose of calculating basic and diluted earnings per share	794.3	7.0
Number of shares		(As adjusted#)
Weighted average number of ordinary shares in issue	1,320,550,438	1,082,708,372
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	6,621,351	3,363,038
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,327,171,789	1,086,071,410

The weighted average number of shares in 2009 for the purpose of calculating the basic and diluted earnings per share have been adjusted for the Company's rights issue in December 2009.

Notes to the Interim Financial Information

For the six months ended 30 June 2010

8. DIVIDENDS

	Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M
2009 final dividend paid on 1 June 2010 of HK4.0 cents (2009: 2008 final dividend of HK1.5 cents) per ordinary share approved at annual general meeting held on 18 May 2010	52.9	14.8
Interim dividend of HK3.5 cents (2009: HK1.5 cents) per ordinary share	46.3	14.8
	99.2	29.6

9. CAPITAL EXPENDITURE

	Leasehold land and land use rights HK\$'M	Land use rights HK\$'M	Investment properties HK\$'M	Other properties, plant and equipment HK\$'M
Opening net book value at 1 January 2010 (as previously reported)	38.3	–	10,532.0	192.7
Adjustment for adoption of amendment to HKAS 17	(38.3)	3.4	–	34.9
Opening net book value at 1 January 2010 (as restated)	–	3.4	10,532.0	227.6
Exchange differences	–	–	4.7	(3.8)
Gain arising from change in fair value	–	–	635.3	–
Additions	–	–	2.2	12.2
Disposals	–	–	(705.0)	(69.2)
Depreciation and amortisation	–	–	–	(13.4)
Closing net book value at 30 June 2010	–	3.4	10,469.2	153.4
Opening net book value at 1 January 2009	41.8	–	10,098.1	181.5
Adjustment for adoption of amendment to HKAS 17	(41.8)	3.5	–	38.3
Opening net book value at 1 January 2009 (as restated)	–	3.5	10,098.1	219.8
Exchange differences	–	–	0.4	7.6
Loss arising from change in fair value	–	–	(8.0)	–
Additions	–	–	6.0	40.2
Disposals	–	–	–	(0.2)
Depreciation and amortisation	–	–	–	(10.3)
Closing net book value at 30 June 2009	–	3.5	10,096.5	257.1

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2010 on an open market value basis.

Notes to the Interim Financial Information

For the six months ended 30 June 2010

10. PROPERTIES FOR SALE

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Properties under development held for sale	2,570.3	3,416.3
Completed properties	419.8	16.2
	<hr/>	<hr/>
	2,990.1	3,432.5

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Trade receivables	778.7	68.0
Less: provision for impairment	(3.7)	(12.2)
	<hr/>	<hr/>
Trade receivables (net of provision)	775.0	55.8
Other receivables, deposits and prepayments	995.0	116.2
	<hr/>	<hr/>
	1,770.0	172.0

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with the industry practice. The following is an ageing analysis of the Group's trade receivables (net of provision) at the balance sheet date:

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Not yet due	744.9	24.7
1 – 30 days	23.1	19.2
31 – 90 days	4.8	10.4
Over 90 days	2.2	1.5
	<hr/>	<hr/>
	775.0	55.8

Other receivables as at 30 June 2010 included sale proceeds receivables from disposals of investment properties and other property of HK\$858.9 million (31 December 2009: nil).

Notes to the Interim Financial Information

For the six months ended 30 June 2010

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Trade payables	84.7	102.3
Other payables and accruals	955.4	913.2
	1,040.1	1,015.5

The following is an ageing analysis of the Group's trade payables at the balance sheet date:

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
0 – 30 days	68.2	81.4
31 – 90 days	7.7	17.0
Over 90 days	8.8	3.9
	84.7	102.3

13. BANK LOANS

The bank loans carry interest at the prevailing market rates and are repayable as follows:

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Within one year	1,481.2	540.6
Between one to two years	1,553.6	1,500.6
Between two to five years	1,720.2	2,662.7
After five years	113.9	118.5
	4,868.9	4,822.4
Less: Amounts due within one year shown under current liabilities	(1,481.2)	(540.6)
Amounts due after one year	3,387.7	4,281.8

Bank loans are secured by the Group's assets as follows:

	30 June 2010 HK\$'M	31 December 2009 HK\$'M (As restated)
Investment properties	10,359.6	10,420.6
Other properties, plant and equipment	84.9	140.6
Available-for-sale financial assets	238.0	176.5
Properties for sale	2,762.0	3,245.5
Bank deposits	10.1	38.1
	13,454.6	14,021.3

Notes to the Interim Financial Information

For the six months ended 30 June 2010

14. OTHER LONG-TERM LOANS

The loans are from non-controlling shareholders of certain subsidiaries. All the loans are interest free, unsecured and expected not to be repaid within one year. The loans are therefore shown in the condensed consolidated balance sheet as non-current liabilities.

