



WHEELOCK AND COMPANY LIMITED

INTERIM REPORT 2015

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HONG KONG DEVELOPMENT PROPERTIES GROWTH DRIVEN BY ONE BAY EAST

HONG KONG DEVELOPMENT PROPERTIES HIGHLIGHTS

- Profit recognition from One Bay East directly drove profit growth. This HK\$10 billion project will be handed over to Manulife and Citigroup in September 2015.
- Contracted sales totalled HK\$2.8 billion:
 - Peninsula East presold all 256 units within two days. Total sales proceeds amounted to HK\$1.98 billion.
 - The Parkside presold an additional 34 units and some carparking spaces for HK\$0.56 billion. All 591 units were fully presold.
 - Kensington Hill presold an additional 17 units for HK\$0.30 billion. 64 of the total 75 units were presold as at 30 June 2015.
- Land bank under management amounted to 8.3 million square feet.

WHEELOCK GROUP CONSOLIDATED HIGHLIGHTS

- Group underlying profit increased by 78% to HK\$6.3 billion.
- Wheelock's own results before consolidation:
 - Underlying profit increased by 316% to HK\$3.2 billion as a result of One Bay East's profit recognition.
 - Net gearing fell to 17.1% (June 2014: 23.7%; December 2014: 18.8%).
- Wharf:
 - Attributable underlying profit increased by 12% to HK\$3.0 billion.
 - Wheelock's shareholding increased from 55.6% (as at 31 December 2014) to 57.8% (as at 30 June 2015).

- Wheelock Properties Singapore:
 - Attributable underlying profit increased by 6% to HK\$0.1 billion.
 - The Panorama, Scotts Square and Ardmore Three sold 144 units.

GROUP RESULTS (UNAUDITED)

Excluding investment property revaluation gain and exceptional items, the underlying profit was HK\$6,329 million (2014: HK\$3,547 million).

Group profit attributable to equity shareholders was HK\$8,006 million (2014: HK\$7,675 million). Earnings per share were HK\$3.94 (2014: HK\$3.78).

INTERIM DIVIDEND

An interim dividend of 42.5 cents (2014: 38.5 cents) per share will be paid on 23 September 2015 to Shareholders on record as at 18 September 2015, absorbing a total amount of HK\$864 million (2014: HK\$782 million).

BUSINESS REVIEW

CORE BUSINESS — HONG KONG DEVELOPMENT PROPERTIES (“DP”)

Wheelock’s core business and operational focus is in Hong Kong DP.

The land bank under management amounted to 8.3 million square feet as at 30 June 2015. This land bank is competitive in terms of location and cost. Firstly, 95% is located in urban area and 77% is located along the Victoria Harbour. In addition, it is strategically focused on regions with high potential for development, namely, O’South, Kowloon East CBD2, Kowloon South and the Peak.

Wheelock focuses on fast asset turnover strategy.

In the first half, Peninsula East was launched for presale in April and all 256 units were presold within two days, with total sales proceeds amounting to HK\$1.98 billion. The Parkside presold an additional 34 units and some carparking spaces for HK\$0.56 billion, and all 591 units were presold. Kensington Hill presold an additional 17 units for HK\$0.30 billion, and 64 of the total 75 units were presold as at 30 June 2015. Total contracted sales amounted to HK\$2.8 billion.

One Bay East obtained its occupation permit and contributed to the Group’s profit growth during the period. This HK\$10 billion Grade A office development in Kowloon East CBD2 will be handed over to Manulife and Citigroup in September 2015.

The remaining net order book was HK\$7.7 billion as at 30 June 2015. In the second half, four projects are scheduled to obtain consent and launch for presale, including Mount Nicholson, Island Residence, O’South Lot 125 and One HarbourGate.

CORPORATE SOCIAL RESPONSIBILITY

Business-in-community is a critical aspect of CSR. Project WeCan launched an “English WeCan” programme in May to motivate students’ self-learning interest in the language, and to provide them with continuous learning opportunity.

Wheelock Properties Limited has committed to Corporate Social Responsibility reporting for the fourth consecutive year. This is the second year reporting in accordance to Global Reporting Initiative (GRI G4) standard, and the first year in which the report was audited independently. Wheelock will also be publishing its first independent Environment, Social and Governance Report. A total of eight property developments have attained compliance with international standards aiming to minimise construction waste, pollution and energy inefficiency.

The Group's quality products are rewarded by industrial recognition:

- Wheelock Properties (Hong Kong) Limited ("WPHKL") was awarded the *BCI Asia* Top 10 Developers Award for the fourth consecutive year.
- The Parkside was awarded an Interior Architect of the Year by *Chivas 18* and *South China Morning Post*.
- Lexington Hill was granted the Asia Pacific Property Award by *International Property Award* and a "Certificate of Excellence" in the Sustainability Achievement of the Year by *RICS*.

Awards on the Group's commitment to community service:

- WPHKL was granted the Corporate Social Responsibility Project Award of the Year by *RICS* for the second consecutive year.
- Caring Company 2015/16 by the *Hong Kong Council of Social Service*.

Wheelock and Company is majority shareholder of The Wharf (Holdings) Limited and Wheelock Properties (Singapore) Limited. Below is a report on their operations and achievements during the six months ended 30 June 2015.

The Wharf (Holdings) Limited ("Wharf") 57.8% Equity Investment

Revenue from Hong Kong Investment Properties ("IP") increased by 9% and operating profit by 8%. The three Hong Kong malls, namely, Harbour City, Times Square and Plaza Hollywood continued to report earnings growth despite a challenging retail market.

A higher contribution from Chengdu International Finance Square ("IFS") drove China IP's revenue up by 34% and operating profit up by 39%. Opened in January 2014, Chengdu IFS shopping mall's occupancy rate was virtually 100%. Leasing for the three premier Grade A office towers is proceeding at a pace comparable to Shanghai Wheelock Square. *Niccolo Chengdu* by Marco Polo was also soft opened in April 2015. Shanghai Wheelock Square's premium address in Puxi and top-notch services make it the preferred office location with 95% occupancy as at 30 June 2015. Shanghai Times Square's retail was nearly 100% occupied after retail tenant mix refinement.

Changsha IFS is the largest-scale multi-use development featuring a 230,000 square-metre mega mall. Over 60% of Chongqing IFS's retail area was under offer and over 80% of office Tower Two and Three was sold. Development of Suzhou IFS is in progress. Riding on the success of the Chengdu Times Outlet, a new outlet mall at the northwest area of Changsha is being developed.

China DP's contracted sales increased by 16% to RMB10.3 billion, representing 47% of the full-year target. A total of 50 development projects spanning 14 cities were offered for sale or presale. Wharf acquired five DP sites in Beijing, Hangzhou and Foshan, with a combined attributable GFA of 0.23 million square metres, for RMB3.9 billion.

Wheelock Properties (Singapore) Limited ("WPSL") 75.8% Equity Investment

Wheelock Place continued to deliver stable performance with office and retail occupancy at 97%. Scotts Square Retail's tenant mix revamp is underway to maximise retail value.

The presale of an additional 134 units at The Panorama in Ang Mo Kio generated S\$174 million of sales during the period, and a total of 451 out of 698 units were sold at an average price of S\$1,250 per square foot. Scotts Square and Ardmore Three have launched short-term exhibitions in Hong Kong and sold an additional 10 units, generating S\$29 million of sales during the period. The presale of the residential development in Fuyang Shijiayuan is planned for the second half of 2015.

FINANCIAL REVIEW

1. REVIEW OF 2015 INTERIM RESULTS

Wheelock & Company (before consolidation of listed subsidiaries WPSL and Wharf)

Wheelock's own net profit increased by 353% to HK\$3,956 million (2014: HK\$873 million). Excluding the IP revaluation gain of HK\$704 million (2014: HK\$60 million) and the mark-to-market gain of HK\$14 million (2014: HK\$34 million) on swaps, underlying profit increased by 316% to HK\$3,238 million (2014: HK\$779 million). This was mainly attributable to the profit contribution from One Bay East on completion.

Wheelock Group

The Group's underlying profit increased by 78% to HK\$6,329 million (2014: HK\$3,547 million). This was mainly attributable to higher DP profit and robust rental revenue.

Group profit attributable to equity shareholders increased by 4% to HK\$8,006 million (2014: HK\$7,675 million).

Revenue and Operating Profit

Group revenue increased by 55% to HK\$28,648 million (2014: HK\$18,474 million), mainly attributable to higher property sales recognised and increase in rental revenue. Operating profit increased by 38% to HK\$11,377 million (2014: HK\$8,241 million), mainly attributable to higher operating profit from Hong Kong and China DP.

