

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 2017

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.

WE DON'T JUST BUILD,
WE CRAFT.





photo taken at **homantin hillside**





photos taken at **homantin hillside**



photo taken at **homantin hillside**

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CORPORATE INFORMATION

BOARD OF DIRECTORS**Executive Directors**

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

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

CHENG Man Piu, Francis

CHOW Wai Wai, John

NG Kar Wai, Kenneth

Non-Executive Directors

KWOK Ping Luen, Raymond *JP*
(KWOK Ho Lai, Edward as his alternate)

HONG Pak Cheung, William

NG Tak Wai, Frederick

CHEN Chou Mei Mei, Vivien

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*

CHENG Hoi Chuen, Vincent *GBS OBE JP*

AUDIT COMMITTEE MEMBERS

YEUNG Kit Shing, Jackson (Chairman)

FANG Hung, Kenneth *GBS CBE JP*

HONG Pak Cheung, William

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

NOMINATION COMMITTEE MEMBERS

CHENG Hoi Chuen, Vincent *GBS OBE JP* (Chairman)

CHENG Wai Chee, Christopher *GBS OBE JP*

CHENG Wai Sun, Edward *SBS JP*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

**COMPANY SECRETARY AND
GROUP LEGAL COUNSEL**

CHUNG Siu Wah, Henry

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**

Estera Management (Bermuda) Limited

Canon's Court, 22 Victoria Street

Hamilton HM 12, Bermuda

**HONG KONG BRANCH SHARE
REGISTRAR AND TRANSFER OFFICE**

Tricor Standard Limited

Level 22, Hopewell Centre

183 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, AIA Kowloon Tower

Landmark East

100 How Ming Street

Kwun Tong, Kowloon

Hong Kong

COMPANY WEBSITE

<http://www.wingtaiproperties.com>

**HONG KONG STOCK EXCHANGE
STOCK CODE**

369

FINANCIAL SUMMARY

The following is a summary of the results and of the assets and liabilities of the Group for each of the six months period ended 30 June 2017 and 2016, and of the five years ended 31 December 2016:

	Interim results		Annual results				
	2017 HK\$'M	2016 HK\$'M	2016 HK\$'M	2015 HK\$'M	2014 HK\$'M	2013 HK\$'M	2012 HK\$'M
							(Note a & b)
RESULTS							
Revenue	545.8	468.0	1,103.3	1,009.2	1,783.5	1,736.2	891.7
Profit before taxation							
from continuing operations	504.3	358.1	1,260.4	1,182.3	2,033.1	2,746.2	4,612.1
Taxation	(53.5)	(57.9)	(111.2)	(83.2)	(89.5)	(91.4)	(78.4)
Profit for the period/year from continuing operations	450.8	300.2	1,149.2	1,099.1	1,943.6	2,654.8	4,533.7
Profit for the period/year from discontinued operations	-	-	-	-	-	6.4	260.1
Profit for the period/year	450.8	300.2	1,149.2	1,099.1	1,943.6	2,661.2	4,793.8
Attributable to:							
Equity holders of the Company							
– From continuing operations	450.8	300.2	1,146.5	1,099.1	1,943.6	2,654.6	4,476.6
– From discontinued operations	-	-	-	-	-	6.4	260.1
Non-controlling interests	450.8	300.2	1,146.5	1,099.1	1,943.6	2,661.0	4,736.7
– From continuing operations	-	-	2.7	-	-	0.2	57.1
Profit for the period/year	450.8	300.2	1,149.2	1,099.1	1,943.6	2,661.2	4,793.8

	At 30 June		At 31 December			
	2017 HK\$'M	2016 HK\$'M	2015 HK\$'M	2014 HK\$'M	2013 HK\$'M	2012 HK\$'M
						(Note b)

ASSETS AND LIABILITIES

Total assets	31,521.9	30,776.1	28,220.9	27,527.8	26,705.1	23,578.1
Total liabilities	(6,821.7)	(6,464.0)	(4,873.6)	(4,847.6)	(5,809.9)	(5,216.3)
Non-controlling interests	(4.5)	(3.5)	(1.0)	(1.2)	(1.5)	(2.0)
Equity attributable to equity holders of the Company	24,695.7	24,308.6	23,346.3	22,679.0	20,893.7	18,359.8

Notes:

- In 2013, the Group's garment manufacturing operations were ceased. Therefore, these operations are presented as discontinued operations according to HKFRS 5 "Non-current assets held for sale and discontinued operations". Prior years' results are re-presented.
- The Group adopted HKFRS 11 "Joint arrangements" with effect from 1 January 2013, and applied retrospectively.

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CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that the Group's consolidated profit attributable to shareholders was HK\$450 million for the six months ended 30 June 2017, and earnings per share was HK\$0.33. The Board has recommended an interim dividend of HK4.5 cents per share, a 7% increase from 2016.

During the period under review, the Hong Kong residential property market continued its upward momentum, and transaction prices for primary sales scaled new peaks. Riding on the successful sale of all typical units of Homantin Hillside, we launched a limited collection of special units, which were sold at record-high prices. Concurrently, we steadily unloaded the remaining units at The Pierre, The Warren, Providence Bay and Providence Peak. In July, Le Cap, our luxury low-density residential development at the peak of Kau To Shan, obtained its occupation permit, and the Shau Kei Wan harbour-front residential project also obtained its pre-sale consent.