15. SHARE CAPITAL

	Number of shares	Amount HK\$'M
Ordinary shares of HK\$0.50 each		
Authorised:		
At 1 January 2009, 31 December 2009 and 30 June 2010	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2009	988,980,418	494.5
Issue of shares on exercise of incentive shares	459,500	0.2
Issue of shares on rights issue	329,813,306	164.9
At 31 December 2009	1,319,253,224	659.6
Issue of shares on exercise of incentive shares	3,623,302	1.8
At 30 June 2010	1,322,876,526	661.4

On 18 December 2009, the Company completed a rights issue and raised funds of approximately HK\$549.4 million (net of issue expenses) by issuing 329,813,306 rights shares at a price of HK\$1.70 per rights share on the basis of one rights share for every three shares held by qualifying shareholders.

16. COMMITMENTS

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Expenditure in respect of acquisition of investment properties		
– contracted but not provided for	135.0	127.8
Expenditure in respect of properties under development held for sale		
– contracted but not provided for	223.3	430.6
– authorised but not contracted for	4.7	3.2
Expenditure in respect of acquisition of other properties, plant and equipment		
– contracted but not provided for	0.9	0.6
– authorised but not contracted for	0.1	–
Expenditure in respect of investment in an associate		
– contracted but not provided for	413.2	409.3
	777.2	971.5

Notes to the Interim Financial Information

For the six months ended 30 June 2010

17. CONTINGENT LIABILITIES

	30 June 2010 HK\$'M	31 December 2009 HK\$'M
Guarantees given to banks in respect of credit facilities extended to an associate	432.7	432.7
Other guarantees given to banks	1.4	5.4
	434.1	438.1

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

The Group had significant transactions with related parties during the period as follows:

	Six months ended 30 June	
	2010 HK\$'M	2009 HK\$'M
Key management compensation		
Salaries and other benefits	9.1	8.6
Retirement benefits costs	0.4	0.4
Value of share options and incentive shares	2.7	1.5
	12.2	10.5
Interest income from loans to associates	5.9	5.0
Project management fee income from associates	1.1	1.3
Project management fee income from a substantial shareholder of the Company	2.1	2.0
Property rental income from a substantial shareholder of the Company	1.6	1.4
Property rental income from associates	1.0	1.0
Purchases of garment products from a subsidiary of a substantial shareholder of the Company	14.2	16.1

These transactions were carried out on terms mutually agreed between the parties involved.

Interim Dividend & Management Discussion and Analysis

INTERIM DIVIDEND

The Directors declared the payment of an interim dividend of HK3.5 cents per share for the year ending 31 December 2010 (2009: HK1.5 cents). The interim dividend will be distributed on or around 14 October 2010 to the shareholders whose names appear on the register of members of the Company at the close of business on 28 September 2010 (the Record Date).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the first half of 2010, the Group reported consolidated profit attributable to equity holders of the Company of HK\$794.3 million, compared with HK\$7.0 million in 2009. The increase in profit was mainly due to fair value gain from the Group's investment properties, gain on disposal of the Group's investment properties and higher property sales recognised during the period. Revenue for the Group was HK\$1,356.6 million in the first half of 2010, compared with HK\$417.0 million in 2009.

Property

The Group's property division, which includes property development, property investment and management, and hospitality investment and management, recorded segment profit of HK\$1,088.1 million in the first half of 2010, compared with HK\$77.9 million in 2009.

Property Development

"Forfar", located in the traditional prestigious Kowloon residential district, was launched for presale in July 2009. Over 60% of the units were sold to-date generating approximately HK\$900 million revenue which was recognised in the first half of 2010 upon obtaining of the occupation permit in January 2010. Delivery of the sold units is scheduled to complete in the fourth quarter of 2010.

"Seymour", the latest landmark in Mid-Levels West in which the Group has a 30% attributable share of interest, was launched for presale in November 2009. About 85% of the units were successfully sold during the period, generating approximately HK\$3 billion revenue. Superstructure works are progressing according to schedule. This project is expected to obtain occupation permit in the second half of 2011.

