

WING TAI PROPERTIES LIMITED

永泰地產有限公司

STOCK CODE 股份代號 369



INTERIM
REPORT
中期報告 2012

Our brands,
Wing Tai Asia and Lanson Place,
are synonymous with quality
craftsmanship, a result
of the close alignment of values
and seamless cooperation
of our committed professional
teams.

We strive to deliver sophisticated
yet warm homes that
turn our customers' dreams
into reality. At Wing Tai Asia,

WE DON'T
JUST BUILD, WE
CRAFT.

CORPORATE INFORMATION AS OF 1 SEPTEMBER 2012

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

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

NG Tak Wai, Frederick

Independent Non-Executive Directors

Simon MURRAY *CBE*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*
(appointed on 1 September 2012)

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

Simon MURRAY *CBE* (Chairman)

CHENG Wai Chee, Christopher *GBS OBE JP*

CHENG Wai Sun, Edward *SBS JP*

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

Appleby Management (Bermuda) Ltd.

Canon's Court, 22 Victoria Street

Hamilton HM 12, 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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Dear Shareholders,

In the first half of 2012, despite Hong Kong remaining vulnerable to the lingering global economic instability, the local property sector continued to record stable demand under a low interest rate environment. During this period, while we devoted immense efforts on our project execution and property sales launches, we have taken strategic steps to continue to transform ourselves into a dynamic and diversified property group with a more streamlined corporate structure.

In April, the Group disposed its interests in Gieves & Hawkes for an initial cash consideration of HK\$408 million, with additional entitlements capped at HK\$747 million contingent on Gieves & Hawkes' revenue growth over the next 18 years. The disposal of this non-core business not only optimised value for our shareholders with immediate cash inflow and reported a gain of HK\$276 million, but also allows us to be more focused on growing our property businesses.

In May, the Group announced a series of proposed transactions in relation to the listed subsidiary Winsor Properties Holdings Limited ("Winsor Properties") including group reorganisation, distribution in specie, special cash dividend, disposal of the Group's entire interest in the reorganised Winsor Properties, and the Group's offer to acquire independent shareholders' interest in the distributed asset group. This corporate exercise has streamlined the Group's overall corporate structure, enhanced its financial position and shareholders' value by creating a solid platform with greater financing capability to support its future growth. As a result, we have reduced the existing holding company discount, consolidated our property interest with more direct control over the portfolio of investment properties, as well as increase our recurring earnings and cash flow going forward. The related gain on disposal and accretion to shareholders' equity will be realised and reported in the second half of this year.

Our pipeline of property projects is on track and at varying stages of development. Two special units of Forfar were sold at premium prices. The remaining units of Seymour were launched for sale in June with good market reception, and hand-over of the previously pre-sold units to the owners has been completed. Sales at Providence Bay, launched under a phased approach, have been progressing steadily. The Group has actively prepared the pre-sales of other projects, including the remaining units of The Warren and the first-time launch of The Pierre in Mid-Levels.

The office market in Kowloon East saw continued rising rental rates driven by keen demand from the corporate sector. Our flagship investment property at Landmark East achieved good rental reversion and increasing spot rent while maintaining near-full occupancy. All other commercial and industrial properties also recorded high occupancy rate of over 90% and solid rental reversion. Lanson Place continued to deliver good performance with a gradual increase in average rental rate for our luxury hotel in Hong Kong and premium serviced residences in China. During the period, we further strengthened Lanson Place's management team and corporate infrastructure to support its portfolio expansion in Greater China and Southeast Asia.

I would like to take this opportunity to thank our shareholders, employees and business partners for their continued support.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 28 August 2012

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

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 2012.

	NOTE	Unaudited	
		Six months ended 30 June	
		2012	2011
		HK\$'M	HK\$'M
			(re-presented)
Continuing operations			
Revenue	5	652.7	921.5
Cost of sales		(233.8)	(478.9)
Gross profit		418.9	442.6
Other gains, net		22.8	41.5
Selling and distribution costs		(47.5)	(40.8)
Administrative expenses		(142.8)	(126.4)
Change in fair value of investment properties	10	60.2	1,491.2
Profit from operations	6	311.6	1,808.1
Finance costs		(47.8)	(43.4)
Finance income		5.0	3.4
Share of results of associates		31.9	46.8
Profit before taxation from continuing operations		300.7	1,814.9
Taxation	7	(47.5)	(55.2)
Profit for the period from continuing operations		253.2	1,759.7
Discontinued operations			
Loss for the period from discontinued operations	18	(22.3)	(25.2)
Gain on disposal of subsidiaries	18	275.6	–
		253.3	(25.2)
Profit for the period		506.5	1,734.5
Attributable to:			
Equity holders of the Company			
– From continuing operations		198.6	1,388.7
– From discontinued operations		253.3	(25.2)
		451.9	1,363.5
Non-controlling interests			
– From continuing operations		54.6	371.0
		506.5	1,734.5

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2012

	NOTE	Unaudited Six months ended 30 June 2012 HK\$'M	2011 HK\$'M (re-presented)
Earnings/(loss) per share attributable to equity holders of the Company (expressed in HK dollar per share)	8		
Basic earnings/(loss) per share			
– From continuing operations		HK\$0.15	HK\$1.05
– From discontinued operations		HK\$0.19	(HK\$0.02)
		HK\$0.34	HK\$1.03
Diluted earnings/(loss) per share			
– From continuing operations		HK\$0.15	HK\$1.04
– From discontinued operations		HK\$0.19	(HK\$0.02)
		HK\$0.34	HK\$1.02
Dividends (expressed in HK\$'M)	9	158.4	136.6

The notes on pages 12 to 26 are an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		Unaudited	
		Six months ended 30 June	
	NOTE	2012	2011
		HK\$'M	HK\$'M
Profit for the period		506.5	1,734.5
Other comprehensive income			
Exchange differences on translation of foreign operations		(1.3)	14.3
Exchange differences realised upon disposal of subsidiaries	18	(3.8)	–
Exchange differences released upon repayment of loans from an associate		–	(34.1)
Net fair value gain arising from revaluation of available-for-sale financial assets		136.3	15.0
Investment revaluation reserve realised upon return of investment of an available-for-sale financial asset		(22.0)	–
Net gain/(loss) on cash flow hedge			
– Fair value losses		(12.6)	(23.5)
– Realised upon settlement		22.6	21.9
Net surplus arising on revaluation of other properties, plant and equipment upon transfer to investment properties	10	26.6	–
Other comprehensive income for the period, net of tax		145.8	(6.4)
Total comprehensive income for the period		652.3	1,728.1
Attributable to:			
Equity holders of the Company		581.9	1,359.2
Non-controlling interests		70.4	368.9
Total comprehensive income for the period		652.3	1,728.1
Total comprehensive income attributable to equity holders of the Company:			
– From continuing operations		331.2	1,384.2
– From discontinued operations		250.7	(25.0)
		581.9	1,359.2

The notes on pages 12 to 26 are an integral part of this Interim Financial Information.

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CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2012

	NOTE	Unaudited 30 June 2012 HK\$'M	Audited 31 December 2011 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Land use rights	10	3.2	3.2
Investment properties	10	12,896.1	13,894.0
Other properties, plant and equipment	10	121.5	180.9
Interests in associates		426.1	469.5
Loans to associates		44.7	47.8
Deposits and loan receivables		350.9	306.1
Available-for-sale financial assets		375.2	357.7
Held-to-maturity investments		50.7	65.8
Deferred tax assets		12.6	9.4
Derivative financial instruments		0.2	0.2
		14,281.2	15,334.6
Current assets			
Inventories		72.4	68.8
Properties for sale	11	4,332.6	4,227.9
Deposits and loan receivables		168.7	175.0
Trade and other receivables, deposits and prepayments	12	389.2	871.8
Available-for-sale financial assets		88.6	–
Held-to-maturity investments		80.9	29.2
Sales proceeds held in stakeholders' accounts		243.0	146.4
Amounts due from associates		3.7	2.2
Tax recoverable		0.1	0.8
Pledged and restricted bank deposits		11.0	3.5
Bank balances and cash		1,942.4	976.6
		7,332.6	6,502.2
Assets of a disposal group classified as held for sale	19	1,138.3	–
		8,470.9	6,502.2
Current liabilities			
Trade and other payables and accruals	13	1,269.3	907.9
Derivative financial instruments		46.7	45.8
Amounts due to associates		0.3	0.3
Tax payable		122.2	90.7
Bank loans due within one year	14	2,100.3	1,704.6
		3,538.8	2,749.3
Liabilities of a disposal group associated with assets held for sale	19	169.1	–
		3,707.9	2,749.3
Net current assets		4,763.0	3,752.9