Our investment property portfolio in Hong Kong and Central London proved resilient in terms of occupancy and average rental rates. Our portfolio has a strong and quality tenant profile, and is proactively managed with asset enhancement initiatives to maximise the rental and capital values over time.

In Hong Kong, our flagship Grade A twin office towers of Landmark East, located right in the heart of Kwun Tong, continued to benefit from the solid market demand for large floor-plate office space, as more and more corporations are looking for expansion and relocation space outside of the traditional CBD area.

On the hospitality front, Lanson Place properties in key gateway cities enjoyed a satisfactory performance with sustained occupancy rates. The new Tianfu Square Serviced Suites by Lanson Place located at the financial centre of Chengdu is scheduled for opening by the fourth quarter of 2017.

In August, to further diversify our funding source and lengthen our funding profile, S\$160 million perpetual capital securities were issued. The positive market response reflects a strong endorsement of our credibility for long-term funding among regional investors.

Finally, I would like to take this opportunity to show my appreciation of my fellow Board members for their valuable insights and extend my gratitude to our shareholders, business partners and all colleagues for their continued support.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 30 August 2017

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2017, the Group's revenue was HK\$546 million compared with HK\$468 million in 2016. Consolidated profit attributable to equity holders was HK\$450 million, an increase of HK\$150 million compared with HK\$300 million in 2016. The increase was mainly attributable to a higher fair value gain on investment properties and financial instruments of HK\$254 million in the first half of 2017 compared with HK\$162 million in 2016, as well as a higher profit from property development and property investment.

Property Development

The property development segment revenue was HK\$94 million in the first half of 2017 compared with HK\$26 million in 2016. Segment profit before taxation was HK\$9 million, an increase of HK\$41 million compared with a segment loss of HK\$32 million in 2016, mainly attributable to more property sales than in 2016 from wholly-owned projects and joint ventures that were recognised in the profit and loss account in the first half of 2017.

Wholly-owned projects

The Warren, located at 9 Warren Street, Causeway Bay, is a residential and commercial project with a saleable area of approximately 53,000 square feet for 103 residential units and two retail shops on the ground floor. In the first half of 2017, around 3% of residential units were sold. Cumulatively, as at 30 June 2017, around 99% of the residential units were sold and all retail shops were leased.

The Pierre, located at 1 Coronation Terrace, Mid-Levels West, is a residential project with a saleable area of approximately 29,000 square feet for 77 units. In the first half of 2017, around 1% of residential unit was sold. Cumulatively, as at 30 June 2017, all residential units were sold.

The site in Shau Kei Wan, a prime harbour-front residential site, has a gross floor area of approximately 46,000 square feet. Pre-sale consent has been obtained in July 2017. Superstructure work is in progress and the project is scheduled for completion in 2018.

The site in Siu Sau, Tai Lam, Tuen Mun, a low-density residential site, has a gross floor area of approximately 159,000 square feet. Foundation work and site formation work are in progress and the project is scheduled for completion by 2019.

The site on So Kwun Wat Road, Tuen Mun, a medium-density residential site, has a gross floor area of approximately 264,000 square feet. Foundation work and site formation work have commenced and the project is scheduled for completion in 2021.

Majority-owned project

The site on Castle Peak Road, Tai Lam, Tuen Mun, a medium-density residential site, has a gross floor area of approximately 294,000 square feet. Ground investigation work has commenced. The project is scheduled for completion in 2022.

Joint venture projects

The Group has a 15% interest in each of Providence Bay, Providence Peak and The Graces located at Pak Shek Kok, Tai Po. In the first half of 2017, around 3% and 2% of the residential units of Providence Bay and Providence Peak were sold, respectively. Cumulatively, as at 30 June 2017, around 97%, 99% and 99% of the residential units of Providence Bay, Providence Peak and The Graces were sold, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has a 50% interest in Homantin Hillside, located at Hung Hom, which is in close proximity to the Ho Man Tin MTR station of the Kwun Tong Line Extension and the future Shatin to Central Link. The project has a saleable area of approximately 128,000 square feet for 173 residential units. In the first half of 2017, around 2% of residential units were sold. Cumulatively, as at 30 June 2017, around 94% of the residential units were sold. The Group is the lead project manager and lead sales and marketing manager for this project.

The Group has a 35% interest in two low-density residential projects, Le Cap and La Vetta, located at Kau To, Shatin, offering a combined gross floor area of approximately 460,000 square feet. The occupation permit of Le Cap was obtained in July 2017 while superstructure work of La Vetta is in progress. Le Cap and La Vetta are scheduled for completion in 2017 and early 2018, respectively. The Group is the joint project manager and lead sales and marketing manager for both projects.

Property Investment and Management

The property investment and management segment revenue was HK\$381 million in the first half of 2017, an increase of HK\$15 million compared with HK\$366 million in 2016. Segment profit before taxation (including fair value changes) was HK\$470 million, an increase of HK\$55 million compared with HK\$415 million in 2016. Excluding fair value changes in investment properties and financial instruments and a one-off compensation income of HK\$11 million in 2016, segment profit before taxation was HK\$240 million in the first half of 2017, compared with HK\$230 million in 2016.

Wholly-owned properties in Hong Kong

As at 30 June 2017, 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, had an aggregate fair market valuation of around HK\$19,260 million.

Landmark East is the Group's flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 30 June 2017, the property achieved an occupancy of approximately 94%. An average rental upward reversion of approximately 12% was achieved for the leases renewed during the period under review.