The construction works of the Tai Po Town Lot Nos. 186, 187 and 188 are in good progress. These projects are expected to be completed between 2011 and 2012. The Group has a 15% interest in each of the three sites.

The Group's interest in the luxurious residential development in Singapore, "Belle Vue Residences" is held through its subsidiary, Winsor Properties Holdings Limited ("Winsor Properties"). Winsor Properties has a 30% interest in this project. About 60% of the units have been sold and occupation permit was obtained in May 2010. Delivery of the sold units is scheduled to complete in the second half of 2010.

For the PRC Shenyang residential developments, construction of show-flat areas and sales office for the initial phases of two sites for low-density residential units is progressing according to schedule. The Group has a 20% interests in these projects.

Property Investment and Management

Winsor Properties is the Group's investment holding arm in commercial, industrial and retail properties in Hong Kong. As at 30 June 2010, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 1.3 million square feet of industrial buildings located in urban Kowloon area had an aggregate fair market valuation of HK\$9,024.0 million.

Management Discussion and Analysis

In June 2010, Winsor Properties disposed of two industrial buildings, namely Unimix Industrial Centre and Lucky Industrial Building, for a total consideration of HK\$949.0 million. The Group considered that the disposals represent opportunities for it to realise its long-term investment in the investment properties at attractive returns. The Group has recorded a gain on disposals of approximately HK\$204.8 million and reversal of deferred tax liabilities arising from the disposals of approximately HK\$92.5 million as at 30 June 2010. The net proceeds generated from the disposals after repayment of bank term loan and expenses will be approximately HK\$584.0 million upon completion in the fourth quarter of 2010, and will strengthen the financial position of the Group. The completion of the formal sale and purchase agreements are scheduled for the fourth quarter of 2010.

As at 30 June 2010, the Group's portfolio of industrial properties had an aggregate fair market valuation of HK\$1,979.0 million. Average occupancy of these industrial properties, excluding the two properties disposed of, have improved slightly during the period under review and stood at approximately 91%.

Leasing of Landmark East, the Group's twin-tower Grade-A office development, continues to improve with committed leasing rate reaching approximately 80% to-date as compared to approximately 50% at the beginning of the year. W Square, the office and retail complex located at Wan Chai, was 98% leased as at 30 June 2010.

Hospitality Investment and Management

The Group's hospitality business continues to improve in terms of both occupancy and rental rate in line with economic recovery in Asian region. As at 30 June 2010, both Lanson Place Jinlin Tiandi Residences in Shanghai and Lanson Place Central Park Residences in Beijing achieved about 97% occupancy. Lanson Place Jin Qiao Residences in Shanghai, which has two towers, opened the entire first tower in mid May 2010 and will open the second tower in September 2010.

Apparel

The Group's apparel operation, which comprises garment manufacturing and branded products distribution, generated an aggregate revenue of HK\$238.9 million in the first half of 2010, compared with HK\$223.7 million in 2009. The segment loss for the period was HK\$33.0 million, compared with HK\$26.0 million loss in 2009.

The segment loss of manufacturing business for the period was mainly due to the seasonality of sweater business, and the loss has been reduced compared with 2009. However, the branded products distribution business continued to suffer from economic uncertainty in the United Kingdom, in particular in the high-end retail market where it operates.

Investing Activities

The Group's investing activities reported a segment profit of HK\$8.2 million in the first half of 2010, compared with HK\$9.5 million in 2009. The profit represents mainly dividend income from the Group's investments held through Winsor Properties.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK\$10,586.9 million as at 30 June 2010 (31 December 2009: HK\$9,694.1 million). The increase was mainly resulted from the profit for the period of HK\$1,005.0 million, offset by the distribution of the 2009 final dividend of HK\$52.9 million in the first half of 2010, a net decrease of hedging reserve of HK\$21.3 million and the realisation of other properties revaluation reserve of HK\$20.5 million upon disposal of properties.

As at 30 June 2010, the Group's net borrowings (total bank loans and other long-term loans less bank balances and cash) was HK\$4,300.3 million (31 December 2009: HK\$4,165.2 million), representing 40.6% of the Group's net assets (31 December 2009: 43.0%). Interest for the Group's bank borrowings was mainly on a floating rate basis. Around 69.6% of the Group's bank borrowings was repayable in periods beyond one year. The Group had unutilised general banking facilities in excess of HK\$2,105.2 million as at 30 June 2010 (31 December 2009: HK\$2,106.3 million).