	NOTE	Unaudited 30 June 2012 HK\$'M	Audited 31 December 2011 HK\$'M
Total assets less current liabilities		19,044.2	19,087.5
Non-current liabilities			
Bank loans due after one year	14	2,923.7	3,448.6
Other long-term loans		–	35.5
Derivative financial instruments		58.0	67.2
Deferred tax liabilities		144.7	153.5
		3,126.4	3,704.8
NET ASSETS		15,917.8	15,382.7
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	666.1	663.2
Reserves		12,768.6	12,284.5
		13,434.7	12,947.7
Non-controlling interests		2,483.1	2,435.0
TOTAL EQUITY		15,917.8	15,382.7

The notes on pages 12 to 26 are an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	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 2012	663.2	3,255.8	(90.4)	104.6	12.9	30.4	42.7	161.0	8,767.5	12,947.7	2,435.0	15,382.7
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	451.9	451.9	54.6	506.5
Other comprehensive income												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(2.1)	-	-	(2.1)	0.8	(1.3)
Exchange differences realised upon disposal of subsidiaries	-	-	-	-	-	-	(3.8)	-	-	(3.8)	-	(3.8)
Net fair value gain arising from revaluation of available-for-sale financial assets	-	-	-	119.3	-	-	-	-	-	119.3	17.0	136.3
Investment revaluation reserve realised upon return of investment of an available-for-sale financial asset	-	-	-	(17.4)	-	-	-	-	-	(17.4)	(4.6)	(22.0)
Net gain on cash flow hedge	-	-	7.4	-	-	-	-	-	-	7.4	2.6	10.0
Net surplus arising on revaluation of other properties, plant and equipment upon transfer to investment properties	-	-	-	-	-	26.6	-	-	-	26.6	-	26.6
Total comprehensive income	-	-	7.4	101.9	-	26.6	(5.9)	-	451.9	581.9	70.4	652.3
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	3.2	-	-	-	-	3.2	-	3.2
Share options and incentive shares exercised	2.9	11.2	-	-	(9.6)	-	-	-	-	4.5	-	4.5
Repayment to non-controlling interests	-	-	-	-	-	-	-	-	-	-	3.0	3.0
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(25.3)	(25.3)
2011 final dividend paid	-	-	-	-	-	-	-	(91.5)	(11.1)	(102.6)	-	(102.6)
Total transactions with owners	2.9	11.2	-	-	(6.4)	-	-	(91.5)	(11.1)	(94.9)	(22.3)	(117.2)
At 30 June 2012	666.1	3,267.0	(83.0)	206.5	6.5	57.0	36.8	69.5	9,208.3	13,434.7	2,483.1	15,917.8

	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 2011	661.5	3,249.0	(91.7)	197.3	11.7	30.4	72.2	243.1	6,554.6	10,928.1	2,343.3	13,271.4
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	1,363.5	1,363.5	371.0	1,734.5
Other comprehensive income												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	12.1	-	-	12.1	2.2	14.3
Exchange differences released upon repayment of loans from an associate	-	-	-	-	-	-	(27.0)	-	-	(27.0)	(7.1)	(34.1)
Net fair value gain arising from revaluation of available-for-sale financial assets	-	-	-	11.9	-	-	-	-	-	11.9	3.1	15.0
Net loss on cash flow hedge	-	-	(1.3)	-	-	-	-	-	-	(1.3)	(0.3)	(1.6)
Total comprehensive income	-	-	(1.3)	11.9	-	-	(14.9)	-	1,363.5	1,359.2	368.9	1,728.1
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	3.6	-	-	-	-	3.6	-	3.6
Incentive shares exercised	1.7	6.8	-	-	(6.8)	-	-	-	-	1.7	-	1.7
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(325.9)	(325.9)
Gain on bargain purchase of a non-wholly owned subsidiary	-	-	-	-	-	-	-	55.0	-	55.0	14.3	69.3
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(76.4)	(76.4)
2010 final dividend paid	-	-	-	-	-	-	-	(86.2)	-	(86.2)	-	(86.2)
Total transactions with owners	1.7	6.8	-	-	(3.2)	-	-	(31.2)	-	(25.9)	(388.0)	(413.9)
At 30 June 2011	663.2	3,255.8	(93.0)	209.2	8.5	30.4	57.3	211.9	7,918.1	12,261.4	2,324.2	14,585.6

The notes on pages 12 to 26 are an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2012

		Unaudited	
		Six months ended 30 June	
	NOTE	2012	2011
		HK\$'M	HK\$'M
Net cash generated from/(used in) operating activities		756.7	(626.3)
Cash flows from investing activities			
Net cash inflow in respect of disposal of subsidiaries	18	369.0	–
Deposits paid for acquisition of investment properties		(45.0)	(236.9)
Net repayments of loans of associates including interests		–	194.3
Placement of pledged deposits		–	(60.0)
Other investing cash net inflow/(outflow)		60.3	(10.3)
Net cash generated from/(used in) investing activities		384.3	(112.9)
Cash flows from financing activities			
Acquisition of a subsidiary and non-controlling interests	20	–	(229.1)
Net (repayment of)/proceeds from bank loans		(48.5)	1,103.2
Other financing cash net outflow		(125.8)	(161.2)
Net cash (used in)/generated from financing activities		(174.3)	712.9
Effect of foreign exchange rate changes		–	1.0
Increase/(decrease) in cash and cash equivalents		966.7	(25.3)
Cash and cash equivalents at the beginning of the period		976.6	897.6
Cash and cash equivalents at the end of the period		1,943.3	872.3
Analysis of balances of cash and cash equivalents			
Bank balances and cash		1,942.4	932.3
Non-pledged time deposits with original maturity of more than three months when acquired		–	(60.0)
Cash and cash equivalents included in assets classified as held for sale	19	0.9	–
		1,943.3	872.3

The notes on pages 12 to 26 are an integral part of this Interim Financial Information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

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 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.

Key events

- (a) The Company disposed its segmental business of branded products distribution which primarily operated in UK. The disposal was completed on 3 May 2012. The disposal is presented as discontinued operations and certain comparatives had been re-presented to conform with current presentation. Details of which are disclosed in Note 18 to the Interim Financial Information.
- (b)
 - (i) On 13 May 2012, the Company entered into a share sale agreement (the "Share Sale Agreement") with Vanke Property (Hong Kong) Company Limited (the "Purchaser"), relating to the sale of the Company's entire interest in Winsor Properties Holdings Limited ("Winsor") post the Group Reorganisation (as described in (ii) below) (the "Disposal"), distribution in specie by Winsor of the shares in Privateco (as defined in (ii) below) (the "Distribution In Specie") and the payment of a special cash dividend by Winsor (the "Special Cash Dividend"), followed by, amongst others, an offer for the shares in Privateco (other than those already owned or agreed to be acquired by the Company) (the "Privateco Offer"). The Purchaser is an independent third party of the Company and the aggregate cash consideration for the Disposal amounts to HK\$1,078.6 million representing HK\$5.6197 per sale share. The Share Sale Agreement is conditional upon, among other things, the approval of the Company's shareholders and the Winsor's independent shareholders for certain aspects of the transactions contemplated thereunder.
 - (ii) Pursuant to the Group Reorganisation, Winsor, among other things, reorganised its group to form two sub-groups called the Remaining Group (also called the "Disposal Group") and the Privateco Group respectively. The Remaining Group is engaged in the business of holding or relating to all those units and car park podium in Regent Centre owned by members of the Winsor group pre the Group Reorganisation (excluding Units 505-510, 5/F, Tower B of Regent Centre, which is owned by a member of the Privateco Group) (the "Property"). The Privateco Group is engaged in the all of the businesses of the Winsor group pre the Group Reorganisation, other than the business of holding or relating to the Property. Privateco is the holding company of the Privateco Group.
 - (iii) The Disposal Group was not a discontinued operation as at 30 June 2012, as it did not represent a major line of business or geographical area of operations.
 - (iv) On 9 July 2012, Winsor's independent shareholders approved the Group Reorganisation, the Distribution In Specie and the payment of Special Cash Dividend (on the basis of HK\$0.7803 for every share in Winsor held). On the same date, the Company's shareholders approved the Share Sale Agreement and the Privateco Offer (on the basis of HK\$27.60 for each share of Privateco held).
 - (v) On 16 July 2012, the Group Reorganisation, the Distribution In Specie and the Share Sale Agreement were completed and the Special Cash Dividend was made.
 - (vi) Immediately after the Distribution In Specie, the Company was interested in 205,835,845 shares of Privateco, representing 79.26% of the issued share capital of Privateco.
 - (vii) On 23 July 2012, Standard Chartered Bank (Hong Kong) Limited made the Privateco Offer on behalf of Wing Tai Properties Investment Limited, a wholly-owned subsidiary of the Company.