Located at Hennessy Road in the heart of Wan Chai, W Square offers a gross floor area of approximately 129,000 square feet of office and retail space. As at 30 June 2017, the property achieved an occupancy of approximately 94%.

The Group has two industrial buildings, Winner Godown Building in Tsuen Wan and Shui Hing Centre in Kowloon Bay, with a combined gross floor area of approximately 684,000 square feet. As at 30 June 2017, the two properties achieved an average occupancy of approximately 87%.

Wholly-owned properties in London, the United Kingdom

As at 30 June 2017, the Group's wholly-owned investment properties in London, comprising approximately 41,000 square feet of Grade A office buildings, had an aggregate fair market valuation of around HK\$875 million.

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space.

The high-end commercial property located at Brook Street, West End, offers easy access to the upcoming Bond Street Station of London Crossrail and has a net internal area of approximately 19,000 square feet of Grade A office and retail space.

The commercial property located at Berkeley Square, West End, has a net internal area of approximately 7,900 square feet of Grade A office space.

As at 30 June 2017, the three wholly-owned properties achieved an average occupancy of approximately 73%.

Joint venture properties in London, the United Kingdom

The Group has a 25% interest in a commercial property located at Fleet Place, the City. The property has a net internal area of approximately 186,000 square feet of Grade A office and retail space. As at 30 June 2017, the property achieved full occupancy.

The Group has a 33% interest in a six-storey commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 11,000 square feet of Grade A office space. The property is currently vacant and undergoing refurbishment and expansion works which are scheduled for completion in the first half 2018.

Wholly-owned property in Beijing, China

The Group has 33 units at Central Park, Beijing with a gross floor area of approximately 6,200 square metres. As at 30 June 2017, approximately 79% of units were leased. At the date of this report, all units are leased.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$60 million in the first half of 2017 compared with HK\$65 million in 2016. Segment profit before taxation (including fair value changes) was HK\$16 million in 2017, an increase of HK\$8 million compared with HK\$8 million in 2016. Excluding fair value changes in investment properties and financial instruments, segment profit before taxation was HK\$10 million, compared with HK\$2 million in 2016, an increase of HK\$8 million mainly due to a higher profit from hotel operations in Hong Kong.

Lanson Place Hotel in Hong Kong recorded an improved occupancy and stable average rental rates.

The Group has a 50% interest in Lanson Place Bukit Ceylon Serviced Residences in Kuala Lumpur, which recorded a stable occupancy as well as average rental rates.

Lanson Place currently manages nine third-party serviced residences, of which five are in Shanghai. Other serviced residences are located in Hong Kong, Singapore, Kuala Lumpur and Chengdu. The new Tianfu Square Serviced Suites by Lanson Place, located at the main financial district of Luomashi, Chengdu, is targeted to open by the fourth quarter of 2017.

Lanson Place Hospitality Management and the properties under the brand continue to be well recognised by travellers. Lanson Place Bukit Ceylon Serviced Residences was named “Malaysia’s Leading Serviced Apartments 2017” in June 2017 at the World Travel Awards 2017, as well as the “2017 Travelers’ Choice” by TripAdvisor. Ambassador Row Hotel Suites by Lanson Place garnered the “Gold Award” in the category of “Accommodation – 4 Star Hotel” at Kuala Lumpur Mayor’s Tourism Awards 2017 in May 2017, while Aroma Garden Serviced Suites by Lanson Place (Shanghai) was cited the “Best Serviced Apartment of China” at the 12th China Hotel Starlight Awards in April 2017. In Hong Kong, Lanson Place Hotel was named “Asia’s Most Excellent Small Luxury Hotel” at the Asia Awards of Excellence 2017 in March 2017.

Others

This segment represents investing activities and unallocated corporate expenses including central management and administrative function. Segment revenue was HK\$11 million in the first half of 2017, staying at the same level as 2016. Segment profit before taxation (including fair value changes) was HK\$9 million in the first half of 2017, an increase of HK\$42 million compared with a segment loss of HK\$33 million in 2016. Excluding fair value change in financial instruments, segment loss before taxation was HK\$1 million in the first half of 2017, a decrease of HK\$23 million compared with HK\$24 million in 2016 due to the absorption of more corporate expenses by various business segments.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets were HK\$24,700 million as at 30 June 2017 (31 December 2016: HK\$24,312 million). The increase of HK\$388 million is mainly resulted from the profit for the period of HK\$451 million and a net fair value

gain arising from the revaluation of available-for-sale financial assets of HK\$74 million, offset by the distribution of the 2016 final dividend of HK\$186 million.

As at 30 June 2017, the Group's bank and other borrowings totalled HK\$5,362 million (31 December 2016: HK\$5,185 million). The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2017		31 December 2016	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	354	7%	477	9%
Between one and two years	807	15%	712	14%
Between two and five years	2,370	44%	1,725	33%
After five years	1,831	34%	2,271	44%
	5,362	100%	5,185	100%

As at 30 June 2017, the Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$3,094 million (31 December 2016: HK\$3,502 million), representing 12.5% of the Group's net assets (31 December 2016: 14.4%). Interest for the Group's bank borrowings is mainly on a floating rate basis while interest for the Group's bonds is on a fixed rate basis. The Group will closely monitor the exposure of interest rate fluctuations and, if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	30 June 2017 HK\$ million	31 December 2016 HK\$ million
Bank balances and cash	2,268	1,683
Unutilised revolving loan facilities	2,198	2,193
	4,466	3,876

In August 2017, under the US\$1 billion Medium Term Note Programme, Wing Tai Properties (Finance) Limited, a wholly-owned subsidiary of the Group, issued S\$160 million 4.35% unrated senior guaranteed perpetual capital securities (the “Securities”) which are listed on Singapore Exchange Securities Trading Limited with key features as below:

- Non-callable in the first 3 years;
- Distribution rate reset at the end of Year 10 and every 10 years thereafter based on prevailing Singapore dollars 10-year Swap Offer Rate plus initial credit spread; and
- 1% step-up margin at the end of Year 10

The Securities will be accounted for as equity in the Group’s consolidated financial statement which will increase bank balances and cash, and improve the gearing ratio.