Foreign Currencies

The Group continues to conduct its business mainly in Hong Kong Dollars, United States Dollars and Renminbi. For transactions in Renminbi and other foreign currencies, the Group will closely monitor the exposure, and if consider appropriate, hedge to the extent desirable. In addition, majority of the Group's assets, liabilities and related cash flows are denominated mainly in Hong Kong dollars, thus, our exposure to exchange rate fluctuations is minimal.

Contingent Liabilities

As at 30 June 2010, the Group's contingent liabilities were guarantees given to banks of HK\$434.1 million (31 December 2009: HK\$438.1 million).

Pledge of Assets

At 30 June 2010, the Group's advances to associates/jointly controlled entities of HK\$1,684.0 million (31 December 2009: HK\$1,579.8 million) were subordinated to the loan facilities of associates/jointly controlled entities. The Group's advances to the associates/jointly controlled entities include amounts of HK\$1,684.0 million (31 December 2009: HK\$1,579.8 million) which are assigned, and the shares in these associates/jointly controlled entities beneficially owned by the Group are pledged to the financial institutions.

At 30 June 2010, certain of the Group's investment properties, other properties, plant and equipment, available-for-sale financial assets, properties for sale and bank deposits with carrying values of HK\$10,359.6 million, HK\$84.9 million, HK\$238.0 million, HK\$2,762.0 million and HK\$10.1 million respectively were pledged to secure credit facilities for the Group.

Management Discussion and Analysis

PROSPECTS

We are cautiously optimistic about the prospects of the property market in the second half of the year. China's economy has sustained its steady growth though on a slower yet healthier pace. The lingering uncertainty in the global economy as well as measures from both the Mainland and Hong Kong governments to dampen speculations in its respective property markets might continue to impact on the prospect of the sector. We will continue to remain vigilant against any near term market volatility as part of our sales strategy for the launch of the remaining units at Forfar and Seymour as well as the pre-sale of the Tai Po Pak Shek Kok development. Further to the recent acquisition of a luxury property redevelopment project in the Mid-Levels, we will closely monitor the market to capture any acquisition opportunities.

The Group's investment property business is expected to continue to benefit from a growing demand and rental for Grade A office space in the second half of the year. We expect the occupancy rates and rental rates at Landmark East to improve further for the remainder of the year with continued trend of office decentralisation to Kowloon East districts. The recent disposal of two industrial properties will result in a more solid financial position, enabling us to continue to enhance our investment portfolio through the optimal utilisation of resources.

Lanson Place is expected to continue to deliver strong operating performance as the economy regains strength. Looking forward, Lanson Place will continue to explore investment and management opportunities in gateway cities in the Asia Pacific region to extend its reach and further expand its portfolio of businesses.

On the strength of our business platform, we are confident that the Group is well positioned to seize any growth opportunities ahead.

EMPLOYEES

As at 30 June 2010, the Group had about 1,600 staff and workers. The Group offers comprehensive remuneration and benefit packages to its employees, which are structured according to the prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme to provide retirement benefits for all of its employees in Hong Kong. In addition, there is a defined contribution top-up scheme for qualifying employees of certain Hong Kong subsidiaries of the Group. The Group also operates a funded defined benefit pension scheme for certain overseas employees engaged prior to May 2001.

Employees, including executive directors, are eligible under the Company's share option scheme and share incentive scheme in which the share options and incentive shares are generally exercisable in stages within a period of ten years.

General Information

Directors' and Chief Executive's Interests in Shares and Underlying Shares and Debentures of the Company or any Associated Corporation

As at 30 June 2010, the interests of the Directors and the Chief Executive of the Company in shares and underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

1. Interests in the Company

Director	Number of ordinary shares held				Number of underlying shares held under equity derivatives (Note e)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests			
Cheng Wai Chee, Christopher	5,240,829	-	197,918,780 (Note b)	462,488,185 (Note c)	2,548,737	668,196,531	50.51%
Cheng Wai Sun, Edward	5,139,497	-	-	462,488,185 (Note c)	2,548,737	470,176,419	35.54%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note c)	-	462,488,185	34.96%
Chow Wai Wai, John	200,002	-	-	-	-	200,002	0.02%
Ng Tak Wai, Frederick	344,319	1,016,000	-	-	119,738	1,480,057	0.11%
Au Hing Lun, Dennis	1,327,912	-	-	-	1,211,085	2,538,997	0.19%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note d)	-	9,224,566	0.70%
Simon Murray	-	-	-	-	1,094,737	1,094,737	0.08%

Notes:

- (a) The total number of issued shares in the capital of the Company (the "Shares") as at 30 June 2010 was 1,322,876,526.
- (b) Mr. Cheng Wai Chee, Christopher was deemed to be interested in 197,918,780 Shares beneficially owned by Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited by virtue of his corporate interests in these companies through Wing Tai (Cheng) Holdings Limited, Renowned Development Limited and Wing Tai Corporation Limited. Bestime Resources Limited, Pofung Investments Limited and Broxbourne Assets Limited were the beneficial owners of 91,663,995, 88,930,828 and 17,323,957 Shares respectively.