Investment Property

Revenue and operating profit increased by 9% and 8% to HK\$7,472 million (2014: HK\$6,840 million) and HK\$6,111 million (2014: HK\$5,667 million) respectively, attributable to firm retail base rent achieved from lease commitments and stable positive rental reversions for offices. Revenue from the Mainland increased by 34% to HK\$1,121 million (2014: HK\$839 million), benefitting from the escalating revenue generated by Chengdu IFS.

Development Property

Revenue and operating profit increased by 145% and 192% to HK\$16,866 million (2014: HK\$6,883 million) and HK\$4,703 million (2014: HK\$1,613 million) respectively.

In Hong Kong, recognised property sales and operating profit increased by 513% and 333% to HK\$10,217 million (2014: HK\$1,668 million) and HK\$3,546 million (2014: HK\$818 million) respectively, mainly due to higher profit recognition on completion from One Bay East as compared to Lexington Hill in 2014. One Bay East was completed with all units sold, enabling the recognition of revenue of HK\$9,925 million.

In the Mainland, recognised property sales and operating profit increased by 26% and 35% to HK\$6,562 million (2014: HK\$5,215 million) and HK\$1,134 million (2014: HK\$839 million) respectively, mainly attributable to phased completions for Suzhou Times City, Wuxi Times City and Suzhou Ambassador Villa.

Hotels

Revenue and operating profit decreased by 6% and 39% to HK\$718 million (2014: HK\$760 million) and HK\$115 million (2014: HK\$189 million) respectively, partly affected by decline in Hong Kong revenue and partly by pre-maturity operating losses from Marco Polo Changzhou and Niccolo Chengdu.

Logistics

Revenue and operating profit decreased by 14% and 36% to HK\$1,434 million (2014: HK\$1,673 million) and HK\$333 million (2014: HK\$517 million) respectively, mainly due to the lower throughput handled by Modern Terminals.

Communications, Media and Entertainment ("CME")

Revenue and operating profit decreased by 2% and 73% to HK\$1,750 million (2014: HK\$1,790 million) and HK\$38 million (2014: HK\$143 million) respectively. Wharf T&T's operating profit increased by 5% to HK\$173 million (2014: HK\$165 million), while i-CABLE's operating loss widened to HK\$129 million (2014: HK\$19 million).

Investment and Others

Operating profit amounted to HK\$396 million (2014: HK\$524 million), comprising largely dividend and interest income.

Fair Value Gain of IP

The book value of the Group's IP portfolio as at 30 June 2015 increased to HK\$322.7 billion (2014: HK\$316.9 billion), with HK\$304.3 billion thereof stated at fair value based on independent valuation as at that date. That resulted in a revaluation gain of HK\$4,190 million (2014: HK\$7,441 million), which was credited to the consolidated income statement.

IP under development of HK\$18.4 billion is carried at cost and will not be carried at fair value until the earlier of when the fair values first become reliably measurable or the dates of their respective completion.

Other Net Charge

Other net charge amounted to HK\$1,084 million (2014: HK\$150 million), comprising mainly a non-recurrent estimated accounting loss of HK\$1,491 million (attributable to Wheelock Group is HK\$840 million) arising from the deemed disposal of Wharf's entire 24.3% interest in Greentown China Holdings Limited ("Greentown") at the prevailing market value upon reclassification of such interest as available-for-sale investments instead of as an associate in June 2015. The Greentown interest was acquired in June 2012 at a cost of HK\$2,729 million, which was equity-accounted as an associate with an accounting gain representing negative goodwill of HK\$2,233 million.

It was partially offset by profit on disposal of available-for-sale investments of HK\$275 million (2014: HK\$9 million) and net exchange gain of HK\$162 million (2014: loss of HK\$186 million).

Finance Costs

Finance costs charged to the consolidated income statement were HK\$831 million (2014: HK\$1,149 million). Excluding the unrealised mark-to-market loss of HK\$30 million (2014: HK\$155 million) on swaps, finance costs decreased by 15% to HK\$1,613 million (2014: HK\$1,899 million) before capitalisation of HK\$812 million (2014: HK\$905 million), and HK\$801 million (2014: HK\$994 million) after capitalisation. The Group's effective borrowing rate for the period was reduced to 2.8% (2014: 3.1%) per annum.

Share of Results of Associates and Joint Ventures

Share of profits of associates decreased by 60% to HK\$454 million (2014: HK\$1,145 million), mainly due to the share of negative goodwill arising from the acquisition of Hotel Properties Limited ("HPL") of HK\$671 million in 2014.

Joint ventures reported loss of HK\$201 million (2014: profit of HK\$150 million), as adversely impacted by lower profit contribution from DP projects in the Mainland without major phased completion.

Income Tax

The taxation charge was HK\$2,515 million (2014: HK\$2,068 million), which included deferred taxation of HK\$315 million (2014: HK\$481 million) provided for the fair value gain of IP located in the Mainland.

Excluding the above deferred taxation, the taxation charge increased by 39% to HK\$2,200 million (2014: HK\$1,587 million), mainly due to higher profit recognised by the IP and DP segments.

Non-controlling Interests

Profit attributable to non-controlling interests decreased by 43% to HK\$3,384 million (2014: HK\$5,935 million), mainly due to Wharf's lower net profit.

Profit attributable to Equity Shareholders

Group profit attributable to equity shareholders increased by 4% to HK\$8,006 million (2014: HK\$7,675 million). Earnings per share were HK\$3.94 (2014: HK\$3.78).

Excluding the attributable IP revaluation gain (after deducting related deferred tax and non-controlling interests) of HK\$2,488 million (2014: HK\$3,696 million), Group profit attributable to equity shareholders increased by 39% to HK\$5,518 million (2014: HK\$3,979 million).

Further stripping out the exceptional items, underlying profit increased by 78% to HK\$6,329 million (2014: HK\$3,547 million). Underlying earnings per share were HK\$3.11 (2014: HK\$1.75).

Set out below is an analysis of the Group profit attributable to equity shareholders as contributed by each of Wheelock, WPSL and Wharf.

	2015 HK\$ Million	2014 HK\$ Million
Profit attributable to		
Wheelock	3,238	779
WPSL group	127	120
Wharf group	2,964	2,648
Underlying profit	6,329	3,547
Attributable loss arising from the deemed disposal of Greentown	(840)	–
Attributable mark-to-market gain/(loss) on certain financial instruments	29	(77)
Attributable negative goodwill on HPL	–	509
Profit before IP revaluation gain	5,518	3,979
IP revaluation gain (after deferred tax)	2,488	3,696
Profit attributable to equity shareholders	8,006	7,675

WPSL's profit for the first half of 2015 was S\$30.0 million (2014: S\$135.3 million), according to the accounting standards adopted in Singapore. In accordance with Hong Kong Financial Reporting Standards, WPSL's contributed profit to the Group was HK\$168 million (2014: HK\$828 million).

Wharf's profit for the first half of 2015 decreased by 41% to HK\$6,958 million (2014: HK\$11,701 million). Excluding the net IP revaluation gain and exceptional items, Wharf's underlying profit increased by 5% to HK\$5,258 million (2014: HK\$5,019 million).

2. LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL COMMITMENTS

Shareholders' and Total Equity

The Group's shareholders' equity increased by 5% to HK\$201.1 billion (2014: HK\$191.2 billion), or HK\$98.98 per share (2014: HK\$94.11 per share) as at 30 June 2015.

Including the non-controlling interests, the Group's total equity increased by 1% to HK\$344.7 billion (2014: HK\$339.9 billion).

Assets

The Group's total assets increased by 1% to HK\$523.2 billion (2014: HK\$517.6 billion). Total business assets, i.e. excluding bank deposits and cash, certain available-for-sale investments, deferred tax assets and other derivative financial assets, increased by 2% to HK\$493.0 billion (2014: HK\$484.7 billion).

The Group's IP portfolio was HK\$322.7 billion, representing 65% of total business assets. Harbour City (excluding the three hotels) and Times Square in Hong Kong were valued at HK\$214.4 billion, representing 66% of the value of the portfolio. Wharf's IP in the Mainland amounted to HK\$58.5 billion, including IP under development at cost of HK\$15.2 billion.

Other major business assets included properties under development and held for sale of HK\$81.1 billion, interests in associates and joint ventures (mainly for China DP and port projects) of HK\$41.6 billion and other fixed assets of HK\$25.4 billion.

Geographically, the Group's business assets in the Mainland, mainly properties and terminals, increased by 1% to HK\$158.1 billion (2014: HK\$156.9 billion), representing 32% (2014: 32%) of the Group's total business assets.