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has immaterial exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent Renminbi, UK pounds, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure, and if appropriate, hedge by local currency financing and other financial instruments to the extent desirable.

Contingent Liabilities

As at 30 June 2017, the Group had contingent liabilities of HK\$2,523 million (31 December 2016: HK\$2,497 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group’s equity interests in the joint ventures.

Pledge of Assets

As at 30 June 2017, the Group’s advances to joint ventures of HK\$1,205 million (31 December 2016: HK\$1,171 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

As at 30 June 2017, several of the Group’s investment properties, properties for sale and other financial assets with carrying values of HK\$5,277 million, HK\$3,585 million and HK\$308 million, respectively, were pledged to secure credit facilities for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS & INTERIM DIVIDEND

PROSPECTS

Looking ahead into the second half of 2017, Brexit will cast a shadow over the world economy and Asia remains the engine of global growth amid broader macroeconomic uncertainty. In Hong Kong, the primary residential market is expected to continue to be supported by strong pent-up demand in an ongoing low interest rate environment. With our prevailing expectations on the pace of interest rate rises in the United States, Hong Kong's interest rates are likely to stay at low levels in the months to come.

We target to complete the development of our luxury residential project Le Cap in the second half of 2017, which offers a mix of well-designed houses and apartments at the peak of Kau To Shan. We will capture the right market window to launch the sale of Le Cap, and to sell the remaining special units and car parking spaces at Homantin Hillside.

Notwithstanding rents in Kowloon East might come under pressure over the near term with increased office supply set to enter the market, we expect our Kowloon East properties to maintain stable rental rates with high occupancy in view of its prime location as well as the solid and quality tenant base.

As we focus on building out the six residential development projects on hand in Hong Kong and capturing the appropriate market window to launch the sale of such units, we will continue to look for windows of opportunity to acquire strategic sites and properties for residential, commercial and hospitality developments, both domestically and abroad.

We have a solid balance sheet with low debt and good cash reserves. This allows us to maintain a sound financial position to support the continued expansion of our portfolio and take full advantage of opportunities whenever they arise.

EMPLOYEES

As at 30 June 2017, the Group had approximately 520 employees. The Group offers its employees comprehensive remuneration and benefit packages, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong.

Employees, including directors, are eligible for the Company's share option plan where the options are generally exercisable by phases within ten years.

INTERIM DIVIDEND

The Directors declared the payment of an interim dividend of HK4.5 cents per share for the year ending 31 December 2017 (2016: HK4.2 cents). The interim dividend will be distributed on or around 6 October 2017 to the shareholders whose names appear on the register of members of the Company at the close of business on 15 September 2017 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 15 September 2017.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

TO THE BOARD OF DIRECTORS OF WING TAI PROPERTIES LIMITED*(incorporated in Bermuda with limited liability)***INTRODUCTION**

We have reviewed the interim financial information set out on pages 12 to 31, which comprises the condensed consolidated balance sheet of Wing Tai Properties Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2017 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers*Certified Public Accountants*

Hong Kong, 30 August 2017

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2017

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") for the six months ended 30 June 2017.

	NOTE	Unaudited	
		Six months ended 30 June	
		2017	2016
		HK\$'M	HK\$'M
Revenue	6	545.8	468.0
Cost of sales		(138.4)	(92.0)
Gross profit		407.4	376.0
Other gains, net	7	3.7	10.2
Selling and distribution costs		(30.2)	(7.5)
Administrative expenses		(154.1)	(142.6)
Change in fair value of investment properties and financial instruments	8	254.1	162.1
Profit from operations	9	480.9	398.2
Finance costs		(37.1)	(44.0)
Finance income		17.5	10.4
Share of results of joint ventures	22	41.8	(6.9)
Share of results of associates		1.2	0.4
Profit before taxation		504.3	358.1
Taxation	10	(53.5)	(57.9)
Profit for the period		450.8	300.2
Profit attributable to:			
Equity holders of the Company		449.8	300.2
Non-controlling interests		1.0	–
		450.8	300.2
Earnings per share attributable to equity holders of the Company	11		
– Basic		HK\$0.33	HK\$0.22
– Diluted		HK\$0.33	HK\$0.22

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	Unaudited	
	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Profit for the period	450.8	300.2
Other comprehensive income		
Items that have been/may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	35.8	(36.3)
Net fair value gain arising from revaluation of available-for-sale financial assets	73.9	71.8
Net gain on net investment hedge	4.3	1.0
Net gain on cash flow hedge	0.5	32.9
Share of other comprehensive income of a joint venture	1.3	–
Other comprehensive income for the period, net of tax	115.8	69.4
Total comprehensive income for the period	566.6	369.6
Total comprehensive income for the period attributable to:		
Equity holders of the Company	565.6	369.6
Non-controlling interests	1.0	–
Total comprehensive income for the period	566.6	369.6