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- (c) Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries of a family trust whose assets included indirect interests in 462,488,185 Shares beneficially owned by Brave Dragon Limited, Wing Tai Retail Pte. Ltd. and Crossbrook Group Limited as set out under the section headed Substantial Shareholders' Interests below.
- (d) Mr. Kwok Ping Luen, Raymond was a beneficiary of a trust the assets of which included interests in 9,224,566 Shares.
- (e) These interests represented the interests in underlying shares in respect of the share options or incentive shares granted by the Company to these directors as beneficial owners, details of which are set out in the section below headed Share Option Scheme or Share Incentive Scheme.

2. Interests in associated corporation, Winsor Properties Holdings Limited ("Winsor")

Director	Number of ordinary shares held					Approx. percentage of the issued share capital of Winsor (Note a)
	Personal interests	Family interests	Corporate interests	Other interests	Aggregate interests	
Cheng Wai Chee, Christopher	–	27,000	–	205,835,845 (Note b)	205,862,845	79.27%
Cheng Wai Sun, Edward	–	–	–	205,835,845 (Note b)	205,835,845	79.26%
Cheng Man Piu, Francis	–	–	–	205,835,845 (Note b)	205,835,845	79.26%
Chow Wai Wai, John	2,713,000	–	–	–	2,713,000	1.04%
Kwok Ping Luen, Raymond	500	–	–	–	500	0.0002%

Notes:

- (a) The total number of issued shares in the capital of Winsor as at 30 June 2010 was 259,685,288.
- (b) Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries of a family trust whose assets included indirect interests in 205,835,845 shares of Winsor ("Winsor Shares") beneficially owned by Twin Dragon Investments Limited (42,991,387 Winsor Shares), and the Company (162,844,458 Winsor Shares).

Save as disclosed herein, as at 30 June 2010, none of the Directors or the Chief Executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

General Information

Share Option Scheme

Under the Share Option Scheme of the Company adopted on 10 June 2003 (“Share Option Scheme”), the Board of the Company may, in its absolute discretion, grant options to directors and employees of the Group to subscribe for shares of the Company. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives for their contributions to the Group.

Details of the share options granted and summary of the movements of the outstanding share options for the period ended 30 June 2010 under the Share Option Scheme are as follows:

Director	Date of grant	Exercise price per ordinary share	Number of share options					Exercisable period	Fair value of share options amortised (HK\$)
			As at 1.1.2010	Grant during the period	Exercised during the period	Cancelled/ Lapsed during the period	As at 30.6.2010		
Simon Murray	19.4.2005	HK\$1.941	1,094,737	–	–	–	1,094,737	19.4.2006 to 18.4.2012	45,000

Note: On 24 February 2010, the Company extended the exercisable period from 18 April 2010 to 18 April 2012.

General Information

Share Incentive Scheme

Under a Share Incentive Scheme approved by shareholders of the Company on 17 June 2005 (“Share Incentive Scheme”), the Board of Directors of the Company or a duly authorised committee thereof may in its absolute discretion make offer of awards to selected employees (including executive directors) of the Group to subscribe in cash at par value for shares of the Company.

Details of the incentive shares granted and summary of the movements of the outstanding incentive shares for the period ended 30 June 2010 under the Share Incentive Scheme are as follows:

Director	Date of award	Number of incentive shares					As at 30.6.2010	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2010	Awards made during the period	Vested and exercised during the period	Cancelled/lapsed during the period					
Cheng Wai Chee, Christopher	25.4.2006	298,863	–	298,863	–	–	N/A	N/A	–	
	26.7.2007	268,484	–	268,484	–	–	N/A	N/A	17,000	
	8.7.2008	103,179	–	103,179	–	–	N/A	N/A	–	
	8.7.2008	103,179	–	103,179	–	–	N/A	N/A	8,000	
	8.7.2008	206,358	–	–	–	206,358	30.1.2011	30.1.2011 to 8.7.2018	119,000	
	15.6.2009	426,126	–	426,126	–	–	N/A	N/A	31,000	
	15.6.2009	426,126	–	–	–	426,126	20.1.2011	20.1.2011 to 15.6.2019	221,000	
	15.6.2009	852,253	–	–	–	852,253	20.1.2012	20.1.2012 to 15.6.2019	271,000	
	25.6.2010	–	266,000	–	–	266,000	19.1.2011	19.1.2011 to 25.6.2020	–	
	25.6.2010	–	266,000	–	–	266,000	19.1.2012	19.1.2012 to 25.6.2020	–	
25.6.2010	–	532,000	–	–	532,000	19.1.2013	19.1.2013 to 25.6.2020	–		