Debt and Gearing

The Group's net debt increased by HK\$2.5 billion to HK\$99.1 billion (2014: HK\$96.6 billion) as at 30 June 2015, comprising debt of HK\$117.7 billion less bank deposits and cash of HK\$18.6 billion. Excluding WPSL's net debt of HK\$2.4 billion and Wharf's net debt of HK\$62.3 billion, which are non-recourse to the Company and its wholly-owned subsidiaries, Wheelock's own net debt decreased by HK\$1.5 billion to HK\$34.4 billion (2014: HK\$35.9 billion). An analysis of the net debt by group is shown below:

	2015	2014
	HK\$ Million	HK\$ Million
Net debt		
Wheelock	34,449	35,870
WPSL group	2,376	1,470
Wharf group	62,309	59,259
Group	99,134	96,599

As at 30 June 2015, the ratio of net debt to total equity (on a consolidated basis) was 28.8% (2014: 28.4%). Excluding the net debt of WPSL and Wharf, Wheelock's own net debt to shareholders' equity (on an attributable net asset value basis) reduced to 17.1% (2014: 18.8%).

Finance and Availability of Facilities

As at 30 June 2015, the Group's available loan facilities and issued debt securities amounted to HK\$153.9 billion (2014: HK\$160.2 billion), of which HK\$117.7 billion were drawn. An analysis is shown below:

	Available Facilities HK\$ Billion	Total Debt HK\$ Billion	Undrawn Facilities HK\$ Billion
Wheelock	51.4	34.8	16.6
WPSL group	5.6	3.9	1.7
Wharf group	96.9	79.0	17.9
Group	153.9	117.7	36.2

Of the above debt, HK\$17.1 billion (2014: HK\$19.2 billion) was secured by mortgages over certain DP, IP and fixed assets with a total carrying value of HK\$58.3 billion (2014: HK\$65.3 billion).

The Group's debt was primarily denominated in United States dollars ("USD"), Hong Kong dollars ("HKD"), Renminbi ("RMB") and Singapore dollars ("SGD"). The borrowings were mainly used to fund the Group's IP, DP and port investments in the Mainland, and DP projects in Singapore and Hong Kong.

The use of derivative financial instruments is strictly monitored and controlled. The majority of the derivative financial instruments entered into by the Group were primarily used for management of the Group's interest rate and foreign currency exposures.

The Group continued to maintain a strong financial position with ample surplus cash denominated principally in RMB, HKD, USD and SGD, and undrawn committed facilities to facilitate the Group's business and investment activities. The Group also maintained a portfolio of available-for-sale investments, primarily in blue-chip securities, with an aggregate market value of HK\$16.8 billion (2014: HK\$11.4 billion) as at 30 June 2015, which is immediately available for liquidation for the Group's use.

Cash Flows from the Group's Operating and Investing Activities

For the period under review, the Group's operating cash inflow before changes in working capital was HK\$11.8 billion (2014: HK\$8.5 billion). The changes in working capital and others of HK\$1.6 billion (2014: HK\$6.7 billion) reduced the net cash inflow from operating activities to HK\$10.2 billion (2014: HK\$1.8 billion). For investing activities, the Group recorded a net cash outflow of HK\$9.5 billion (2014: HK\$6.3 billion), mainly for construction cost for IP projects, investment in associates and increase in interest in Wharf.

Major Capital and Development Expenditure and Commitments

The Group's major capital and development expenditure incurred in the first half of 2015 is analysed as follows:

A. Major capital and development expenditure

	Hong Kong/ Singapore HK\$ Million	Mainland China HK\$ Million	Total HK\$ Million
Wheelock			
IP	342	–	342
DP	2,594	–	2,594
	2,936	–	2,936
WPSL group			
IP	–	–	–
DP	118	69	187
	118	69	187
Wharf group			
IP	564	1,423	1,987
DP	381	9,170	9,551
Hotels/Others	485	17	502
	1,430	10,610	12,040
Analysis by segment:			
IP	906	1,423	2,329
DP	3,093	9,239	12,332
Hotels/Others	485	17	502
Group total	4,484	10,679	15,163

- i. Wheelock's own expenditure for IP and DP amounted to HK\$2.9 billion, mainly attributable to land cost payment (deposit) for the LOHAS Park Phase 7 project, and construction cost payments for its Hong Kong DP projects.
- ii. WPSL's expenditure of HK\$0.2 billion was mainly for construction cost payments for its China and Singapore DP projects.
- iii. Wharf's expenditure totalled HK\$12.0 billion, comprising expenditure of HK\$2.0 billion for IP (mainly renovation of Harbour City and construction of the IFS projects in the Mainland), HK\$9.5 billion for DP (mainly related to China projects) and HK\$0.5 billion for Hotels, Modern Terminals, Wharf T&T and i-CABLE.

B. Commitments to capital and development expenditure

As at 30 June 2015, the Group's major commitments to capital and development expenditure to be incurred in the forthcoming years were estimated at HK\$91.2 billion, of which HK\$37.4 billion was committed. By segment, the commitments are analysed below:

	As at 30 June 2015		
	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million
Wheelock			
IP	26	–	26
DP	6,951	18,648	25,599
	6,977	18,648	25,625
WPSL group			
IP	5	–	5
DP	1,100	2,092	3,192
	1,105	2,092	3,197
Wharf group			
IP	12,658	7,330	19,988
DP	13,993	25,222	39,215
Hotels/Others	2,638	514	3,152
	29,289	33,066	62,355
Analysis by segment:			
IP	12,689	7,330	20,019
DP	22,044	45,962	68,006
Hotels/Others	2,638	514	3,152
Group total	37,371	53,806	91,177
Analysis by geographical location:			
Hong Kong	10,094	18,957	29,051
Mainland China	23,684	34,119	57,803
Singapore	955	216	1,171
Properties total	34,733	53,292	88,025
Hotels/Others	2,638	514	3,152
Group total	37,371	53,806	91,177

- i. Wheelock's own commitments of HK\$25.6 billion are mainly related to land and construction costs for DP in Hong Kong.
- ii. WPSL's commitments of HK\$3.2 billion are mainly related to construction costs of HK\$1.2 billion for DP in Singapore and HK\$2.0 billion for DP in the Mainland.
- iii. Wharf's commitments of HK\$62.4 billion mainly comprised expenditure of HK\$20.0 billion for IP, HK\$39.2 billion land and construction costs for DP and HK\$3.2 billion for Hotels, Modern Terminals, Wharf T&T and i-CABLE.
- iv. The above commitments and planned expenditure will be funded by the respective group's own internal financial resources including surplus cash, cash flow from operations as well as bank and other financing with construction costs self-financed mainly by pre-sale proceeds and project loans. Other available resources include available-for-sale investments.

3. HUMAN RESOURCES

The Group had approximately 16,100 employees as at 30 June 2015, including about 2,400 employed by managed operations. Employees are remunerated according to their job responsibilities and the market pay trends, with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the respective group's achievement and results.

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2015 — Unaudited

		Six months ended 30 June	
		2015	2014
	Note	HK\$ Million	HK\$ Million
Revenue	2	28,648	18,474
Direct costs and operating expenses		(14,662)	(8,021)
Selling and marketing expenses		(1,005)	(656)
Administrative and corporate expenses		(815)	(815)
Operating profit before depreciation, amortisation, interest and tax		12,166	8,982
Depreciation and amortisation	3	(789)	(741)
Operating profit	2 & 3	11,377	8,241
Increase in fair value of investment properties		4,190	7,441
Other net charge	4	(1,084)	(150)
		14,483	15,532
Finance costs	5	(831)	(1,149)
Share of results after tax of:			
Associates	6	454	1,145
Joint ventures		(201)	150
Profit before taxation		13,905	15,678
Income tax	7	(2,515)	(2,068)
Profit for the period		11,390	13,610
Profit attributable to:			
Equity shareholders		8,006	7,675
Non-controlling interests		3,384	5,935
		11,390	13,610
Earnings per share	8		
Basic		HK\$3.94	HK\$3.78
Diluted		HK\$3.94	HK\$3.78

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2015 — Unaudited

	Six months ended 30 June	
	2015	2014
	HK\$ Million	HK\$ Million
Profit for the period	11,390	13,610
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(306)	(787)
Net revaluation of available-for-sale investments:	642	677
Surplus on revaluation	676	664
Transferred to profit or loss on disposal	(34)	13
Share of other comprehensive income of associates/joint ventures	(88)	(366)
Others	8	3
Other comprehensive income for the period	256	(473)
Total comprehensive income for the period	11,646	13,137
Total comprehensive income attributable to:		
Equity shareholders	8,138	7,792
Non-controlling interests	3,508	5,345
	11,646	13,137