The Group Reorganisation, the Distribution In Specie, the Special Cash Dividend, the Share Sale Completion and the Privateco Offer are non-adjusting events after the reporting period. The financial impact of these events is disclosed in Note 22 to the Interim Financial Information.

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 28 August 2012.

NOTES TO THE INTERIM FINANCIAL INFORMATION

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2012 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 2011.

3. SIGNIFICANT ACCOUNTING POLICIES

Following the key events disclosed in Note 1, in the current period, the Group has applied the following accounting policies to account for the discontinued operations and disposal group held for sale occurred during the period:

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is a part of a single coordinated plan to dispose of a separate major line business or geographical area of operations, or is a subsidiary acquired exclusively with a view of sale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale or distribution, if earlier. It also occurs if the operation is abandoned.

Disposal group classified as held for sale

Disposal group is classified as held for sale when the entity is committed to complete the sale transaction. For this to be the case, the assets must be available for immediate sale in their present condition and the sale must be highly probable. For the sale to be highly probable, actions to complete the sale must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the sale should indicate that it is unlikely that significant changes to the distribution will be made or that the sale will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the sale is highly probable.

Disposal group classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

Disposal group classified as held for sale is presented separately from other assets in the balance sheet. The liabilities of the disposal group classified as held for sale are presented separately from other liabilities in the balance sheet. Those assets and liabilities are not offset and presented as a single amount.

Other than the above, 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 2011, except for the adoption of revised standards, amendments and improvements to standards and interpretations of Hong Kong Financial Reporting Standards ("HKFRS") as of 1 January 2012, noted below.

(i) ***Revised standards, amendments and improvements to standards and interpretations of HKFRS effective for the current accounting period beginning on 1 January 2012 and relevant to the Group***

HKFRS 7 (Amendment) Disclosures – transfer of financial assets

The adoption of revised standards, amendments and improvements to standards and interpretations of HKFRS stated above did not have any significant impact to the Group's Interim Financial Information in the current and prior periods.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) *New standards, revised standards and amendments that are not yet effective in 2012 and have not been early adopted by the Group*

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

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Investments in associates and joint ventures	1 January 2013
HKAS 32 (Amendment)	Presentation – offsetting financial assets and financial liabilities	1 January 2014
HKFRS 7 (Amendment)	Financial instruments: disclosures – offsetting financial assets and financial liabilities	1 January 2013
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosure	1 January 2015
HKFRS 9	Financial instruments	1 January 2015
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interest in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013

The Group is in the process of making assessment of the impact of these new standards, revised standards and amendments 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. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to various types of financial risk which include market risks (including currency risk, fair value and cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise the potential adverse effects it may have on the Group's financial performance.

The interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011. There have been no changes in the risk management programme since year end or in any risk management policies.

There are no significant changes in fair value measurement hierarchy of the financial instruments of the Group for the six months ended 30 June 2012. There is no significant transfer between the different levels of fair value measurement hierarchy of financial instruments for the six months ended 30 June 2012. There is no reclassification of financial assets during the period.

5. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable from third parties in connection with the following activities:

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2012	2011	2012	2011
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		(re-presented)		(re-presented)
Sale of properties	208.0	486.1	–	–
Sale of garment and branded products	98.2	132.8	63.9	104.3
Rental and property management income	336.7	294.1	–	–
Dividend income from available-for-sale financial assets	9.8	8.5	–	–
	652.7	921.5	63.9	104.3

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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

5. REVENUE AND SEGMENT INFORMATION (Continued)

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, investing activities and corporate). Branded products distribution, one of the business segments and geographical area of operations was disposed of during the period and presented as discontinued operations.

	Continuing operations							Discontinued operations	
	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Garment manufacturing HK\$'M	Investing activities HK\$'M	Corporate HK\$'M	Elimination HK\$'M	Total HK\$'M	Branded products distribution HK\$'M
For the six months ended 30 June 2012									
REVENUE									
External sales	208.0	267.8	68.9	98.2	9.8	-	-	652.7	63.9
Inter-segment sales	-	8.8	-	-	-	-	(8.8)	-	-
Total	208.0	276.6	68.9	98.2	9.8	-	(8.8)	652.7	63.9
RESULTS									
Segment profit/(loss) before change in fair value of investment properties	99.4	161.1	31.4	(21.0)	38.0	(55.9)	-	253.0	(12.8)
Change in fair value of investment properties	-	48.6	11.0	0.6	-	-	-	60.2	-
Redundancy costs	-	-	-	-	-	-	-	-	(9.1)
Reportable segment results	99.4	209.7	42.4	(20.4)	38.0	(55.9)	-	313.2	(21.9)
<i>Reconciliation:</i>									
Fair value loss on derivative financial instruments	-	(1.6)	-	-	-	-	-	(1.6)	-
Profit from operations	99.4	208.1	42.4	(20.4)	38.0	(55.9)	-	311.6	(21.9)
Finance costs	(0.2)	(36.6)	(9.3)	-	(0.3)	(1.4)	-	(47.8)	(0.1)
Finance income	0.8	3.2	0.4	-	-	0.6	-	5.0	-
Share of results of associates	22.4	10.0	(0.5)	-	-	-	-	31.9	-
Profit before taxation	122.4	184.7	33.0	(20.4)	37.7	(56.7)	-	300.7	(22.0)
Taxation	-	-	-	-	-	-	-	(47.5)	(0.3)
								253.2	(22.3)
Gain on disposal of discontinued operations								-	275.6
Profit for the period								253.2	253.3
Other items									
Depreciation and amortisation	7.9	1.6	-	2.9	-	1.5	-	13.9	3.5
Gain on disposal of subsidiaries	-	-	-	-	-	-	-	-	275.6

5. REVENUE AND SEGMENT INFORMATION (Continued)

	Continuing operations							Discontinued operations	
	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Garment manufacturing HK\$'M	Investing activities HK\$'M	Corporate HK\$'M	Elimination HK\$'M	Total HK\$'M	Branded products distribution HK\$'M
For the six months ended									
30 June 2011 (re-presented)									
REVENUE									
External sales	486.1	227.6	66.5	132.8	8.5	-	-	921.5	104.3
Inter-segment sales	-	7.4	-	-	-	-	(7.4)	-	-
Total	486.1	235.0	66.5	132.8	8.5	-	(7.4)	921.5	104.3
RESULTS									
Segment profit/(loss) before change in fair value of investment properties	196.4	141.5	34.3	(17.1)	12.9	(46.3)	-	321.7	(24.9)
Change in fair value of investment properties	-	1,442.6	46.7	1.9	-	-	-	1,491.2	-
Reportable segment results	196.4	1,584.1	81.0	(15.2)	12.9	(46.3)	-	1,812.9	(24.9)
<i>Reconciliation:</i>									
Fair value gain/(loss) on derivative financial instruments	-	1.2	-	-	(6.0)	-	-	(4.8)	-
Profit from operations	196.4	1,585.3	81.0	(15.2)	6.9	(46.3)	-	1,808.1	(24.9)
Finance costs	-	(36.5)	(5.0)	-	(0.1)	(1.8)	-	(43.4)	-
Finance income	0.3	2.7	0.3	-	0.1	-	-	3.4	0.1
Share of results of associates	40.8	(0.8)	6.8	-	-	-	-	46.8	-
Profit before taxation	237.5	1,550.7	83.1	(15.2)	6.9	(48.1)	-	1,814.9	(24.8)
Taxation								(55.2)	(0.4)
Profit for the period								1,759.7	(25.2)
Other items									
Depreciation and amortisation	0.6	1.9	-	2.2	-	1.4	-	6.1	4.8
Loss/(gain) on disposal of other properties, plant and equipment	0.7	-	-	-	-	(0.3)	-	0.4	-

NOTES TO THE INTERIM FINANCIAL INFORMATION

5. 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:

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2012	2011	2012	2011
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		(re-presented)		(re-presented)
Hong Kong	532.0	778.1	8.9	7.1
North America	67.0	94.8	–	–
United Kingdom	0.4	–	55.0	95.1
Others	53.3	48.6	–	2.1
	652.7	921.5	63.9	104.3