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Director	Date of award	Number of incentive shares					As at 30.6.2010	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2010	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Cheng Wai Sun, Edward	25.4.2006	298,863	–	298,863	–	–	N/A	N/A	–	
	26.7.2007	268,484	–	268,484	–	–	N/A	N/A	17,000	
	8.7.2008	103,179	–	103,179	–	–	N/A	N/A	–	
	8.7.2008	103,179	–	103,179	–	–	N/A	N/A	8,000	
	8.7.2008	206,358	–	–	–	206,358	30.1.2011	30.1.2011 to 8.7.2018	119,000	
	15.6.2009	426,126	–	426,126	–	–	N/A	N/A	31,000	
	15.6.2009	426,126	–	–	–	426,126	20.1.2011	20.1.2011 to 15.6.2019	221,000	
	15.6.2009	852,253	–	–	–	852,253	20.1.2012	20.1.2012 to 15.6.2019	271,000	
	25.6.2010	–	266,000	–	–	266,000	19.1.2011	19.1.2011 to 25.6.2020	–	
	25.6.2010	–	266,000	–	–	266,000	19.1.2012	19.1.2012 to 25.6.2020	–	
25.6.2010	–	532,000	–	–	532,000	19.1.2013	19.1.2013 to 25.6.2020	–		

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Director	Date of award	Number of incentive shares					As at 30.6.2010	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2010	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Ng Tak Wai, Frederick	8.7.2008	11,221	-	11,221	-	-	N/A	N/A	1,000	
	8.7.2008	22,442	-	-	-	22,442	30.1.2011	30.1.2011 to 8.7.2018	13,000	
	15.6.2009	19,432	-	19,432	-	-	N/A	N/A	1,000	
	15.6.2009	19,432	-	-	-	19,432	20.1.2011	20.1.2011 to 15.6.2019	10,000	
	15.6.2009	38,864	-	-	-	38,864	20.1.2012	20.1.2012 to 15.6.2019	12,000	
	25.6.2010	-	9,750	-	-	9,750	19.1.2011	19.1.2011 to 25.6.2020	-	
	25.6.2010	-	9,750	-	-	9,750	19.1.2012	19.1.2012 to 25.6.2020	-	
	25.6.2010	-	19,500	-	-	19,500	19.1.2013	19.1.2013 to 25.6.2020	-	
Au Hing Lun, Dennis	26.7.2007	71,705	-	71,705	-	-	N/A	N/A	7,000	
	8.7.2008	49,537	-	49,537	-	-	N/A	N/A	4,000	
	8.7.2008	99,074	-	-	-	99,074	30.1.2011	30.1.2011 to 8.7.2018	57,000	
	15.6.2009	200,337	-	200,337	-	-	N/A	N/A	14,000	
	15.6.2009	200,337	-	-	-	200,337	20.1.2011	20.1.2011 to 15.6.2019	104,000	
	15.6.2009	400,674	-	-	-	400,674	20.1.2012	20.1.2012 to 15.6.2019	128,000	
	25.6.2010	-	127,750	-	-	127,750	19.1.2011	19.1.2011 to 25.6.2020	-	
	25.6.2010	-	127,750	-	-	127,750	19.1.2012	19.1.2012 to 25.6.2020	-	
25.6.2010	-	255,500	-	-	255,500	19.1.2013	19.1.2013 to 25.6.2020	-		