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015 — Unaudited

	Note	30 June 2015 HK\$ Million	31 December 2014 HK\$ Million
Non-current assets			
Investment properties		322,737	316,860
Fixed assets		25,382	25,052
Interest in associates		21,197	25,648
Interest in joint ventures		20,448	19,911
Available-for-sale investments		16,810	11,390
Goodwill and other intangible assets		305	305
Programming library		170	168
Deferred tax assets		738	673
Derivative financial assets		1,096	1,041
Other non-current assets		101	44
		408,984	401,092
Current assets			
Properties for sale		81,071	88,148
Inventories		47	48
Trade and other receivables	10	14,198	6,713
Derivative financial assets		303	287
Bank deposits and cash		18,582	21,279
		114,201	116,475
Total assets		523,185	517,567
Non-current liabilities			
Derivative financial liabilities		(1,570)	(1,408)
Deferred tax liabilities		(11,065)	(10,529)
Other deferred liabilities		(324)	(315)
Bank loans and other borrowings	12	(96,571)	(107,134)
		(109,530)	(119,386)
Current liabilities			
Trade and other payables	11	(23,383)	(26,231)
Deposits from sale of properties		(21,400)	(18,508)
Derivative financial liabilities		(698)	(1,124)
Taxation payable		(2,343)	(1,658)
Bank loans and other borrowings	12	(21,145)	(10,744)
		(68,969)	(58,265)
Total liabilities		(178,499)	(177,651)
NET ASSETS		344,686	339,916
Capital and reserves			
Share capital		2,949	2,949
Reserves		198,149	188,257
Shareholders' equity		201,098	191,206
Non-controlling interests		143,588	148,710
TOTAL EQUITY		344,686	339,916

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 — Unaudited

	Shareholders' equity							
	Share capital	Share premium	Investments revaluation and other reserves	Exchange reserves	Revenue reserves	Total shareholders' equity	Non-controlling interests	Total equity
	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
At 1 January 2015	2,949	-	1,001	5,467	181,789	191,206	148,710	339,916
Changes in equity for the period:								
Profit	-	-	-	-	8,006	8,006	3,384	11,390
Other comprehensive income	-	-	479	(351)	4	132	124	256
Total comprehensive income	-	-	479	(351)	8,010	8,138	3,508	11,646
Shares issued by a subsidiary	-	-	(9)	-	-	(9)	59	50
Acquisition of additional interest in a subsidiary	-	-	-	-	3,127	3,127	(6,851)	(3,724)
Equity settled share-based payments	-	-	23	-	-	23	8	31
Share option lapsed in a subsidiary	-	-	(16)	-	16	-	-	-
2014 second interim dividend paid (Note 9b)	-	-	-	-	(1,387)	(1,387)	-	(1,387)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,846)	(1,846)
At 30 June 2015	2,949	-	1,478	5,116	191,555	201,098	143,588	344,686
At 1 January 2014	1,016	1,914	915	6,292	156,445	166,582	144,990	311,572
Changes in equity for the period:								
Profit	-	-	-	-	7,675	7,675	5,935	13,610
Other comprehensive income	-	-	577	(460)	-	117	(590)	(473)
Transferred to revenue reserves on disposal	-	-	(1,226)	(68)	1,294	-	-	-
Total comprehensive income	-	-	(649)	(528)	8,969	7,792	5,345	13,137
Acquisition of additional interest in a subsidiary	-	-	-	-	3,085	3,085	(7,346)	(4,261)
Equity settled share-based payments	-	-	43	-	-	43	20	63
Redemption of convertible bonds issued by a subsidiary	-	-	(55)	-	55	-	-	-
2013 second interim dividend paid	-	-	-	-	(1,321)	(1,321)	-	(1,321)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2,148)	(2,148)
Transition to no-par value regime on 3 March 2014	1,933	*(1,914)	*(19)	-	-	-	-	-
At 30 June 2014	2,949	-	235	5,764	167,233	176,181	140,861	317,042

* Share premium of HK\$1,914 million and capital redemption reserve of HK\$19 million under investments revaluation and other reserves were transferred to share capital on 3 March 2014 in accordance with the Hong Kong Companies Ordinance (Cap. 622).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015 — Unaudited

	Six months ended 30 June	
	2015	2014
	HK\$ Million	HK\$ Million
Operating cash inflow	11,775	8,481
Changes in working capital/others	(241)	(5,280)
Tax paid	(1,359)	(1,403)
Net cash generated from operating activities	10,175	1,798
Investing activities		
Additions to investment properties and fixed assets	(3,562)	(3,472)
Acquisition of additional interest in a subsidiary	(3,724)	(4,261)
Other cash (used in)/generated from investing activities	(2,262)	1,408
Net cash used in investing activities	(9,548)	(6,325)
Financing activities		
Dividends paid to equity shareholders	(1,387)	(1,321)
Dividends paid to non-controlling interests	(1,846)	(2,148)
Other cash generated from financing activities	56	2,590
Net cash used in financing activities	(3,177)	(879)
Net decrease in cash and cash equivalents	(2,550)	(5,406)
Cash and cash equivalents at 1 January	21,179	29,315
Effect of exchange rate changes	(47)	(152)
Cash and cash equivalents at 30 June	18,582	23,757
Cash and cash equivalents		
Bank deposits and cash in the consolidated statement of financial position	18,582	23,757

NOTES TO THE UNAUDITED INTERIM FINANCIAL INFORMATION

1. PRINCIPAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

This unaudited interim financial information has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The preparation of the unaudited interim financial information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2014 except for the changes mentioned below.

The HKICPA has issued certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) which are first effective for the current accounting period of the Group. The amendments do not have a significant impact on the Group’s results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

The unaudited interim financial information contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 December 2014. The unaudited interim financial information and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2014 that is included in the unaudited interim financial information as comparative information does not constitute the Company’s statutory annual financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2014 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance. The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance (or under their equivalent requirements found in section 141 of the predecessor Companies Ordinance (Cap. 32)).

2. SEGMENT INFORMATION

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined five reportable operating segments for measuring performance and allocating resources. The segments are investment property, development property, hotels, logistics and communications and media and entertainment ("CME"). No operating segments have been aggregated to form the reportable segments.

Investment property segment primarily includes property leasing operations. Currently, the Group's properties portfolio, which mainly consists of retail, office and serviced apartments, is primarily located in Hong Kong, Mainland China and Singapore.

Development property segment encompasses activities relating to the acquisition, development, design, construction, sale and marketing of the Group's trading properties, which are primarily in Hong Kong, Mainland China and Singapore.

Hotels segment includes hotel operations in the Asia Pacific region. Currently, The Wharf (Holdings) Limited ("Wharf") operates 14 Marco Polo hotels in the Asia Pacific region, six of which are owned by Wharf.

Logistics segment mainly includes the container terminal operations in Hong Kong and Mainland China undertaken by Modern Terminals Limited ("Modern Terminals"), Hong Kong Air Cargo Terminals Limited and other public transport operations.

CME segment comprises pay television, internet and multimedia and other businesses operated by i-CABLE Communications Limited ("i-CABLE") and the telecommunication businesses operated by Wharf T&T Limited ("Wharf T&T").

Management evaluates performance primarily based on operating profit as well as the equity share of results of associates and joint ventures of each segment. Inter-segment pricing is generally determined on an arm's length basis.

Segment business assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of bank deposits and cash, certain available-for-sale investments, deferred tax assets and derivative financial assets.

Revenue and expenses are allocated with reference to sales generated by those segments and expenses incurred by those segments or which arise from the depreciation of assets attributable to those segments.

(a) Analysis of segment revenue and results

	Revenue HK\$ Million	Operating profit HK\$ Million	Investment properties fair value HK\$ Million	Other net charge HK\$ Million	Finance costs HK\$ Million	Associates HK\$ Million	Joint ventures HK\$ Million	Profit before taxation HK\$ Million
For the six months ended 30 June 2015								
Investment property	7,472	6,111	4,190	53	(662)	-	-	9,692
Hong Kong	6,164	5,393	3,414	-	(657)	-	-	8,150
Mainland China	1,121	589	776	53	(5)	-	-	1,413
Singapore	187	129	-	-	-	-	-	129
Development property	16,866	4,703	-	(1,479)	(51)	298	(230)	3,241
Hong Kong	10,217	3,546	-	-	-	-	(49)	3,497
Mainland China	6,562	1,134	-	(1,479)	(42)	298	(181)	(270)
Singapore	87	23	-	-	(9)	-	-	14
Hotels	718	115	-	-	(3)	-	-	112
Logistics	1,434	333	-	(16)	(125)	148	29	369
Terminals	1,382	327	-	5	(125)	112	29	348
Others	52	6	-	(21)	-	36	-	21
CME	1,750	38	-	1	(18)	-	-	21
i-CABLE	760	(129)	-	1	(1)	-	-	(129)
Telecommunications	990	173	-	-	(17)	-	-	156
Others	-	(6)	-	-	-	-	-	(6)
Inter-segment revenue	(202)	-	-	-	-	-	-	-
Segment total	28,038	11,300	4,190	(1,441)	(859)	446	(201)	13,435
Investment and others	610	396	-	357	28	8	-	789
Corporate expenses	-	(319)	-	-	-	-	-	(319)
Group total	28,648	11,377	4,190	(1,084)	(831)	454	(201)	13,905