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2017

	NOTE	Unaudited 30 June 2017 HK\$'M	Audited 31 December 2016 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	13	22,290.0	21,972.1
Other properties, plant and equipment	13	53.9	55.0
Investments in joint ventures	22	603.5	562.4
Loans to joint ventures	22	1,903.7	1,775.7
Investments in associates		7.3	5.4
Loans to associates		14.8	14.8
Deposits and loan receivables		0.3	0.3
Other financial assets		446.5	372.6
Deferred tax assets		9.7	8.1
Derivative financial instruments		13.9	13.5
		25,343.6	24,779.9
Current assets			
Properties for sale	14	3,607.0	3,489.7
Trade and other receivables, deposits and prepayments	15	303.0	813.1
Derivative financial instruments		0.6	9.2
Sales proceeds held in stakeholders' accounts		–	0.9
Tax recoverable		0.2	0.5
Bank balances and cash		2,267.5	1,682.8
		6,178.3	5,996.2
Current liabilities			
Trade and other payables and accruals	16	819.4	633.5
Derivative financial instruments		21.2	18.3
Tax payable		69.2	30.6
Bank and other borrowings	17	353.5	477.1
		1,263.3	1,159.5
Non-current liabilities			
Bank and other borrowings	17	5,008.7	4,707.7
Other long-term liability	4(d)	52.0	62.7
Derivative financial instruments		150.2	207.9
Deferred tax liabilities		347.5	326.2
		5,558.4	5,304.5
NET ASSETS		24,700.2	24,312.1
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	18	673.0	671.7
Reserves		24,022.7	23,636.9
		24,695.7	24,308.6
Non-controlling interests		4.5	3.5
TOTAL EQUITY		24,700.2	24,312.1

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	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 2017	671.7	3,302.5	(35.6)	153.0	15.4	64.1	(137.3)	751.0	19,523.8	24,308.6	3.5	24,312.1
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	449.8	449.8	1.0	450.8
Other comprehensive income												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	35.8	-	-	35.8	-	35.8
Net fair value gain arising from revaluation of available-for-sale financial assets	-	-	-	73.9	-	-	-	-	-	73.9	-	73.9
Net gain on net investment hedge	-	-	4.3	-	-	-	-	-	-	4.3	-	4.3
Net gain on cash flow hedge	-	-	0.5	-	-	-	-	-	-	0.5	-	0.5
Share of other comprehensive income of a joint venture	-	-	1.3	-	-	-	-	-	-	1.3	-	1.3
Total comprehensive income	-	-	6.1	73.9	-	-	35.8	-	449.8	565.6	1.0	566.6
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	6.0	-	-	-	-	6.0	-	6.0
Incentive shares exercised	0.9	7.6	-	-	(7.6)	-	-	-	-	0.9	-	0.9
Share options exercised	0.4	1.6	-	-	(1.6)	-	-	-	-	0.4	-	0.4
2016 final dividend paid	-	-	-	-	-	-	-	-	(185.8)	(185.8)	-	(185.8)
Total transactions with owners	1.3	9.2	-	-	(3.2)	-	-	-	(185.8)	(178.5)	-	(178.5)
At 30 June 2017	673.0	3,311.7	(29.5)	226.9	12.2	64.1	(101.5)	751.0	19,787.8	24,695.7	4.5	24,700.2

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2017

	Unaudited											
	Attributable to equity holders of the Company											Total equity HK\$'M
	Share capital HK\$'M	Share premium HK\$'M	Hedging reserve HK\$'M	Investment revaluation reserve HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M	Non-controlling interests HK\$'M	
At 1 January 2016	670.6	3,293.3	(103.4)	138.6	14.6	64.1	(61.3)	751.0	18,578.8	23,346.3	1.0	23,347.3
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	300.2	300.2	-	300.2
Other comprehensive income												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(36.3)	-	-	(36.3)	-	(36.3)
Net fair value gain arising from revaluation of available-for-sale financial assets	-	-	-	71.8	-	-	-	-	-	71.8	-	71.8
Net gain on cash flow hedge	-	-	32.9	-	-	-	-	-	-	32.9	-	32.9
Net gain on net investment hedge	-	-	1.0	-	-	-	-	-	-	1.0	-	1.0
Total comprehensive income	-	-	33.9	71.8	-	-	(36.3)	-	300.2	369.6	-	369.6
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	4.7	-	-	-	-	4.7	-	4.7
Incentive shares exercised	1.1	9.2	-	-	(9.2)	-	-	-	-	1.1	-	1.1
2015 final dividend paid	-	-	-	-	-	-	-	-	(145.1)	(145.1)	-	(145.1)
Total transactions with owners	1.1	9.2	-	-	(4.5)	-	-	-	(145.1)	(139.3)	-	(139.3)
At 30 June 2016	671.7	3,302.5	(69.5)	210.4	10.1	64.1	(97.6)	751.0	18,733.9	23,576.6	1.0	23,577.6