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Director	Date of award	Number of incentive shares				As at 30.6.2010	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2010	Awards made during the period	Vested and exercised during the period	Cancelled/lapsed during the period				
Employees	29.6.2006	10,947	–	10,947	–	–	N/A	N/A	–
	26.7.2007	164,483	–	164,483	–	–	N/A	N/A	15,000
	26.7.2007	30,379	–	10,126	–	20,253	17.7.2010	17.7.2010 to 26.7.2017	9,000
	8.7.2008	13,958	–	13,958	–	–	N/A	N/A	–
	8.7.2008	139,304	–	130,820	–	8,484	30.1.2010	30.1.2010 to 8.7.2018	10,000
	8.7.2008	278,610	–	–	–	278,610	30.1.2011	30.1.2011 to 8.7.2018	154,000
	15.6.2009	572,274	–	541,074	–	31,200	20.1.2010	20.1.2010 to 15.6.2019	40,000
	15.6.2009	572,274	–	–	–	572,274	20.1.2011	20.1.2011 to 15.6.2019	290,000
	15.6.2009	1,144,548	–	–	–	1,144,548	20.1.2012	20.1.2012 to 15.6.2019	358,000
	25.6.2010	–	300,000	–	–	300,000	19.1.2011	19.1.2011 to 25.6.2020	–
	25.6.2010	–	300,000	–	–	300,000	19.1.2012	19.1.2012 to 25.6.2020	–
	25.6.2010	–	600,000	–	–	600,000	19.1.2013	19.1.2013 to 25.6.2020	–
		9,428,968	3,878,000	3,623,302	–	9,683,666			

Notes: Subscription price per share is the par value of one ordinary share of the Company. Funds for subscription of ordinary shares will be provided by the Company when the right to subscribe for ordinary shares of the Company is exercised.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement that may enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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Fair Values of Incentive Shares Awarded

The fair values of incentive shares awarded during the period ended 30 June 2010 are determined by using the Binominal Option Pricing Model (the "Model"). Key assumptions of the Model are as follows:

Risk-free rate	2.46%
Expected dividend yield	2.08%
Expected volatility of the market price of the Company's shares	51.56%
Expected life	10 years from the date of award

The Model requires the input of subjective assumptions, including the volatility of share price. Because changes in subjective assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of incentive shares.

Substantial Shareholders' Interests

As at 30 June 2010, the following persons (other than the Directors and the Chief Executive of the Company) had interests in the shares of the Company as recorded in the register kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
Brave Dragon Limited	Beneficial owner	141,794,482	10.72%
Crossbrook Group Limited	Beneficial owner	270,411,036	20.44%
Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Note 2)	34.96%
Deutsche Bank International Trust Co. (Jersey) Limited	Trustee	462,488,185 (Note 3)	34.96%
Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 (Note 3)	34.96%
Wing Tai Corporation Limited	Interest of controlled corporation	180,594,823 (Note 4)	13.65%
Renowned Development Limited	Interest of controlled corporation	180,594,823 (Note 4)	13.65%
Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	197,918,780 (Note 5)	14.96%
Sun Hung Kai Properties Limited	Interest of controlled corporation	182,608,533 (Note 6)	13.80%
HSBC Trustee (C.I.) Limited	Trustee	182,608,533 (Note 7)	13.80%
Gala Land Investment Co Ltd	Beneficial owner	101,579,467	7.68%

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Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
Farnham Group Ltd	Interest of controlled corporation	101,579,467 (Note 8)	7.68%
Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Note 9)	13.61%
Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Note 10)	11.40%

Notes:

- (1) The total number of issued Shares as at 30 June 2010 was 1,322,876,526.
- (2) Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 50,282,667 Shares.
- (3) Deutsche Bank International Trust Co. (Jersey) Limited was the trustee of a family trust (of which Mr. Cheng Wai Chee, Christopher, Mr. Cheng Wai Sun, Edward and Mr. Cheng Man Piu, Francis were beneficiaries) which held all units of a unit trust ("Unit Trust"). Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust which beneficially owned 100% of the issued shares of Wing Tai Asia Holdings Limited and 61.3% of the issued shares of Terebene Holdings Inc. Wing Tai Asia Holdings Limited, through its wholly-owned subsidiary, Wing Sun Development Private Limited, held 28.58% of the issued shares of Wing Tai Holdings Limited. Terebene Holdings Inc. held 59.3% of the issued shares of Winlyn Investment Pte Ltd. which in turn held 9.35% of the issued shares of Wing Tai Holdings Limited.
- (4) Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited ("Bestime") and Pofung Investments Limited ("Pofung") and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in 91,663,995 Shares and 88,930,828 Shares held by Bestime and Pofung respectively.

By virtue of the corporate interest of Renowned Development Limited in Wing Tai Corporation Limited, the former was deemed to be interested in the latter's interest in the Shares.
- (5) By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned Development Limited and Broxbourne Assets Limited, Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned Development Limited and Broxbourne Assets Limited in the Shares. Broxbourne Assets Limited beneficially owned 17,323,957 Shares.