	Revenue HK\$ Million	Operating profit HK\$ Million	Investment properties fair value HK\$ Million	Other net charge HK\$ Million	Finance costs HK\$ Million	Associates HK\$ Million	Joint ventures HK\$ Million	Profit before taxation HK\$ Million
For the six months ended 30 June 2014								
Investment property	6,840	5,667	7,441	18	(691)	–	–	12,435
Hong Kong	5,782	5,085	6,398	18	(663)	–	–	10,838
Mainland China	839	425	1,043	–	(28)	–	–	1,440
Singapore	219	157	–	–	–	–	–	157
Development property	6,883	1,613	–	(24)	(51)	322	121	1,981
Hong Kong	1,668	818	–	–	–	1	(25)	794
Mainland China	5,215	839	–	(24)	(51)	321	146	1,231
Singapore	–	(44)	–	–	–	–	–	(44)
Hotels	760	189	–	–	(7)	–	–	182
Logistics	1,673	517	–	(73)	(127)	150	29	496
Terminals	1,618	508	–	(52)	(127)	111	29	469
Others	55	9	–	(21)	–	39	–	27
CME	1,790	143	–	1	(19)	–	–	125
i-CABLE	843	(19)	–	1	–	–	–	(18)
Telecommunications	947	165	–	–	(19)	–	–	146
Others	–	(3)	–	–	–	–	–	(3)
Inter-segment revenue	(227)	–	–	–	–	–	–	–
Segment total	17,719	8,129	7,441	(78)	(895)	472	150	15,219
Investment and others	755	524	–	(72)	(254)	673	–	871
Corporate expenses	–	(412)	–	–	–	–	–	(412)
Group total	18,474	8,241	7,441	(150)	(1,149)	1,145	150	15,678

(b) Analysis of inter-segment revenue

	Total revenue	2015 Inter- segment revenue	Group revenue	Total revenue	2014 Inter- segment revenue	Group revenue
Six months ended 30 June	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Investment property	7,472	(96)	7,376	6,840	(90)	6,750
Development property	16,866	–	16,866	6,883	–	6,883
Hotels	718	–	718	760	–	760
Logistics	1,434	–	1,434	1,673	–	1,673
CME	1,750	(40)	1,710	1,790	(48)	1,742
Investment and others	610	(66)	544	755	(89)	666
	28,850	(202)	28,648	18,701	(227)	18,474

(c) Geographical information

	Revenue		Operating profit	
	2015	2014	2015	2014
Six months ended 30 June	HK\$ Million	HK\$ Million	HK\$ Million	HK\$ Million
Hong Kong	19,929	11,385	9,523	6,831
Mainland China	8,408	6,837	1,674	1,281
Singapore	311	252	180	129
Group total	28,648	18,474	11,377	8,241

3. OPERATING PROFIT

	Six months ended 30 June	
	2015	2014
	HK\$ Million	HK\$ Million
Operating profit is arrived at after charging/(crediting):		
Depreciation and amortisation on		
— assets held for use under operating leases	87	84
— other fixed assets	603	570
— leasehold land	37	37
— programming library	62	50
Total depreciation and amortisation	789	741
Staff costs (Note a)	2,007	1,956
Cost of trading properties for recognised sales	11,583	5,046
Gross rental revenue from investment properties (Note b)	(7,472)	(6,840)
Direct operating expenses of investment properties	1,279	1,102
Interest income	(251)	(394)
Dividend income from listed investments	(173)	(177)
Loss on disposal of fixed assets	2	7

Notes:

- (a) Staff costs included contributions to defined contribution pension schemes of HK\$156 million (2014: HK\$145 million) and equity settled share-based payment expenses of HK\$31 million (2014: HK\$63 million).
- (b) Rental income included contingent rentals of HK\$902 million (2014: HK\$1,116 million).

4. OTHER NET CHARGE

Other net charge for the period amounted to HK\$1,084 million (2014: HK\$150 million) and mainly comprises:

- (a) A non-recurrent estimated accounting loss of HK\$1,491 million arising from the deemed disposal of Wharf's entire 24.3% equity interest in Greentown China Holdings Limited ("Greentown") upon reclassification of such interest as available-for-sale investments at the prevailing market value when Wharf ceased to have significant influence over Greentown in June 2015.

The Greentown equity interest was acquired by Wharf in June 2012 at a cost of HK\$2,729 million, with an accounting gain representing negative goodwill of HK\$2,233 million when it was equity-accounted as an associate.

- (b) Net profit on disposal of available-for-sale investments of HK\$275 million (2014: HK\$9 million).
- (c) Net foreign exchange gain of HK\$162 million (2014: loss of HK\$186 million) which included the impact of forward foreign exchange contracts.

5. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK\$ Million	HK\$ Million
Interest charged on:		
Bank loans and overdrafts	624	819
Other borrowings	791	856
Total interest charge	1,415	1,675
Other finance costs	198	224
Less: Amount capitalised	(812)	(905)
	801	994
Fair value (gain)/loss:		
Cross currency interest rate swaps	(5)	57
Interest rate swaps	35	98
	30	155
Total	831	1,149

- (a) The Group's average effective borrowing rate for the period was approximately 2.8% (2014: 3.1%) per annum.
- (b) The above interest charge has taken into account the interest paid/received in respect of interest rate swaps and cross currency interest rate swaps.

6. SHARE OF RESULTS AFTER TAX OF ASSOCIATES

In 2014, share of results after tax of associates included Wheelock Properties (Singapore) Limited's share of negative goodwill of HK\$671 million arising from the acquisition of Hotel Properties Limited.

7. INCOME TAX

Taxation charged to the consolidated income statement includes:

	Six months ended 30 June	
	2015	2014
	HK\$ Million	HK\$ Million
Current income tax		
Hong Kong		
— provision for the period	1,408	908
— overprovision in respect of prior years	(1)	(40)
Outside Hong Kong		
— provision for the period	506	465
	1,913	1,333
Land appreciation tax ("LAT") in Mainland China		
(Note 7c)	133	149
Deferred tax		
Change in fair value of investment properties	315	481
Origination and reversal of temporary differences	154	105
	469	586
Total	2,515	2,068

- (a) The provision for Hong Kong profits tax is based on the profit for the period as adjusted for tax purposes at the rate of 16.5% (2014: 16.5%).
- (b) Income tax on profits assessable outside Hong Kong is mainly China corporate income tax calculated at a rate of 25% (2014: 25%), China withholding income tax at a rate of up to 10% (2014: 10%) and Singapore income tax at a rate of 17% (2014: 17%).
- (c) Under the Provisional Regulations on LAT, all gains arising from transfer of real estate property in Mainland China are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds on sales of properties less deductible expenditure including cost of land use rights, borrowing costs and all development property expenditure.
- (d) Tax attributable to associates and joint ventures for the six months ended 30 June 2015 of HK\$236 million (2014: HK\$706 million) is included in the share of results after tax of associates and joint ventures.

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following data:

(a) Earnings for the purpose of basic and diluted earnings per share

	Six months ended 30 June 2015 HK\$ Million	2014 HK\$ Million
Profit attributable to equity shareholders	8,006	7,675

(b) Weighted average number of ordinary shares

	30 June 2015 No. of shares	30 June 2014 No. of shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,031,849,287	2,031,849,287
Effect of dilutive potential shares — Share options	370,146	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	2,032,219,433	2,031,849,287

9. DIVIDENDS ATTRIBUTABLE TO EQUITY SHAREHOLDERS

	2015 HK\$ per share	Six months ended 30 June 2015 HK\$ Million	2014 HK\$ per share	2014 HK\$ Million
First interim dividend declared after the end of the reporting period	0.425	864	0.385	782

- (a) The first interim dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.
- (b) The second interim dividend of HK\$1,387 million for 2014 was approved and paid in 2015.

10. TRADE AND OTHER RECEIVABLES

Included in this item are trade receivables (net of allowance for bad and doubtful debts) with an ageing analysis based on invoice dates as at 30 June 2015, shown as follows:

	30 June 2015 HK\$ Million	31 December 2014 HK\$ Million
Trade receivables		
0 – 30 days	718	783
31 – 60 days	150	169
61 – 90 days	73	74
Over 90 days	101	81
	1,042	1,107
Accrued sales receivables	6,082	16
Other receivables and prepayments	7,074	5,590
	14,198	6,713

Accrued sales receivables mainly represent consideration for property sales to be billed or received after the end of the reporting period. In accordance with the Group's accounting policy, upon receipt of the occupation permit or architect's completion certificate, the balance of the sales consideration to be billed is included as accrued sales receivables.

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties, the proceeds from which are receivable pursuant to the terms of the agreements. All the receivables are expected to be recoverable within one year.