6. PROFIT FROM OPERATIONS

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2012	2011	2012	2011
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		(re-presented)		(re-presented)
Profit from operations has been arrived at after charging/(crediting) the following:				
Amortisation of interest income on held-to-maturity investments	(6.3)	(4.5)	–	–
Depreciation of other properties, plant and equipment	13.9	6.1	3.5	4.8
Net fair value loss on derivative financial instruments	1.6	4.8	–	–
Share-based compensation expenses	5.6	5.3	–	–
Impairment loss on available-for-sale financial assets	0.1	0.5	–	–
Loss on disposal/write off of other properties, plant and equipment	–	0.4	–	–
Staff costs including directors' remuneration	133.4	123.3	20.0	28.7
Operating lease rental expenses in respect of land and buildings	4.6	4.5	8.7	15.1
Gain on return of investment of an available-for-sale financial asset	(22.0)	–	–	–
Direct operating expenses arising from investment properties generating rental income	65.3	57.9	–	–

7. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2011: 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 attributable to continuing operations represents:

	Six months ended 30 June	
	2012	2011
	HK\$'M	HK\$'M
		(re-presented)
Continuing operations		
Current taxation		
– Hong Kong profits tax	35.2	35.1
– Taxation in other jurisdictions	–	0.4
	35.2	35.5
Deferred taxation		
– Change in fair value of investment properties	2.6	5.8
– Temporary differences on tax depreciation	7.0	8.1
– Utilisation of tax losses	2.7	5.8
	12.3	19.7
Income tax expenses relating to continuing operations	47.5	55.2

Details of income tax expenses relating to discontinued operations are disclosed in Note 18 to the Interim Financial Information.

8. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share for profit/(loss) attributable to equity holders of the Company is based on the following financial information:

	Six months ended 30 June	
	2012	2011
		(re-presented)
Profit/(loss) attributable to equity holders of the Company (expressed in HK'M)		
Continued operations	198.6	1,388.7
Discontinued operations	253.3	(25.2)
	451.9	1,363.5
Weighted average number of ordinary shares in issue	1,330,373,260	1,324,843,565
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	5,333,537	8,002,474
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,335,706,797	1,332,846,039

NOTES TO THE INTERIM FINANCIAL INFORMATION

9. DIVIDENDS

	Six months ended 30 June	
	2012	2011
	HK\$'M	HK\$'M
2011 final dividend paid on 7 June 2012 of HK7.7 cents (2011: 2010 final dividend of HK6.5 cents) per ordinary share approved at annual general meeting held on 18 May 2012	102.4	86.2
Interim dividend of HK4.2 cents (2011: HK3.8 cents) per ordinary share	56.0	50.4
	158.4	136.6

10. CAPITAL EXPENDITURE

	Land use rights HK\$'M	Investment properties HK\$'M	Other properties, plant and equipment HK\$'M
Opening net book value at 1 January 2012	3.2	13,894.0	180.9
Exchange differences	–	(4.6)	2.2
Gain arising from change in fair value	–	60.2	–
Fair value gain on buildings reclassified as investment properties	–	–	26.6
Additions	–	6.9	22.3
Disposals of subsidiaries	–	–	(24.0)
Classified as assets held for sale (Note 19)	–	(1,129.4)	(0.1)
Transfer from other properties, plant and equipment to investment properties	–	69.0	(69.0)
Depreciation and amortisation	–	–	(17.4)
Closing net book value at 30 June 2012	3.2	12,896.1	121.5
Opening net book value at 1 January 2011	3.3	11,786.0	148.8
Exchange differences	–	3.7	2.2
Gain arising from change in fair value	–	1,491.2	–
Over-provision of construction costs	–	(8.0)	–
Additions	–	3.5	15.4
Disposals	–	(15.0)	(1.1)
Depreciation and amortisation	–	–	(10.9)
Closing net book value at 30 June 2011	3.3	13,261.4	154.4

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2012 on an open market value basis. The values have been made with reference to comparable current prices in an active market and income capitalisation approach from current leases and assumptions about lease from future leases in light of current market conditions and reversionary income potential.

11. PROPERTIES FOR SALE

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
Properties under development held for sale	4,222.5	4,024.6
Completed properties	110.1	203.3
	4,332.6	4,227.9

12. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
Trade receivables	270.8	778.5
Less: provision for impairment	(0.4)	(1.1)
Trade receivables (net of provision)	270.4	777.4
Deferred rent receivables	20.0	15.6
Consideration receivables	20.5	–
Other receivables, deposits and prepayments	78.3	78.8
	389.2	871.8

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 2012 HK\$'M	31 December 2011 HK\$'M
Not yet due	201.4	757.0
1 – 30 days	7.4	8.1
31 – 90 days	2.8	8.6
Over 90 days	58.8	3.7
	270.4	777.4

NOTES TO THE INTERIM FINANCIAL INFORMATION

13. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
Trade payables	56.3	75.2
Properties sale deposits received	517.9	117.7
Rental deposits received	131.8	126.6
Obligations in respect of an option agreement	166.5	172.3
Other payables and accruals	302.2	416.1
Provisions for liabilities arising from disposal of subsidiaries	94.6	–
	1,269.3	907.9

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

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
0 – 30 days	52.2	68.1
31 – 90 days	2.6	4.8
Over 90 days	1.5	2.3
	56.3	75.2

14. BANK LOANS

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

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
Within one year	2,100.3	1,704.6
Between one to two years	979.3	1,023.3
Between two to five years	1,828.5	2,288.6
After five years	115.9	136.7
	5,024.0	5,153.2
Less: Amounts due within one year shown under current liabilities	(2,100.3)	(1,704.6)
Amounts due after one year	2,923.7	3,448.6

The bank loans relating to assets classified as held for sale are disclosed in Note 19.

14. BANK LOANS (Continued)

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

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
Investment properties	12,782.7	13,662.5
Other properties, plant and equipment	36.2	77.7
Deposits and loans receivables	295.6	267.2
Available-for-sale financial assets	236.1	187.0
Held-to-maturity investments	64.3	48.7
Properties for sale	4,222.5	4,127.1
Pledged bank deposits	0.8	0.8
Assets held for sale (Note 19)	1,066.0	–
	18,704.2	18,371.0

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.50 each	Amount HK\$'M
Authorised:		
At 1 January 2011, 31 December 2011 and 30 June 2012	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2011	1,322,936,463	661.5
Issue of shares on exercise of incentive shares	3,426,637	1.7
At 31 December 2011	1,326,363,100	663.2
At 1 January 2012	1,326,363,100	663.2
Issue of shares on exercise of share options and incentive shares	5,894,179	2.9
At 30 June 2012	1,332,257,279	666.1

16. COMMITMENTS

	30 June 2012 HK\$'M	31 December 2011 HK\$'M
Expenditure in respect of acquisition of other properties, plant and equipment		
– contracted but not provided for	1.0	2.9
– authorised but not contracted for	0.9	3.4
Expenditure in respect of investments properties held by jointly controlled entities		
– contracted but not provided for	512.1	595.4
– authorised but not contracted for	15.4	3.8
	529.4	605.5

NOTES TO THE INTERIM FINANCIAL INFORMATION

17. CONTINGENT ASSETS AND LIABILITIES

On 16 September 2010, a wholly-owned subsidiary of the Company disposed of its entire 40% interest in a jointly controlled entity to one of its joint venture partners (the "Purchaser") at a consideration of approximately United States \$79.5 million. Apart from the cash settlement, under the share sale agreement of the disposal, the Company is also entitled to receive (i) any repayments from the other joint venture partner in respect of interest receivables in future, subject to a maximum of approximately United States \$6.2 million and (ii) 80% of the excess amount if the Purchaser's IRR return exceeds 12.9% at the projects' completion date, subject to a maximum of Renminbi 450.0 million. The contingent assets in respect of (i) and (ii) above will be recognised as income only when the realisation of the income is virtually certain. As of 30 June 2012 and 31 December 2011, no contingent asset has been recognised in the financial statements.

As at 30 June 2012, the Group did not have any significant contingent liabilities.

18. DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARIES

On 11 April 2012, a wholly-owned subsidiary of the Company entered into an agreement to dispose its entire interest in Gieves and Hawkes International (BVI) Limited and Marvinbond Limited (collectively, the "G&H Group"), wholly-owned subsidiaries of the Group, which carried out branded products distribution business to a third party. The total consideration is the aggregate of (i) an initial purchase price of UK pound 32.5 million payable in cash and (ii) a subsequent purchase price payment for each subsequent purchase price periods (from 2012 to 2030). The total of the subsequent purchase price payments shall not exceed UK pound 60.0 million.