General Information

- (6) Sun Hung Kai Properties Limited ("SHKP") beneficially owned 100% of the issued share capital of Wesmore Limited ("Wesmore"), Fourseas Investments Limited ("Fourseas"), Junwall Holdings Ltd ("Junwall"), Sunrise Holdings Inc. ("Sunrise") and Country World Ltd. ("Country World"). Wesmore held 111,928,210 Shares.

Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited ("Soundworld"), Units Key Limited ("Units Key") and Triple Surge Limited ("Triple Surge"). Soundworld, Units Key and Triple Surge were the beneficial owners of 20,869,323, 4,669,333 and 37,680,000 Shares respectively.

Junwall beneficially owned 100% of the issued share capital of Techglory Limited ("Techglory"). Techglory was the beneficial owner of 192,000 Shares.

Sunrise beneficially owned 100% of the issued share capital of Charmview International Ltd ("Charmview"). Charmview was the beneficial owner of 7,141,600 Shares.

Country World beneficially owned 100% of the issued share capital of Erax Strong Development Ltd ("Erax Strong"). Erax Strong was the beneficial owner of 128,067 Shares.

By virtue of the corporate interest of SHKP in the aforesaid companies, SHKP was deemed to be interested in the interest of Wesmore, Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.

- (7) HSBC Trustee (C.I.) Limited, as the trustee of certain discretionary trusts, was deemed to be interested in 42.01% of the issued share capital of SHKP. By virtue of its deemed interest in SHKP, it was deemed to be interested in 182,608,533 Shares.
- (8) Farnham Group Ltd ("Farnham") beneficially owned 100% of the issued share capital of Gala Land Investment Co Ltd ("Gala Land"), therefore, Farnham was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of its corporate interest therein.
- (9) Mr. Chow Chung Kai and his wife, Madam Chow Yu Yue Chen, held 48,532,744 and 700,566 Shares respectively.

The estate of the late Mr. Chou Wen Hsien, of which Mr. Chow Chung Kai was the executor, was interested in 29,212,047 Shares.

Mr. Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Mr. Chow Chung Kai was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of his corporate interest therein.

The estate of the late Mr. Chou Wen Hsien, of which Mr. Chow Chung Kai was the executor, was interested in 50% of the issued share capital of Farnham.

- (10) Madam Chow Yu Yue Chen and her husband, Mr. Chow Chung Kai, held 700,566 and 48,532,744 Shares respectively.

Mr. Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Madam Chow Yu Yue Chen was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of Mr. Chow Chung Kai's corporate interest therein.

Save as disclosed above, as at 30 June 2010, the Company had not been notified of any interests or short positions held by any substantial shareholder in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Interests of Any Other Persons

As at 30 June 2010, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of the SFO.

General Information

Disclosure Pursuant to Rule 13.22 of the Listing Rules

At 30 June 2010, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$4,469.9 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

An unaudited pro-forma combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 30 June 2010 are presented below:

	Pro-forma combined balance sheet (HK\$'M)	Group's attributable interest (HK\$'M)
Non-current assets	5,903.9	1,594.8
Current assets	15,683.2	2,927.6
Current liabilities	(5,711.7)	(1,188.0)
Non-current liabilities	(4,224.6)	(859.8)
Amounts and loans due from shareholders	31.2	11.8
Amounts and loans due to shareholders	(10,670.5)	(2,302.2)
Net assets	1,011.5	184.2

Audit Committee

The Audit Committee has reviewed with the management and the auditor of the Company the unaudited interim financial report and considered the significant accounting principles and policies adopted by the Company and discussed with the management the internal control and financial reporting matters in respect of this interim report.

Code on Corporate Governance Practices

The Company has complied throughout the six months ended 30 June 2010 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules except that the non-executive directors of the Company have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's bye-laws.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by directors of the Company.

All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code throughout the period from 1 January 2010 to 30 June 2010.

Update on Director's Biographical Information

Mr. Simon Murray, an independent non-executive director of the Company, has been appointed as non-executive director of Essar Energy plc, a listed company whose shares are listed on the London Stock Exchange and retired as non-executive director of Vodafone Group Plc.

General Information

Record Date for Interim Dividend

The interim dividend will be distributed on or around 14 October 2010 to the shareholders whose names appear on the register of members of the Company at the close of business on 28 September 2010 (the Record Date). In order to qualify for the entitlement of the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 28 September 2010.

Purchase, Sale or Redemption of the Company's Listed Shares

During the six months ended 30 June 2010, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.