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2017

	Unaudited	
	Six months ended 30 June	
	2017 HK\$'M	2016 HK\$'M
Net cash from/(used in) operating activities	795.1	(901.2)
Cash flows from investing activities		
Additions of investment properties	(8.0)	(1.5)
Advance of loans to joint ventures	(140.7)	(270.8)
Repayments of loans to joint ventures	40.9	–
Advance to a joint venture for repayment of bank borrowing	–	(222.0)
Other investing cash net (outflow)/inflow	(125.7)	42.3
Net cash used in investing activities	(233.5)	(452.0)
Cash flows from financing activities		
Bank and other borrowings raised	115.0	555.9
Repayment of bank and other borrowings	(28.8)	(407.8)
Dividends paid by the Company	(185.8)	(145.1)
Other financing cash net outflow	(1.8)	(8.9)
Net cash used in financing activities	(101.4)	(5.9)
Increase/(decrease) in cash and cash equivalents	460.2	(1,359.1)
Cash and cash equivalents at the beginning of the period	1,682.8	2,023.0
Cash and cash equivalents at the end of the period	2,143.0	663.9
Cash and cash equivalents comprise:		
Bank balances and cash	2,267.5	672.0
Less: Deposits with maturity of more than three months	(124.5)	(8.1)
	2,143.0	663.9

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

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 address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

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

The Group's joint ventures and associates are principally engaged in property investment, property development and hospitality investment.

This Interim Financial Information is presented in million of Hong Kong dollars (HK\$'M), unless otherwise stated. It has been reviewed by the Company's Audit Committee. It has also been approved for issue by the Board of Directors on 30 August 2017.

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2017 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 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards, revised standards, amendments and improvements to standards and interpretations of Hong Kong Financial Reporting Standards ("HKFRS") as of 1 January 2017, noted below.

(a) New standards, revised standards, amendments and improvements to standards effective for the current accounting period beginning on 1 January 2017 and relevant to the Group

Amendments to HKAS 7	Statement of cash flows
Amendments to HKAS 12	Income taxes

The adoption of the new or revised standards, amendments and improvements to standards 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)

(b) New standards, revised standards, amendments and improvements to standards that are not yet effective in 2017 and have not been early adopted by the Group

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

		Effective for accounting periods beginning on or after
Amendments to HKAS 40	Transfers of Investment Property	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

The Group is in the process of making assessment of the impact of these new standards, revised standards, amendments and improvements to standards 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 AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest risk and price risk), credit risk and liquidity risk.

The Interim Financial Information does 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 2016.

There have been no changes in any risk management policies since the year end.

(b) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

The following tables present the Group's financial assets and liabilities that are measured at fair value at 30 June 2017 and 31 December 2016.

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
At 30 June 2017				
Assets				
Other financial assets				
Available-for-sale financial assets				
– listed securities	446.5	–	–	446.5
Derivative financial instruments				
– interest rate swap contracts	–	2.8	–	2.8
– cross currency swap contracts	–	11.7	–	11.7
	446.5	14.5	–	461.0
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	20.5	–	20.5
– cross currency swap contracts	–	146.2	–	146.2
– forward exchange contracts	–	4.7	–	4.7
Other long-term liability	–	–	52.0	52.0
	–	171.4	52.0	223.4
At 31 December 2016				
Assets				
Other financial assets				
Available-for-sale financial assets				
– listed securities	372.6	–	–	372.6
Derivative financial instruments				
– interest rate swap contracts	–	1.5	–	1.5
– cross currency swap contracts	–	12.7	–	12.7
– forward exchange contracts	–	8.5	–	8.5
	372.6	22.7	–	395.3
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	23.4	–	23.4
– cross currency swap contracts	–	202.8	–	202.8
Other long-term liability	–	–	62.7	62.7
	–	226.2	62.7	288.9

During the six-month period ended 30 June 2017, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

There were no other changes in valuation techniques during the period.

4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(c) Valuation techniques used to derive Level 2 fair values

Level 2 financial instruments comprise cross currency swap contracts, forward foreign exchange contracts and interest rate swap contracts. The fair values are calculated as the present values of the estimated future cash flows based on forward exchanges rates that are quoted in an active market and/or forward interest rates extracted from observable yield curves.

(d) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2017 and 2016.

	Other long-term liability	
	2017	2016
	HK\$'M	HK\$'M
At 1 January	62.7	73.7
Company's contributions	(1.4)	–
Fair value (gain)/loss recognised in profit or loss (Note 8)	(9.3)	9.2
At 30 June	52.0	82.9
Total unrealised (gain)/loss for the period included in profit or loss for liabilities held at the end of the reporting period	(9.3)	9.2

Other long-term liability represents provisions of liabilities in relation to indemnifying a third party against the cost of winding up the pension scheme of a disposed business in 2012. Assumptions like investment rate of return, forecast price inflation rate, pension increase rate and numerous demographic assumptions have been used in the fair value estimates.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable from third parties net of value added tax and discounts in connection with the following activities:

	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Sale of properties and project management income	94.0	26.4
Rental and property management income	441.0	430.5
Dividend income from available-for-sale financial assets	10.8	11.1
	545.8	468.0

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

6. REVENUE AND SEGMENT INFORMATION (Continued)

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

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others mainly represent investing activities and corporate activities including central management and administrative function.