For each subsequent purchase price periods, the purchaser shall pay to the Group a subsequent purchase price payment which is determined by a percentage of certain future sales made by the purchaser.

The disposal of G&H Group was completed on 3 May 2012. As a result, certain comparative figures in the condensed consolidated income statement had been re-presented to conform with the current presentation of discontinued operations.

Financial information relating to the discontinued operations is as follows:

	Six months ended 30 June	
	2012	2011
	HK\$'M	HK\$'M
Revenue	63.9	104.3
Cost of sales	(31.2)	(54.4)
Other gains/(losses), net	0.2	(1.1)
Selling and distribution costs	(28.9)	(42.9)
Administrative expenses	(16.8)	(30.8)
Loss from operations	(12.8)	(24.9)
Redundancy costs	(9.1)	–
Finance costs	(0.1)	–
Finance income	–	0.1
Operating loss before taxation	(22.0)	(24.8)
Taxation	(0.3)	(0.4)
Loss for the period from discontinued operations	(22.3)	(25.2)
Gain on disposal of G&H Group	275.6	–
Profit/(loss) for the period from discontinued operations attributable to equity holders of the Company	253.3	(25.2)

18. DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARIES (Continued)

The net cash flows attributable to the discontinued operations are as follows:

	Six months ended 30 June	
	2012	2011
	HK\$'M	HK\$'M
Net cash generated from/(used in) operating activities	8.8	(31.1)
Net cash used in investing activities	(1.0)	(6.7)
Net cash generated from financing activities	3.3	48.9
Total net cash inflows	11.1	11.1

The assets and liabilities disposed of at completion date comprise:

	HK\$'M
Other properties, plant and equipment	24.0
Trade and other receivables, deposits and prepayments	33.1
Inventories	57.3
Bank balances and cash	36.6
Trade and other payables and accruals	(85.7)
Tax payable	(0.3)
Net assets	65.0
Translation reserve realised	(3.8)
Net assets disposed of	61.2
Net consideration	(336.8)
Gain on disposal	275.6
Consideration	
Cash consideration	407.8
Consideration receivables	21.5
Disposal related costs	(2.2)
Provisions for other costs in related to disposal of subsidiaries	(90.3)
Net consideration	336.8
Net cash flow on disposal of subsidiaries	
Consideration settled in cash	407.8
Disposal related costs	(2.2)
Bank balances and cash of subsidiaries disposed of	(36.6)
Net cash inflow in respect of the disposal	369.0

NOTES TO THE INTERIM FINANCIAL INFORMATION

19. ASSETS HELD FOR SALE

As stated in Note 1 to the Interim Financial Information, the Company entered into the Share Sale Agreement to sell its entire interest in Winsor after the Group Reorganisation, which is referred to as the Disposal Group.

Financial information relating to the assets held for sale and liabilities directly associated with the assets held for sale of the Disposal Group at 30 June 2012 is as follows:

	NOTE	HK\$'M
Assets held for sale:		
Investment properties	10	1,129.4
Other properties, plant and equipment	10	0.1
Deferred tax assets		2.2
Trade and other receivables, deposits and prepayments		5.7
Bank balances and cash		0.9
Total assets		1,138.3
Liabilities directly associated with assets held for sale:		
Trade and other payables and accruals		27.2
Bank loans (Note)		80.0
Tax payables		3.7
Other loans due to a company held by a director		32.5
Deferred tax liabilities		25.7
Total liabilities		169.1

Note: The aggregate net book amounts of assets pledged as securities for bank loans comprise investment properties of HK\$1,066.0 million.

20. ACQUISITION OF A SUBSIDIARY AND NON-CONTROLLING INTERESTS

On 30 June 2011, the Group through its listed subsidiary, Winsor Properties Holdings Limited, acquired the entire issued share capital of Dragon Eye Holding Limited ("Dragon Eye") at a cash consideration of HK\$229.1 million. Dragon Eye holds directly 40% of the entire issued share capital of Fore Prosper Limited ("Fore Prosper") and the remaining 60% is held indirectly by the Group. The acquisition increases the Group's ownership in Fore Prosper to 91.7%.

	HK\$'M
Shareholders' loan of Dragon Eye assumed by the Group	(27.5)
Fair value of additional interest of Fore Prosper acquired from a non-controlling shareholder	325.9
	298.4
Purchase consideration settled by cash	229.1
Gain on bargain purchase, gross	69.3
Share of non-controlling interests	(14.3)
Gain on bargain purchase attributable to equity holders of the Company recognised in equity, net of tax	55.0

The gain on bargain purchase was mainly attributable to the investment property owned by Fore Prosper.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2012	2011
	HK\$'M	HK\$'M
Key management compensation		
Salaries and other benefits	(9.6)	(9.5)
Retirement benefits costs	(2.2)	(2.5)
Value of share options and incentive shares	(0.5)	(0.4)
	(12.3)	(12.4)
Interest income from loans to associates	–	2.5
Project management fee income from associates	1.3	1.3
Project management fee income from a substantial shareholder of the Company	2.0	2.0
Property rental income from a substantial shareholder of the Company	2.3	0.9
Purchases of garment products from a subsidiary of a substantial shareholder of the Company	(8.5)	(14.3)
Net repayment of loans by associates	(0.4)	(194.0)

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

22. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

- (a) The Group Reorganisation and Distribution In Specie do not have any significant financial impact on the Group for the period ended 30 June 2012.
- (b) Upon Share Sale Completion, the disposal of the Disposal Group will result in an estimated gain of approximately HK\$240 million to be credited to the Group's income statement in the second half of 2012.
- (c) As at 13 August 2012, Wing Tai Properties Investment Limited, a wholly-owned subsidiary of the Company held approximately 98.89% (including 79.26% already owned immediately after the Distribution In Specie) of the total issued share capital of the Privateco through the Privateco Offer at HK\$27.6 per share. The closing date of the Offer is extended to 3 September 2012. The acquisition will result in an estimated gain on bargain purchase of approximately HK\$630 million to be credited to the Company's reserve in the second half of 2012.

REVIEW OF INTERIM FINANCIAL INFORMATION, INTERIM DIVIDEND & MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF INTERIM FINANCIAL INFORMATION

The Interim Financial Information for the six months ended 30 June 2012 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 the Entity" issued by the HKICPA. The Interim Financial Information has also been reviewed by the Company's Audit Committee.

INTERIM DIVIDEND

The Directors declared the payment of an interim dividend of HK4.2 cents per share for the year ending 31 December 2012 (2011: HK3.8 cents). The interim dividend will be distributed on or around 3 October 2012 to the shareholders whose names appear on the register of members of the Company at the close of business on 14 September 2012 (the Record Date).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2012, the Group reported consolidated profit attributable to equity holders of HK\$451.9 million, compared with HK\$1,363.5 million in 2011. The decrease in profit was mainly due to lower fair value gain on the Group's investment properties. Revenue for the Group was HK\$652.7 million, compared with HK\$921.5 million in 2011.

Property

The Group's property division, which includes property development, property investment and management, and hospitality investment and management, recorded a segment profit of HK\$351.5 million in the first half of 2012, compared with HK\$1,861.5 million in 2011.

Property Development

The two remaining special units at Forfar were sold for HK\$207.4 million revenue.

Seymour, in which the Group has a 30% interest, was re-launched in June 2012 with good market reception. Almost all units pre-sold in late 2009 were handed over to purchasers in the first half of 2012.

The Warren, the Group's wholly-owned premier development in Tai Hang, Causeway Bay, was launched for pre-sale in November 2011 and over 55% of the units have been pre-sold to-date. Superstructure works are in progress. The project is scheduled for completion in 2014.

The Group has a 15% interest in the Pak Shek Kok development at Tai Po Town Lot Nos. 186, 187 and 188. Town Lot No. 188, Providence Peak, was launched for pre-sale in May 2012 and approximately 8% of the units have been pre-sold during the period under review. A further 19% of the units have been sold as at the date of this report. Meanwhile, Town Lot No. 186, Providence Bay has sold over 45% of the units as at 30 June 2012 since its pre-sale launched in November 2011. Application for presale consent has been submitted for Town Lot No. 187. The entire development is expected to be completed in phases between 2012 and 2013.

Foundation works for The Pierre in Mid-Levels West are progressing well. This project is wholly-owned by the Group and is scheduled for completion in 2014.

Foundation works for the residential development at Ko Shan Road in Hung Hom, in which the Group has a 50% interest in the joint venture with the Nan Fung Group, are progressing on schedule. The development is scheduled for completion in 2015.