11. TRADE AND OTHER PAYABLES

Included in this item are trade payables with an ageing analysis as at 30 June 2015, shown as follows:

	30 June 2015 HK\$ Million	31 December 2014 HK\$ Million
Trade payables		
0 – 30 days	319	425
31 – 60 days	256	244
61 – 90 days	149	48
Over 90 days	113	127
	837	844
Rental and customer deposits	4,040	3,721
Construction costs payable	7,636	11,085
Amounts due to associates	2,699	2,781
Amounts due to joint ventures	3,068	2,299
Other payables	5,103	5,501
	23,383	26,231

12. BANK LOANS AND OTHER BORROWINGS

	30 June 2015 HK\$ Million	31 December 2014 HK\$ Million
Bonds and notes (unsecured)	49,067	48,790
Bank loans (secured)	17,136	19,166
Bank loans (unsecured)	51,513	49,922
Total bank loans and other borrowings	117,716	117,878
Analysis of maturities of the above borrowings:		
Current borrowings		
Due within 1 year	21,145	10,744
Non-current borrowings		
Due after 1 year but within 5 years	86,227	94,240
Due after 5 years	10,344	12,894
	96,571	107,134
Total bank loans and other borrowings	117,716	117,878

13. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair value measurement" ("HKFRS 13"). The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique. The levels are defined as below:

Level 1 valuations:	Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
Level 2 valuations:	Fair value measured using only Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
Level 3 valuations:	Fair value measured using significant unobservable inputs.

Financial instruments carried at fair value

The fair value measurement information for financial instruments in accordance with HKFRS 13 is given below:

	Fair value measurements categorised into					
	30 June 2015			31 December 2014		
	Level 1 HK\$ Million	Level 2 HK\$ Million	Total HK\$ Million	Level 1 HK\$ Million	Level 2 HK\$ Million	Total HK\$ Million
Assets						
Available-for-sale investments:						
— Listed investments	16,777	—	16,777	11,357	—	11,357
Derivative financial instruments:						
— Interest rate swaps	—	661	661	—	611	611
— Cross currency interest rate swaps	—	666	666	—	583	583
— Forward foreign exchange contracts	—	4	4	—	85	85
— Other derivatives	68	—	68	49	—	49
	16,845	1,331	18,176	11,406	1,279	12,685
Liabilities						
Derivative financial instruments:						
— Interest rate swaps	—	(590)	(590)	—	(641)	(641)
— Cross currency interest rate swaps	—	(1,582)	(1,582)	—	(1,449)	(1,449)
— Forward foreign exchange contracts	—	(96)	(96)	—	(442)	(442)
Bank loans and other borrowings:						
— Bonds and notes	—	(29,383)	(29,383)	—	(29,904)	(29,904)
— Bank loans	—	(2,329)	(2,329)	—	(1,323)	(1,323)
	—	(33,980)	(33,980)	—	(33,759)	(33,759)

During the six months ended 30 June 2015 and the year ended 31 December 2014, there were no transfers of financial instruments between Level 1 and Level 2, or transfers into or out of Level 3.

The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of forward foreign exchange contracts in Level 2 is determined by using the forward exchange rates at the end of the reporting period and comparing them to the contractual rates.

The fair value of interest rate swaps and cross currency interest rate swaps in Level 2 is determined based on the amount that the Group would receive or pay to terminate the swaps at the end of the reporting period taking into account current interest rates and current creditworthiness of the swap counter-parties.

The fair values of bank loans and other borrowings in Level 2 are determined based on cash flows discounted using the Group's current incremental borrowing rates for similar types of borrowings with maturities consistent with those remaining for the debt being valued.

(b) Financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2015 and 31 December 2014.

14. MATERIAL RELATED PARTY TRANSACTIONS

The Group has not been a party to any material related party transactions during the period ended 30 June 2015 except for the rental income totalling HK\$608 million (2014: HK\$495 million) earned from various tenants which are wholly or partly owned by companies which in turn are wholly-owned by the family interests of close family members of, or by a trust the settlor of which is a close family member of, the chairman of the Company. These transactions are considered to be related party transactions, of which HK\$525 million (2014: HK\$436 million) also constitute connected transactions as defined under the Listing Rules.

15. CONTINGENT LIABILITIES

- (a) As at 30 June 2015, there were contingent liabilities in respect of guarantees given by the Group on behalf of certain associates and joint ventures of HK\$8,852 million (31/12/2014: HK\$9,914 million), of which HK\$8,740 million (31/12/2014: HK\$9,259 million) had been drawn.
- (b) As at 30 June 2015, there were guarantees of HK\$8,239 million (31/12/2014: HK\$7,839 million) provided by Wharf group to the banks in favour of their customers in respect of the mortgage loans provided by the banks to those customers for the purchase of Wharf group's development properties. There were also mortgage loan guarantees of HK\$1,059 million (31/12/2014: HK\$1,228 million) provided by associates and joint ventures of Wharf group to the banks in favour of their customers.

16. COMMITMENTS

The Group's outstanding commitments as at 30 June 2015 are detailed as below:

(a) Planned expenditure

	30 June 2015			31 December 2014		
	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million	Committed HK\$ Million	Uncommitted HK\$ Million	Total HK\$ Million
(I) Properties						
Investment property						
Hong Kong	2,214	309	2,523	1,728	1,011	2,739
Mainland China	10,470	7,021	17,491	6,221	9,909	16,130
Singapore	5	–	5	6	–	6
	12,689	7,330	20,019	7,955	10,920	18,875
Development property						
Hong Kong	7,880	18,648	26,528	5,323	15,159	20,482
Mainland China	13,214	27,098	40,312	12,700	27,204	39,904
Singapore	950	216	1,166	1,122	225	1,347
	22,044	45,962	68,006	19,145	42,588	61,733
Properties total						
Hong Kong	10,094	18,957	29,051	7,051	16,170	23,221
Mainland China	23,684	34,119	57,803	18,921	37,113	56,034
Singapore	955	216	1,171	1,128	225	1,353
	34,733	53,292	88,025	27,100	53,508	80,608
(II) Others						
Hotels	2,240	164	2,404	173	2,042	2,215
Modern Terminals	239	20	259	277	16	293
Wharf T&T	126	60	186	106	109	215
i-CABLE	33	270	303	5	208	213
	2,638	514	3,152	561	2,375	2,936
Group total	37,371	53,806	91,177	27,661	55,883	83,544

- (i) Properties commitments are mainly for land and construction costs to be incurred in the forthcoming years, including attributable land costs of HK\$3.2 billion (31/12/2014: HK\$0.7 billion) payable in 2015 and 2016.
- (ii) The expenditure for development properties includes attributable amounts for developments undertaken by associates and joint ventures of HK\$0.4 billion (31/12/2014: HK\$0.5 billion) in Hong Kong and of HK\$14.9 billion (31/12/2014: HK\$14.9 billion) in Mainland China.

- (b) In addition to the above, the CME segment is committed to programming and other expenditure totalling HK\$728 million (31/12/2014: HK\$836 million) with HK\$663 million (31/12/2014: HK\$766 million) being committed.
- (c) The Group leases a number of properties and telecommunication network facilities under operating leases. The leases typically run for an initial period of two to fifteen years, with an option to renew each lease upon expiry when all terms are renegotiated. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals. Total operating leases commitments are detailed as below:

	30 June 2015 HK\$ Million	31 December 2014 HK\$ Million
Expenditure for operating leases		
Within one year	52	52
After one year but within five years	116	127
Over five years	28	33
	196	212

17. REVIEW OF UNAUDITED INTERIM FINANCIAL INFORMATION

The unaudited interim financial information for the six months ended 30 June 2015 has been reviewed with no disagreement by the Audit Committee of the Company.

CORPORATE GOVERNANCE CODE

During the financial period under review, all the code provisions set out in the Corporate Governance Code in Appendix 14 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) were met by the Company, with the exception of two deviations, namely, (i) Code Provision A.2.1 (the “First Deviation”) providing for the roles of the chairman and chief executive to be performed by different individuals; and (ii) Code Provision F.1.3 (the “Second Deviation”) providing for the company secretary to report to the board chairman or the chief executive.

Regarding the First Deviation, the relevant arrangement is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals, with more than half of them being Independent Non-executive Directors. As regards the Second Deviation, the Company Secretary of the Company has for some years directly reported to, and continues to report to, the Deputy Chairman of the Company, which is considered appropriate and reasonable given the size of the Group. In the view of the Directors, this reporting arrangement would in no way adversely affect the efficient discharge by the Company Secretary of his job duties.

MODEL CODE FOR DIRECTORS’ DEALING IN SECURITIES

The Company has adopted its own set of code of conduct regarding Directors’ securities transactions (the “Company’s Code”) with terms thereof being no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Listing Rules. The Company has made specific enquiry of all present Directors of the Company, and all the Directors have complied with the required standard set out in the Company’s Code during the period under review.