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the six months ended 30 June 2017						
REVENUE						
External sales	94.0	381.2	59.8	10.8	–	545.8
Inter-segment sales	–	4.3	0.1	–	(4.4)	–
Total	94.0	385.5	59.9	10.8	(4.4)	545.8
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	(39.0)	264.6	14.5	(13.3)	–	226.8
Change in fair value of investment properties and financial instruments	–	230.6	14.2	9.3	–	254.1
Profit/(loss) from operations	(39.0)	495.2	28.7	(4.0)	–	480.9
Finance costs	–	(30.5)	(4.6)	(20.0)	18.0	(37.1)
Finance income	–	0.1	2.9	32.5	(18.0)	17.5
Share of results of joint ventures	48.6	3.8	(10.6)	–	–	41.8
Share of results of associates	(0.2)	1.4	–	–	–	1.2
Profit before taxation	9.4	470.0	16.4	8.5	–	504.3
Taxation	–	–	–	–	–	(53.5)
Profit for the period	–	–	–	–	–	450.8
OTHER ITEMS						
Depreciation and amortisation	–	0.9	–	1.4	–	2.3

6. REVENUE AND SEGMENT INFORMATION (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
For the six months ended 30 June 2016						
REVENUE						
External sales	26.4	365.7	64.8	11.1	–	468.0
Inter-segment sales	–	4.3	0.1	–	(4.4)	–
Total	26.4	370.0	64.9	11.1	(4.4)	468.0
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	(25.6)	271.3	10.9	(20.5)	–	236.1
Change in fair value of investment properties and financial instruments	(9.5)	183.8	(3.0)	(9.2)	–	162.1
Profit/(loss) from operations	(35.1)	455.1	7.9	(29.7)	–	398.2
Finance costs	–	(26.8)	(8.5)	(26.7)	18.0	(44.0)
Finance income	–	1.9	3.0	23.5	(18.0)	10.4
Share of results of joint ventures	3.1	(15.5)	5.5	–	–	(6.9)
Share of results of associates	0.4	–	–	–	–	0.4
Profit/(loss) before taxation	(31.6)	414.7	7.9	(32.9)	–	358.1
Taxation						(57.9)
Profit for the period						300.2
OTHER ITEMS						
Depreciation and amortisation	–	0.9	–	1.2	–	2.1

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

	Six months ended 30 June	
	2017 HK\$'M	2016 HK\$'M
Hong Kong	510.8	425.6
United Kingdom	11.9	15.5
Singapore	11.1	12.1
The People's Republic of China	10.8	13.4
Others	1.2	1.4
	545.8	468.0

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

7. OTHER GAINS, NET

	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Exchange gains/(losses), net	2.9	(1.4)
Compensation income arising from obstruction to right of light access of an investment property	–	8.9
Others	0.8	2.7
	3.7	10.2

8. CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES AND FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Change in fair value of investment properties (Note 13)	239.9	201.4
Net change in fair value of financial instruments		
– Net fair value gain/(loss) on derivative financial instruments	4.9	(30.1)
– Gain/(loss) on financial liabilities at fair value through profit or loss classified under other long-term liability	9.3	(9.2)
	14.2	(39.3)
	254.1	162.1

9. PROFIT FROM OPERATIONS

	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Profit from operations has been arrived at after charging the following:		
Share-based compensation expenses	7.3	5.8
Staff costs including directors' remuneration	129.9	125.8
Cost of properties included in cost of sales	43.2	0.8
Depreciation of other properties, plant and equipment	2.3	2.1
Direct operating expenses arising from investment properties generating rental income	81.7	78.6
Operating lease rental expenses in respect of land and buildings	0.4	0.3

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

12. INTERIM DIVIDEND

	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Interim dividend of HK4.5 cents (2016: HK4.2 cents) per ordinary share	60.6	56.4

On 30 August 2017, the board of directors has resolved to declare an interim dividend of HK4.5 cents (2016: HK4.2 cents) per ordinary share. This interim dividend, amounting to HK\$60.6M (2016: HK\$56.4M), has not been recognised as a liability in this Interim Financial Information. It will be recognised in shareholders' equity in the year ending 31 December 2017.

13. CAPITAL EXPENDITURE

	Investment properties HK\$'M	Other properties, plant and equipment HK\$'M
Opening net book value at 1 January 2017	21,972.1	55.0
Exchange differences	70.0	–
Net gain arising from change in fair value	239.9	–
Additions	8.0	1.2
Depreciation and amortisation	–	(2.3)
Closing net book value at 30 June 2017	22,290.0	53.9
Opening net book value at 1 January 2016	21,448.8	55.9
Exchange differences	(98.8)	–
Net gain arising from change in fair value	201.4	–
Additions	1.5	0.7
Depreciation and amortisation	–	(2.1)
Closing net book value at 30 June 2016	21,552.9	54.5

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2017 on an open market value basis. The Group engaged Savills Valuation and Professional Services Limited, Jones Lang LaSalle Limited and Cushman & Wakefield to value its investment properties. The fair values have been made with reference to comparable current prices in an active market and/or income capitalisation approach from current leases and assumptions about future leases in light of current market conditions and reversionary income potential.

14. PROPERTIES FOR SALE

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Properties under development held for sale	3,584.5	3,426.9
Completed properties	22.5	62.8
	3,607.0	3,489.7

15. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Trade receivables	37.2	71.3
Deferred rent receivables	11.6	11.3
Amounts due from and loans to joint ventures	172.5	648.3
Other receivables, deposits and prepayments	81.7	82.2
	303.0	813.1

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with the industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at the balance sheet date, based on the invoice dates:

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
0 – 30 days	34.8	65.9
31 – 90 days	1.2	3.7
Over 90 days	1.2	1.7
	37.2	71.3

16. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Trade payables	15.7	8.2
Properties sale deposits received	–	3.5
Rental deposits received	198.3	184.2
Construction costs payables	97.8	75.3
Amounts due to joint ventures	343.7	185.3
Provision for other costs arising from disposal of a joint venture and subsidiaries	12.1	20.2
Other creditors and accruals	151.8	156.8
	819.4	633.5