The Group's subsidiary, Winsor Properties Holdings Limited ("Winsor"), has a 30% interest in Belle Vue Residences, a luxury residential development in Singapore. 91% of the units have been sold, of which 9% were sold in the first half of 2012.

Property Investment and Management

As at 30 June 2012, Winsor is the Group's investment holding arm of Hong Kong commercial, industrial and retail properties. Excluding Regent Centre to be disposed after 30 June 2012, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 0.7 million square feet of industrial buildings in the urban areas of Kowloon, had an aggregate fair market valuation of HK\$11,067.7 million.

Landmark East continued to maintain near-full occupancy with spot rent continuing to increase. As at 30 June 2012, W Square achieved an occupancy rate of over 90% while the average occupancy rate for the industrial properties is approximately 94%.

The Group has a 50% interest in the Lujiazui property at Shanghai Pudong's financial and commercial district fronting the Bund. The property is under construction and scheduled for completion in 2013.

Hospitality Investment and Management

The Group's hospitality business under Lanson Place Management continued to deliver a steady profit in the first half of 2012, with a gradual increase in average rental rate, despite the softening of Hong Kong hotel market and refurbishment of Lanson Place Hotel. As at 30 June 2012, both Lanson Place Jinlin Tiandi Serviced Residences in Shanghai and Lanson Place Central Park Serviced Residences in Beijing achieved over 90% occupancy. Lanson Place Hotel, our luxury boutique hotel in Hong Kong, continues to be well-recognised by travellers and won various awards including the Asia Pacific Hotels Awards "The Best Hotel, Hong Kong 2012", the Travel & Leisure Magazine's 2011 Annual Travel Awards "2011 Best Boutique Hotel" and the TripAdvisor "Top 25 Trendiest Hotels in China".

Apparel

The Group's garment manufacturing operations generated an aggregate revenue of HK\$98.2 million in the first half of 2012, compared with HK\$132.8 million in 2011. The segment loss for the period was HK\$20.4 million, compared with HK\$15.2 million loss in 2011. The segment loss of manufacturing business for the period was mainly due to the seasonality of sweater business.

The Group disposed its entire equity interest in its non-core branded products distribution business, Gieves & Hawkes Group to Trinity Limited in April 2012.

The disposal is for an initial cash consideration of £32.5 million (approximately HK\$407.8 million). In addition, the Group is entitled to subsequent payments over a period of 18 years, capped at £60 million (approximately HK\$747.0 million) depending on the growth in revenue from the existing licensed territories.

The disposal was completed in May 2012. The Group recorded a disposal gain of HK\$275.6 million in the first half of 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

Investing Activities

The Group's investing activities reported a segment profit of HK\$38.0 million in the first half of 2012, compared with HK\$12.9 million in 2011. The profit represents mainly dividend income from and gain on disposal of the Group's investments held through Winsor.

Key Events

On 14 May 2012, the Group announced a series of transactions (the "Transactions") that allows Winsor's independent shareholders to realise their investments at a premium and on an all-cash basis.

The Transactions comprise the following:

1. Group reorganisation of Winsor ("Group Reorganisation") whereby its asset portfolio will be separated and held under two entities: one entity consisting of its interests in Regent Centre and the second entity consisting of all other existing assets of Winsor ("Privateco");
2. Distribution of Privateco's unlisted shares ("Distribution in specie") and a special cash dividend payable to all of Winsor's shareholders;
3. Sale of the Group's entire 79.26% interest in the re-organised Winsor to Vanke Property (Hong Kong) Company Limited (the "Purchaser") (the "Disposal");
4. Unconditional mandatory cash offer by the Purchaser for all remaining Winsor shares at the same price received by the Group; and
5. Unconditional voluntary cash offer by the Group for the remaining unlisted shares in Privateco that it does not already own ("Privateco Offer").

In aggregate, Winsor's independent shareholders will be entitled to HK\$34 per Winsor share upon completion of the Transactions. Through the Transactions, the Group aims to streamline the corporate structure and reduce the holding company's discount in the asset portfolio currently held by Winsor and enhance the Group's financial strength.

On 9 July 2012, Winsor's independent shareholders approved Group Reorganisation, Distribution in specie and payment of special cash dividend. The Company's shareholders approved the Disposal and Privateco Offer.

On 16 July 2012, the Disposal was completed.

On 23 July 2012, the Privateco Offer commenced and the closing date of the Privateco Offer is extended to 3 September 2012.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK\$15,917.8 million as at 30 June 2012 (31 December 2011: HK\$15,382.7 million). The increase was mainly resulted from the profit for the period of HK\$506.5 million and fair value gain on revaluation of available-for-sale financial assets HK\$136.3 million, offset by the distribution of the 2011 final dividend of HK\$102.6 million and dividend paid to non-controlling shareholders of HK\$25.3 million in the first half of 2011.

As at 30 June 2012, the Group's net borrowings (total bank loans and other long-term loans less bank balances and cash) was HK\$3,081.6 million (31 December 2011: HK\$4,212.1 million), representing 19.4% of the Group's net assets (31 December 2011: 27.4%). The decrease in net borrowings and gearing ratio were mainly due to the sale proceed received on disposal of subsidiaries and receipt of property sale receivables in the first half of 2012. The Group has bank balances and cash of HK\$1,942.4 million (31 December 2011: HK\$976.6 million), increasing by HK\$965.8 million while total bank loans remain at the same level at HK\$5,024.0 million (31 December 2011: HK\$5,153.2 million). Around 58.2% of the Group's bank borrowings was repayable in periods beyond one year. In addition to the term loan facilities, the Group has unutilised banking facilities in excess of HK\$2,017.5 million as at 30 June 2012 (31 December 2011: HK\$2,291.7 million).

Interest for the Group's bank borrowings was mainly on a floating rate basis.

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has minimal exposure to exchange rate fluctuation. The Group conducts its business mainly in Hong Kong Dollars, Renminbi, United States Dollars and UK pounds. For transactions in other foreign currencies, the Group will closely monitor the exposure, and if consider appropriate, hedge to the extent desirable.

Contingent Liabilities

At 30 June 2012, the Group did not have any contingent liabilities.

Pledge of Assets

At 30 June 2012, the Group's advances to associates/jointly controlled entities of HK\$1,971.2 million (31 December 2011: HK\$2,192.6 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\$1,971.2 million (31 December 2011: HK\$2,192.6 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 2012, certain of the Group's investment properties, other properties, plant and equipment, available-for-sale financial assets, held-to-maturity investments, properties for sale, pledges bank deposits, deposits and loan receivables and assets held for sale with carrying values of HK\$12,782.7 million, HK\$36.2 million, HK\$236.1 million, HK\$64.3 million, HK\$4,222.5 million, HK\$0.8 million, HK\$295.6 million and HK\$1,066.0 million respectively were pledged to secure credit facilities for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The global economy is likely to stay volatile for the rest of 2012, leading to slowing economic growth in China and Hong Kong. There is uncertainty where the Hong Kong property market is heading under the new government housing policy. However, given Hong Kong's solid economic fundamentals, steady market demand, continued low interest rate environment, and potential increase in land supply by the government, we remain cautiously optimistic on the prospects of Hong Kong's property market.

In the second half of 2012, the financial impact of the corporate exercise on Winsor will be fully reflected, including an estimated gain on disposal of approximately HK\$240 million and accretion of shareholders' equity of approximately HK\$630 million, subject to audit.

For property development business, earnings and cash flow in the second half will be driven by sales at Seymour, Providence Bay and Belle Vue Residences. The occupation permit for the various phases of Providence Bay is expected to be granted in the fourth quarter, upon which the revenue and profit of all sold units and new sales will be recognised. Subject to market conditions, the Group will re-launch The Warren and release for pre-sale The Pierre in Mid-Levels. The Group will closely monitor the market to identify the right window to launch our projects, and will seize acquisition opportunities to replenish our land for further expansion.

The performance of our investment property business is expected to continue to benefit from the strong demand arising from the tight office supply, decentralization trend and development of Kowloon East. Landmark East and other properties are likely to see further upward rental reversion with high occupancy. We expect our dynamic portfolio of boutique hotel and serviced residences to continue delivering good operating performance. Looking ahead, Lanson Place will actively explore investment and management opportunities in the region for further expansion.

Barring unforeseen circumstances, the results for the 2012 full year are expected to be promising with the recognition of development project earnings and increasing recurring income. With an enhanced platform and strengthened balance sheet, we will remain vigilant against any near-term market volatility and work diligently to execute our projects and capture expansion opportunities.