DIRECTORS' INTERESTS IN SECURITIES

(A) INTERESTS IN SHARES & DEBT SECURITIES

At 30 June 2015, present Directors of the Company had the following beneficial interests, all being long positions, in the shares and/or debt securities of the Company, of three subsidiaries of the Company, namely, The Wharf (Holdings) Limited ("Wharf"), i-CABLE Communications Limited ("i-CABLE") and Wheelock Finance Limited, and also of Greentown China Holdings Limited, which is regarded as an associated corporation of the Company. The percentages which the relevant shares represented as compared to the total numbers of shares in issue of the relevant companies respectively are also set out below:

	Quantity (percentage, where applicable) held	Nature of Interest
The Company — Ordinary Shares		
Stephen T H Ng	300,000 (0.0148%)	Personal Interest
Wharf — Ordinary Shares		
Stephen T H Ng	804,445 (0.0266%)	Personal Interest
Kenneth W S Ting	659,024 (0.0217%)	Personal Interest
i-CABLE — Ordinary Shares		
Stephen T H Ng	1,265,005 (0.0629%)	Personal Interest
Wheelock Finance Limited		
— HKD Guaranteed Notes due 2017		
Ricky K Y Wong	HK\$5,000,000	Personal Interest
— USD Guaranteed Notes due 2018		
Ricky K Y Wong	US\$1,300,000	Personal Interest
— HKD Guaranteed Notes due 2022		
Ricky K Y Wong	HK\$5,000,000	Personal Interest
Greentown China Holdings Limited		
— USD Bond due 2018		
Stewart C K Leung	US\$500,000	Personal Interest

Note: The interests in shares disclosed above do not include interests in share options of the Company and/or its subsidiary(ies) held by Directors of the Company as at 30 June 2015. Details of such interests in share options are separately set out below under subsections headed "(B) Interests in share options of the Company" and "(C) Interests in share options of Wharf".

(B) INTERESTS IN SHARE OPTIONS OF THE COMPANY

Set out below are particulars of all interests (all being personal interests) in options held during the six months ended 30 June 2015 by present Directors (and/or their respective associate(s)) of the Company to subscribe for ordinary shares of the Company granted/exercisable under the share option scheme of the Company:

Name of Director	Date of grant (Day/Month/Year)	No. of Wheelock's shares under option (percentage based on all issued shares)		Subscription price per share (HK\$)
		As at 1 January 2015	As at 30 June 2015	
Douglas C K Woo (Note b)	14/06/2013	3,000,000	3,000,000 (0.148%)	39.98
Stewart C K Leung	14/06/2013	3,000,000	3,000,000 (0.148%)	39.98
Paul Y C Tsui	14/06/2013	1,500,000	1,500,000 (0.074%)	39.98
Ricky K Y Wong	14/06/2013	3,000,000	3,000,000 (0.148%)	39.98

Notes:

- (a) *The share options of the Company outstanding as at both 1 January 2015 and 30 June 2015 as stated above were/will be vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the relevant options, i.e. exercisable to the extent of one-fifth of the relevant total number of Wheelock's shares, and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 15th of June in the years 2013, 2014, 2015, 2016 and 2017 respectively.*
- (b) *As at both 1 January 2015 and 30 June 2015, an associate of Mr Douglas C K Woo, namely, Mr Peter K C Woo, who is the father of Mr Douglas C K Woo, held certain options for the Company's shares, particulars of which are set out below under the section headed "Substantial Shareholders' Interests". The share options so held by Mr Peter K C Woo are not included in the options held by Mr Douglas C K Woo as stated above.*
- (c) *No share option of the Company held by Directors of the Company and/or their associate(s) lapsed or was exercised or cancelled during the financial period and no share option of the Company was granted to any Director of the Company and/or any associate(s) of any Director during the financial period.*

(C) INTERESTS IN SHARE OPTIONS OF WHARF

There was in existence during the financial period a share option scheme of Wharf (the “Wharf’s Scheme”). Set out below are particulars of all interests (all being personal interests) in options held during the six months ended 30 June 2015 by present Directors (and/or their respective associate(s)) of the Company to subscribe for ordinary shares of Wharf granted/exercisable under the Wharf’s Scheme:

Name of Director	Total No. of Wharf’s shares under option held as at 30 June 2015 (percentage based on all issued shares)	Date of grant (Day/Month/Year)	No. of Wharf’s shares under option		Subscription price per share (HK\$)
			As at 1 January 2015	As at 30 June 2015	
Douglas C K Woo (Note iii)	800,000 (0.026%)	04/07/2011	800,000	800,000	55.15
Stephen T H Ng	3,500,000 (0.116%)	04/07/2011	1,500,000	1,500,000	55.15
		05/06/2013	2,000,000	2,000,000	70.20
Paul Y C Tsui	2,200,000 (0.073%)	04/07/2011	1,200,000	1,200,000	55.15
		05/06/2013	1,000,000	1,000,000	70.20
Ricky K Y Wong	800,000 (0.026%)	04/07/2011	800,000	800,000	55.15

Notes:

- (i) *The Wharf’s share options granted on 4 July 2011 outstanding as at both 1 January 2015 and 30 June 2015 as stated above were/will be vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the relevant Wharf’s share options, i.e. exercisable to the extent of one-fifth of the relevant total number of Wharf’s shares, and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 5th of July in the years 2011, 2012, 2013, 2014 and 2015 respectively, with one exception. Such an exception is that regarding the relevant options outstanding as at 30 June 2015 held by Mr Paul Y C Tsui, the options were/will be vested in four tranches within a period of 4 years, with each tranche covering one-fourth of the relevant Wharf’s share options, i.e. exercisable to the extent of one-fourth of the relevant total number of Wharf’s shares, and with the 1st, 2nd, 3rd and 4th tranche becoming exercisable from the 5th of July in the years 2012, 2013, 2014 and 2015 respectively.*
- (ii) *The Wharf’s share options granted on 5 June 2013 outstanding as at both 1 January 2015 and 30 June 2015 as stated above were/will be vested in five tranches within a period of 5 years, with each tranche covering one-fifth of the relevant Wharf’s share options, i.e. exercisable to the extent of one-fifth of the relevant total number of Wharf’s shares, and with the 1st, 2nd, 3rd, 4th and 5th tranche becoming exercisable from 6th of June in the years 2013, 2014, 2015, 2016 and 2017 respectively.*

- (iii) *As at both 1 January 2015 and 30 June 2015, an associate of Mr Douglas C K Woo, namely, Mr Peter K C Woo, who is the father of Mr Douglas C K Woo, held certain options for Wharf's shares, particulars of which are set out below under the section headed "Substantial Shareholders' Interests". The share options so held by Mr Peter K C Woo are not included in the options held by Mr Douglas C K Woo as stated above.*
- (iv) *No Wharf's share option held by Directors of the Company and/or their associate(s) lapsed or was exercised or cancelled during the financial period and no Wharf's share option was granted to any Director of the Company and/or any associate(s) of any Director during the financial period.*

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the Securities and Futures Ordinance ("SFO") in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or Chief Executive of the Company pursuant to the SFO and/or to the Listing Rules, there were no interests, both long and short positions, held as at 30 June 2015 by any of the Directors or Chief Executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Company and its associated corporations held by any of them as at 30 June 2015.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties who/which were, directly or indirectly, interested in 5% or more of any class of voting shares of the Company as at 30 June 2015, the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at that date as recorded in the register kept by the Company under section 336 of the SFO (the "Register"), and the percentages which the shares represented as compared to the total number of shares in issue of the Company:

Names	Number (percentage) of Ordinary Shares
(i) Mr Peter K C Woo (Notes 1 & 5)	236,644,652 (11.65%)
(ii) Mrs Bessie P Y Woo (Note 5)	236,644,652 (11.65%)
(iii) HSBC Trustee (C. I.) Limited	995,221,678 (48.98%)

Notes:

- (1) *The interests of party (i) stated above do not include his personal interests in certain share options of the Company, particulars of which are given in note (3) below.*
- (2) *Duplication occurred in respect of the shareholdings stated against parties (i) and (ii) above to the extent that they represented the same block of shares.*
- (3) *As at both 1 January 2015 and 30 June 2015, party (i) stated above held options granted by the Company on 14 June 2013 covering 2,000,000 shares (0.098% based on all issued shares) of the Company, with the subscription price and the vesting/exercise periods thereof being the same as the relevant price/periods which are (as stated above under subsection (B) in the section headed "Directors' Interests in Securities", with the relevant periods as described in note (a) therein) applicable to options granted on the same date by the Company to its Directors. No share option of the Company held by party (i) lapsed or was exercised or cancelled during the financial period and no share option of the Company was granted to party (i) during the financial period.*
- (4) *As at both 1 January 2015 and 30 June 2015, party (i) stated above held options granted by Wharf on 4 July 2011 and 5 June 2013 covering 1,500,000 and 2,000,000 Wharf's shares respectively, with the subscription prices and vesting/exercise periods thereof being the same as the respective prices/periods which are (as stated above under subsection (C) in the section headed "Directors' Interests in Securities", with the relevant periods as described in notes (i) and (ii) therein) applicable to options granted on the respective dates by Wharf to certain Directors of the Company (other than for the exceptional case in respect of Mr Paul Y C Tsui as stated in note (i) in that subsection (C)). No share option of Wharf held by party (i) lapsed or was exercised or cancelled during the financial period and no share option of Wharf was granted to party (i) during the financial period.*
- (5) *For the purpose of disclosure of interests in share options of the Company and Wharf under applicable laws and/or the Listing Rules, party (i) is an associate of party (ii), and Mr Douglas C K Woo is an associate of each of party (i) and party (ii). Particulars of the interests in the relevant share options held by party (i) (the relevant share options of the Company so held are not included in the deemed interests in the Company's shares held by party (ii) mentioned above) are given in notes (3) and (4) above, and particulars of the interests in the relevant share options held by Mr Douglas C K Woo (not included in the deemed interests held by party (i) and/or party (ii) mentioned above) are set out above under subsections (B) and (C) in the section headed "Directors' Interests in Securities".*

All the interests stated above represented long positions and as at 30 June 2015, there were no short position interests recorded in the Register.

SHARE OPTION SCHEMES

Details of share options of the Company and of Wharf held by present Directors of the Company which were outstanding during the financial period are set out in the subsections headed “(B) Interests in share options of the Company” and “(C) Interests in share options of Wharf” above respectively.

(A) DETAILS OF OUTSTANDING OPTIONS FOR SHARES OF THE COMPANY

Set out below are particulars and movement(s), if any, during the financial period of all outstanding share options of the Company which were granted to certain employees of the Group (including Directors of the Company), all working under employment contracts that are regarded as “continuous contracts” for the purposes of the Employment Ordinance and all being participants with options not exceeding the respective individual limits:

Date of grant (Date/Month/Year)	No. of Wheelock’s shares under option		Vesting/ Exercise Period (Day/Month/Year)	Price per share to be paid on exercise of options (HK\$)
	As at 1 January 2015	As at 30 June 2015		
14/06/2013	2,500,000	2,500,000	15/06/2013–14/06/2018	39.98
	2,500,000	2,500,000	15/06/2014–14/06/2018	39.98
	2,500,000	2,500,000	15/06/2015–14/06/2018	39.98
	2,500,000	2,500,000	15/06/2016–14/06/2018	39.98
	2,500,000	2,500,000	15/06/2017–14/06/2018	39.98
Total:	12,500,000	12,500,000		

Note: No share option of the Company lapsed or was granted, exercised or cancelled during the financial period.

(B) DETAILS OF OUTSTANDING OPTIONS FOR SHARES OF WHARF

Set out below are particulars and movement(s), if any, during the financial period of all outstanding Wharf's share options which were granted to certain employees of the Group (including Directors of the Company), all working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance and all being participants with options not exceeding the respective individual limits:

Date of grant (Day/Month/Year)	No. of Wharf's shares under option				Vesting/ Exercise Period (Day/Month/Year)	Price per share to be paid on exercise of options (HK\$)
	As at 1 January 2015	Exercised during the period	Lapsed during the period	As at 30 June 2015		
(i) 04/07/2011:	1,540,000	–	–	1,540,000	05/07/2011–04/07/2016	55.15
	2,320,000	300,000	–	2,020,000	05/07/2012–04/07/2016	55.15
	2,320,000	300,000	–	2,020,000	05/07/2013–04/07/2016	55.15
	2,320,000	300,000	–	2,020,000	05/07/2014–04/07/2016	55.15
	2,320,000	–	300,000	2,020,000	05/07/2015–04/07/2016	55.15
	10,820,000	900,000	300,000	9,620,000		
(ii) 05/06/2013:	2,500,000	–	400,000	2,100,000	06/06/2013–05/06/2018	70.20
	2,500,000	–	400,000	2,100,000	06/06/2014–05/06/2018	70.20
	2,500,000	–	400,000	2,100,000	06/06/2015–05/06/2018	70.20
	2,500,000	–	400,000	2,100,000	06/06/2016–05/06/2018	70.20
	2,500,000	–	400,000	2,100,000	06/06/2017–05/06/2018	70.20
	12,500,000	–	2,000,000	10,500,000		
Total:	23,320,000	900,000	2,300,000	20,120,000		

Notes:

- (1) The weighted average closing price of Wharf's shares immediately before the date(s) of exercise(s) of the Wharf's options during the financial period as abovementioned was HK\$59.04 per share.
- (2) The lapse of share options during the financial period covering a total of 2,300,000 Wharf's shares as stated above was in accordance with the terms of Wharf's share option scheme.
- (3) Except as disclosed above, no share option of Wharf lapsed or was granted, exercised or cancelled during the financial period.

CHANGES OF INFORMATION OF DIRECTORS

(A) Given below is the latest information regarding annual emoluments, calculated on an annualised basis for the year 2015 (and the year 2014), of all those present Directors of the Company for whom there have been changes of amounts of emoluments since the publication of the last annual report of the Company:

Directors	#Salary and various allowances HK\$'000	##Discretionary annual bonus in cash HK\$'000
Douglas C K Woo	5,716 (2014: 5,449)	11,000 (2014: 7,000)
Stephen T H Ng	7,244 (2014: 6,335)	15,500 (2014: 15,000)
Stewart C K Leung	5,459 (2014: 5,460)	10,000 (2014: 8,000)
Paul Y C Tsui	4,787 (2014: 4,223)	8,500 (2014: 7,500)
Ricky K Y Wong	4,190 (2014: 4,000)	9,000 (2014: 7,000)

[#] Not including the Chairman's fee of HK\$225,000 per annum payable to Mr Douglas C K Woo (2014: HK\$150,000) and the Director's fee of HK\$150,000 (2014: HK\$100,000) per annum to each of the other Directors of the Company payable by the Company.

^{##} Paid during the six-month period ended 30 June 2015, with the amounts of such discretionary annual bonuses fixed/decided unilaterally by the employers.

- (B)** Given below is the latest information regarding the directorships held at present and/or former directorship(s) (if any) held within the past three years in other listed public company(ies) in respect of any and all those Director(s) of the Company for whom there has/have been change(s) in the relevant information since the publication of the last annual report of the Company:

Director(s)	Present/(Former) directorship(s) in other listed public company(ies)
Paul Y C Tsui	Wharf; i-CABLE; Joyce Boutique Holdings Limited; Hotel Properties Limited; <i>(Greentown China Holdings Limited; resigned in July 2015); (Harbour Centre Development Limited; resigned in August 2015); (Wheelock Properties (Singapore) Limited; resigned in August 2015)</i>
Alan H Smith	Genting Hong Kong Limited; Guangdong Land Holdings Limited; Noble Group Limited; <i>(Crown International Corporation Limited); (Global Investment House (K.S.C.C.)); (see note below)</i>

Note: Mr Alan H Smith was formerly a director of IP All Seasons Asian Credit Fund, formerly a listed public company, which was voluntarily delisted in July 2012.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

BOOK CLOSURE

The Register of Members will be closed from Wednesday, 16 September 2015 to Friday, 18 September 2015, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 15 September 2015.

By Order of the Board

Wilson W S Chan

Company Secretary

Hong Kong, 20 August 2015

As at the date of this interim report, the Board of Directors of the Company comprises Mr Douglas C K Woo, Mr Stephen T H Ng, Mr Stewart C K Leung, Mr Paul Y C Tsui, Mr Ricky K Y Wong and Mrs Mignonne Cheng, together with seven Independent Non-executive Directors, namely, Mr Tak Hay Chau, Mr Winston K W Leong, Mr Alan H Smith, Mr Richard Y S Tang, Mr Kenneth W S Ting, Ms Nancy S L Tse and Mr Glenn S Yee.

Notwithstanding any choice of language or means for the receipt of corporate communications (viz. annual report, interim report, etc.) previously made by Shareholder(s) and communicated to the Company, Shareholder(s) has/have the option (which may be exercised at any time by giving reasonable prior notice to the Company) of changing the choice of printed language version(s) to English only, Chinese only or both English and Chinese for receiving future corporate communications, or changing the choice of receiving future corporate communications to using electronic means instead of in printed version (or vice versa). Such notice of change of choice should contain the full name(s) in English, address and contact telephone number of the relevant Shareholder(s), together with the relevant words (i.e. instruction in writing) regarding the request for the change of choice, and should be sent to the Company, c/o the Company's Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by post or by hand delivery, or via email to wheelockcompany-ecom@hk.tricorglobal.com.