EMPLOYEES

As at 30 June 2012, the Group had about 1,700 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.

Employees, including 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 2012, 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") are as follows:

1. Interests in the Company

Director	Number of shares held				Number of underlying shares held under equity derivatives (Note d)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests			
Cheng Wai Chee, Christopher	7,450,566	-	-	462,488,185 (Note b)	2,211,000	472,149,751	35.44%
Cheng Wai Sun, Edward	7,349,234	-	-	462,488,185 (Note b)	2,211,000	472,048,419	35.43%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)	-	462,488,185	34.71%
Chow Wai Wai, John	200,002	-	-	-	-	200,002	0.02%
Au Hing Lun, Dennis	2,364,747	-	-	-	959,250	3,323,997	0.25%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note c)	-	9,224,566	0.69%
Ng Tak Wai, Frederick	551,557	1,016,000	-	-	40,500	1,608,057	0.12%

GENERAL INFORMATION

Notes:

- (a) The total number of issued shares in the capital of the Company (the “Shares”) as at 30 June 2012 was 1,332,257,279.
- (b) Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis, being beneficiaries of a family trust, were deemed to be interested 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. The same represented the same interests and was therefore duplicated amongst these three directors for the purpose of Part XV of the SFO.
- (c) Kwok Ping Luen, Raymond was a beneficiary of a trust the assets of which included interests in 9,224,566 Shares.
- (d) These interests represented the interests in underlying shares in respect of the incentive shares granted by the Company to these directors as beneficial owners. Details of which are set out in the section below headed Share Incentive Scheme.

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

Director	Number of shares held				Aggregate interests	Approx. percentage of the issued share capital of Winsor (Note a)
	Personal interests	Family interests	Corporate interests	Other 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 2012 was 259,685,288 (“Winsor Shares”).
- (b) Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis, being beneficiaries of a family trust, were deemed to be interested in (i) 191,935,845 Winsor Shares beneficially owned by Twin Dragon Investments Limited (42,991,387 Winsor Shares) and the Company (148,944,458 Winsor Shares) and (ii) 13,900,000 Winsor Shares which are subject to a put option granted by the Company to Standard Chartered Bank, Singapore Branch. These interests represented the same interests and were therefore duplicated amongst these three directors.

Save as disclosed herein, as at 30 June 2012, 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.

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 2012 under the Share Option Scheme are as follows:

Director	Date of grant	Exercise price per ordinary share	Number of share options					As at 30.6.2012	Exercisable period	Fair value of share options amortised (HK\$)
			As at 1.1.2012	Grant during the period	Exercised during the period	Cancelled/ Lapsed during the period				
Simon Murray	19.4.2005	HK\$1.941	1,094,737	-	1,094,737	-	-	N/A	25,000	

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.

GENERAL INFORMATION

Details of the incentive shares granted and summary of the movements of the outstanding incentive shares for the period ended 30 June 2012 under the Share Incentive Scheme are as follows:

Directors/ Employees	Date of award	Number of incentive shares				As at 30.6.2012	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2012	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period				
Cheng Wai Chee, Christopher	15.6.2009	852,253	-	852,253	-	-	N/A	N/A	14,000
	25.6.2010	266,000	-	266,000	-	-	N/A	N/A	7,000
	25.6.2010	532,000	-	-	-	532,000	19.1.2013	19.1.2013 to 25.6.2020	182,000
	31.3.2011	193,000	-	193,000	-	-	N/A	N/A	17,000
	31.3.2011	193,000	-	-	-	193,000	20.1.2013	20.1.2013 to 31.3.2021	135,000
	31.3.2011	386,000	-	-	-	386,000	20.1.2014	20.1.2014 to 31.3.2021	174,000
	24.5.2012	-	275,000	-	-	275,000	17.1.2013	17.1.2013 to 24.5.2022	201,000
	24.5.2012	-	275,000	-	-	275,000	17.1.2014	17.1.2014 to 24.5.2022	80,000
	24.5.2012	-	550,000	-	-	550,000	17.1.2015	17.1.2015 to 24.5.2022	99,000

Directors/ Employees	Date of award	Number of incentive shares					As at 30.6.2012	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2012	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Cheng Wai Sun, Edward	15.6.2009	852,253	-	852,253	-	-	N/A	N/A	14,000	
	25.6.2010	266,000	-	266,000	-	-	N/A	N/A	7,000	
	25.6.2010	532,000	-	-	-	532,000	19.1.2013	19.1.2013 to 25.6.2020	182,000	
	31.3.2011	193,000	-	193,000	-	-	N/A	N/A	17,000	
	31.3.2011	193,000	-	-	-	193,000	20.1.2013	20.1.2013 to 31.3.2021	135,000	
	31.3.2011	386,000	-	-	-	386,000	20.1.2014	20.1.2014 to 31.3.2021	174,000	
	24.5.2012	-	275,000	-	-	275,000	17.1.2013	17.1.2013 to 24.5.2022	201,000	
	24.5.2012	-	275,000	-	-	275,000	17.1.2014	17.1.2014 to 24.5.2022	80,000	
	24.5.2012	-	550,000	-	-	550,000	17.1.2015	17.1.2015 to 24.5.2022	99,000	

GENERAL INFORMATION

Directors/ Employees	Date of award	As at 1.1.2012	Number of incentive shares			As at 30.6.2012	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
			Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period				
Au Hing Lun, Dennis	15.6.2009	400,674	-	400,674	-	-	N/A	N/A	7,000
	25.6.2010	127,750	-	127,750	-	-	N/A	N/A	4,000
	25.6.2010	255,500	-	-	-	255,500	19.1.2013	19.1.2013 to 25.6.2020	87,000
	31.3.2011	81,250	-	81,250	-	-	N/A	N/A	7,000
	31.3.2011	81,250	-	-	-	81,250	20.1.2013	20.1.2013 to 31.3.2021	57,000
	31.3.2011	162,500	-	-	-	162,500	20.1.2014	20.1.2014 to 31.3.2021	73,000
	24.5.2012	-	115,000	-	-	115,000	17.1.2013	17.1.2013 to 24.5.2022	84,000
	24.5.2012	-	115,000	-	-	115,000	17.1.2014	17.1.2014 to 24.5.2022	33,000
	24.5.2012	-	230,000	-	-	230,000	17.1.2015	17.1.2015 to 24.5.2022	42,000

Directors/ Employees	Date of award	Number of incentive shares					As at 30.6.2012	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2012	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Ng Tak Wai, Frederick	15.6.2009	38,864	-	38,864	-	-	N/A	N/A	1,000	
	25.6.2010	9,750	-	9,750	-	-	N/A	N/A	-	
	25.6.2010	19,500	-	-	-	19,500	19.1.2013	19.1.2013 to 25.6.2020	7,000	
	31.3.2011	7,000	-	7,000	-	-	N/A	N/A	1,000	
	31.3.2011	7,000	-	-	-	7,000	20.1.2013	20.1.2013 to 31.3.2021	5,000	
	31.3.2011	14,000	-	-	-	14,000	20.1.2014	20.1.2014 to 31.3.2021	6,000	

GENERAL INFORMATION

Directors/ Employees	Date of award	Number of incentive shares				As at 30.6.2012	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2012	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period				
Employees In aggregate	15.6.2009	1,030,148	-	1,030,148	-	-	N/A	N/A	17,000
	25.6.2010	278,500	-	278,500	-	-	N/A	N/A	8,000
	25.6.2010	557,000	-	-	-	557,000	19.1.2013	19.1.2013 to 25.6.2020	187,000
	31.3.2011	203,000	-	203,000	-	-	N/A	N/A	17,000
	31.3.2011	203,000	-	-	-	203,000	20.1.2013	20.1.2013 to 31.3.2021	142,000
	31.3.2011	406,000	-	-	-	406,000	20.1.2014	20.1.2014 to 31.3.2021	183,000
	24.5.2012	-	270,000	-	-	270,000	17.1.2013	17.1.2013 to 24.5.2022	194,000
	24.5.2012	-	270,000	-	-	270,000	17.1.2014	17.1.2014 to 24.5.2022	77,000
24.5.2012	-	540,000	-	-	540,000	17.1.2015	17.1.2015 to 24.5.2022	95,000	
		8,727,192	3,740,000	4,799,442	-	7,667,750			

Note: 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.

FAIR VALUES OF INCENTIVE SHARES AWARDED

The fair values of incentive shares awarded during the period ended 30 June 2012 are determined by using the Binominal Option Pricing Model (the “Model”). Key assumptions of the Model are as follows:

Risk-free rate	0.97%
Expected dividend yield	2.61%
Expected volatility of the market price of the Company’s shares	43.4%
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 2012, 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
1. Brave Dragon Limited	Beneficial owner	141,794,482	10.64%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.30%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes 2(a) & 3)	34.71%
4. Deutsche Bank International Trust Co. Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.71%
5. Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.71%

GENERAL INFORMATION

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
6. Wing Tai Corporation Limited	Interest of controlled corporation	180,594,823 <i>(Note 5)</i>	13.56%
7. Renowned Development Limited	Interest of controlled corporation	180,594,823 <i>(Notes 2(c) & 5)</i>	13.56%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	197,918,780 <i>(Notes 2(d) & 6)</i>	14.86%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	182,608,533 <i>(Note 7)</i>	13.71%
10. HSBC Trustee (C.I.) Limited	Trustee	182,608,533 <i>(Notes 2(e) & 8)</i>	13.71%
11. Gala Land Investment Co Ltd	Beneficial owner	101,579,467	7.62%
12. Farnham Group Ltd	Interest of controlled corporation	101,579,467 <i>(Notes 2(f) & 9)</i>	7.62%
13. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 <i>(Notes 2(f) & 10)</i>	13.51%
14. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 <i>(Notes 2(f) & 11)</i>	11.32%

Notes:

- 1 The total number of issued Shares as at 30 June 2012 was 1,332,257,279.
- 2 The interests disclosed duplicated in the following manners and to the following extent:
 - (a) the interests of parties 1 and 2 were included in the interests of party 3.
 - (b) the interests of party 3 duplicated with the interests of parties 4 and 5 entirely.
 - (c) the interests of party 6 duplicated with the interests of party 7 entirely.
 - (d) the interests of parties 6 and 7 were included in the interests of party 8.
 - (e) the interests of party 9 duplicated with the interests of party 10 entirely.
 - (f) the interests of party 11 duplicated with the interests of party 12 entirely and were included in the interests of parties 13 and 14.
- 3 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.
- 4 Deutsche Bank International Trust Co. Limited (into which Deutsche Bank International Trust Co. (Jersey) Limited was amalgamated) was the trustee of a family trust (of which Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and 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 28.52% 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 9.33% of the issued shares of Wing Tai Holdings Limited.
- 5 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.
- 6 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.
- 7 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.

GENERAL INFORMATION

- 8 HSBC Trustee (C.I.) Limited, as the trustee of certain discretionary trusts, was deemed to be interested in more than 40% 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.
- 9 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.
- 10 Chow Chung Kai and his wife, Chow Yu Yue Chen, held 48,532,744 and 700,566 Shares respectively.
- The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 29,212,047 Shares.
- Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, 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 Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 50% of the issued share capital of Farnham.
- 11 Chow Yu Yue Chen and her husband, Chow Chung Kai, held 700,566 and 48,532,744 Shares respectively.
- Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Yu Yue Chen was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of Chow Chung Kai’s corporate interest therein.

Save as disclosed above, as at 30 June 2012, 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 2012, 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.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As at 30 June 2012, the aggregate amounts due from and all guarantees given by the Group on behalf of the affiliated companies of Chen's Holdings Limited (the "Relevant Companies") exceeded 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Details of the amounts for the Relevant Companies as at 30 June 2012 are as follows:

Name of the Relevant Company	Group's % of attributable equity interest therein	Amount of guarantee for loan facilities given on its behalf by the Company as at 30 June 2012 (Note 1)	Amount due from it to the Group as at 30 June 2012 (Note 2)	Total	Final maturity date of the loan facilities
		HK\$'M	HK\$'M	HK\$'M	
Century Rise Limited	15%	255.8	246.9	502.7	the earlier of (a) 31 December 2012 or (b) the date falling 6 months after the issuance of the Certificate of Compliance by the Director of Lands ("Certificate")
Pacific Bond Limited	15%	558.8	518.5	1,077.3	31 December 2012
Brave Sky Investments Limited	50%	756.3	398.4	1,154.7	the earlier of (a) 2 April 2016 or (b) the date falling 9 months after the issuance of the Certificate (or, if earlier, the issuance of the Consent to Assign)
Property Sky Limited	50%	-	287.1	287.1	-
Total				<u>3,021.8</u>	

Notes:

- All the loan facilities are secured by (among others) guarantees by the Company, Chen's Holdings Limited and its subsidiaries and associated companies and other joint venture partners on a several and proportional basis. All loan facilities carry interest at normal commercial rate agreed after arm's length negotiations with the lenders concerned.
- The amounts due from the Relevant Companies are all (i) unsecured, (ii) carrying interest at rates agreed from time to time by the joint venture partners concerned and (iii) without fixed repayment dates.

GENERAL INFORMATION

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

At 30 June 2012, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$4,591.8 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 2012 is presented below:

	Pro-forma combined balance sheet (HK\$'M)	Group's attributable interest (HK\$'M)
Non-current assets	2,291.7	691.1
Current assets	19,684.4	3,829.9
Current liabilities	(8,538.4)	(1,380.9)
Non-current liabilities	(1,531.8)	(568.4)
Amounts and loans due from shareholders	26.0	12.7
Amounts and loans due to shareholders	(10,638.0)	(2,282.0)
Net assets	1,293.9	302.4

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.

CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the period from 1 January 2012 to 31 March 2012, except that the non-executive directors (including independent non-executive directors) were not appointed for specific terms but they are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Bye-laws of the Company and the internal policy adopted by the Company.

The Company's Bye-laws provide that any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for election at the meeting, and that one third or the number nearest one third of directors shall retire from office by rotation (save for Chairman or managing director) at each annual general meeting.

It is a policy of the Company that any director (including Chairman or managing director) who is not required by the Bye-laws of the Company to retire by rotation at the annual general meeting in the third year since his last election, will be reminded to retire from office voluntarily.

In light of the Company's Bye-laws and policy as aforesaid, all directors will retire at least once every three years.

Save as disclosed herein, the Company has applied the principles and complied with all code provisions of the Corporate Governance Code (the "CG Code") during the period from 1 April 2012 to 30 June 2012 as set out in Appendix 14 to the Listing Rules. In respect of code provisions A.5.1 to A.5.4 of the CG Code, the Company does not have a nomination committee. At present, the Company does not consider it necessary to have a nomination committee as the Board is responsible for reviewing the structure, size and composition of the Board and the appointment of new directors from time to time to ensure that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Company. In respect of code provision A.6.7 of the CG Code, Mr. Kwok Ping Luen, Raymond and Mr. Loh Soo Eng, the non-executive directors of the Company, were unable to attend the annual general meeting of the Company held on 18 May 2012 due to other business engagements.

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 confirmed, following specific enquiry by the Company, that they had fully complied with the required standard set out in the Model Code throughout the period from 1 January 2012 to 30 June 2012.

UPDATE ON DIRECTORS' INFORMATION

Below are the changes of directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

The additional fees for Mr. Simon Murray acting as the chairman of the Remuneration Committee of the Company and Mr. Yeung Kit Shing, Jackson acting as the chairman of the Audit Committee of the Company for the year ending 31 December 2012 are HK\$50,000 and HK\$100,000 respectively.

Dr. Cheng Wai Chee, Christopher was appointed as a member of Judicial Officers Recommendation Commission of the Government of HKSAR on 1 July 2012. He resigned as the chairman and a non-executive director of Winsor Properties Holdings Limited ("Winsor") with effect from 1 September 2012.

Mr. Cheng Wai Sun, Edward resigned as a non-executive director of Winsor with effect from 1 September 2012.

Both Mr. Chow Wai Wai, John and Mr. Au Hing Lun, Dennis resigned as the executive directors of Winsor with effect from 1 September 2012.

GENERAL INFORMATION

Mr. Simon Murray was appointed as the Vice Chairman of Essar Energy plc (whose shares are listed on the London Stock Exchange) with effect from 1 July 2012.

Mr. Fang Hung, Kenneth is a non-executive director of Xiezhong International Holdings Limited (whose shares are listed on the Hong Kong Stock Exchange on 18 June 2012).

RECORD DATE FOR INTERIM DIVIDEND

The interim dividend will be distributed on or around 3 October 2012 to the shareholders whose names appear on the register of members of the Company at the close of business on 14 September 2012 (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 Share 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 14 September 2012.

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

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

WING TAI PROPERTIES LIMITED
Incorporated in Bermuda with limited liability

永泰地產有限公司
於百慕達註冊成立之有限公司