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

16. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

The ageing analysis of the Group's trade payables based on invoice date at the balance sheet date is as follows:

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
0 – 30 days	10.9	7.1
31 – 90 days	4.0	0.6
Over 90 days	0.8	0.5
	15.7	8.2

17. BANK AND OTHER BORROWINGS

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Bank borrowings	3,373.5	3,251.1
Fixed rate bonds	1,833.7	1,780.0
Loans from non-controlling interests	155.0	153.7
	5,362.2	5,184.8

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

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Within one year	353.5	477.1
Between one and two years	807.3	711.7
Between two and five years	2,369.8	1,725.4
After five years	1,831.6	2,270.6
	5,362.2	5,184.8
Less: Amounts due within one year shown under current liabilities	(353.5)	(477.1)
Amounts due after one year	5,008.7	4,707.7
Analysed as		
Secured	3,373.5	3,251.1
Unsecured	1,988.7	1,933.7
	5,362.2	5,184.8

18. SHARE CAPITAL

	Number of ordinary shares of HK\$0.50 each	Amount HK\$'M
Authorised:		
At 1 January 2016, 31 December 2016 and 30 June 2017	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2017	1,343,476,279	671.7
Issue of shares on exercise of incentive shares and share options	2,680,000	1.3
At 30 June 2017	1,346,156,279	673.0
At 1 January 2016	1,341,305,029	670.6
Issue of shares on exercise of incentive shares	2,171,250	1.1
At 31 December 2016	1,343,476,279	671.7

19. COMMITMENTS

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Expenditure in respect of investment properties		
– contracted but not provided for	12.1	10.0
– authorised but not contracted for	–	1.4
Investment properties through joint ventures		
– contracted but not provided for	4.9	–
Capital injection to a joint venture		
– contracted but not provided for	383.7	361.0
	400.7	372.4

20. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

The Group's contingent liabilities as at the balance sheet date are as follows:

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Guarantees given to banks in respect of bank facilities extend to joint ventures	2,523.2	2,496.5

At 30 June 2017, bank loans of HK\$1,890.6M (31 December 2016: HK\$1,606.7M) being guaranteed by the Group to joint ventures have been drawn down.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2017

21. PLEDGE OF ASSETS

At balance sheet date, several of the Group's assets were pledged to secure credit facilities for the Group:

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Investment properties	5,277.2	5,186.6
Properties for sale	3,584.5	3,426.9
Other financial assets	307.8	256.8
	9,169.5	8,870.3

The credit facilities were utilised to the extent of HK\$3,373.5M (31 December 2016: HK\$3,251.1M).

22. INVESTMENTS IN JOINT VENTURES

The following amounts represent the Group's respective share of the net assets and results of the joint ventures:

	30 June 2017 HK\$'M	31 December 2016 HK\$'M
Assets		
– Investment properties	791.8	761.0
– Properties for sale	2,730.0	2,525.4
– Bank balances and cash	249.4	497.4
– Other assets	1,124.7	1,166.6
Liabilities		
– Bank and other borrowings	(1,890.6)	(1,606.7)
– Loans from shareholders	(1,903.7)	(1,775.7)
– Amounts due to shareholders	(172.5)	(648.3)
– Other liabilities	(325.6)	(357.3)
Net assets	603.5	562.4

	Six months ended 30 June 2017 HK\$'M	2016 HK\$'M
Revenue	223.2	788.4
Profit from operations	67.7	10.4
Finance costs	(17.2)	(22.0)
Finance income	0.7	0.3
Profit/(loss) before taxation	51.2	(11.3)
Taxation (charge)/credit	(9.4)	4.4
Profit/(loss) for the period	41.8	(6.9)

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2017	2016
	HK\$'M	HK\$'M
Key management compensation (Note)		
Salaries and other benefits	(14.9)	(14.8)
Retirement benefits costs	(0.6)	(0.6)
Value of share options and incentive shares	(4.3)	(3.5)
	(19.8)	(18.9)
Interest income from loans to and amounts due from joint ventures	11.0	8.5
Interest expenses to loans from non-controlling interests	(1.2)	–
Sales and marketing service fee income from a joint venture	2.5	18.3
Serviced apartment management and license fee income from a joint venture	0.9	0.8
Serviced apartment management and license fee income from a substantial shareholder of the Company	0.8	1.5
Project management fee income from joint ventures	0.5	3.0
Property rental income from joint ventures	2.3	4.0
Property rental income from a substantial shareholder of the Company	2.5	2.5

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

Note: Key management personnel represents the directors of the Group.

(b) Outstanding balances with these related parties at the reporting dates are:

	30 June	31 December
	2017	2016
	HK\$'M	HK\$'M
Non-current loans to joint ventures	1,903.7	1,775.7
Amounts due from and current loans to joint ventures	172.5	648.3
Amounts due to joint ventures	343.7	185.3
Non-current loans to associates	14.8	14.8
Loans from non-controlling interest	155.0	153.7

24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 15 August 2017, under the US\$1 billion Medium Term Note Programme, Wing Tai Properties (Finance) Limited, a wholly-owned subsidiary of the Group, issued S\$160 million 4.35% unrated senior guaranteed perpetual capital securities (the "Securities") which are listed on Singapore Exchange Securities Trading Limited. The Group will account for the Securities as equity instruments pursuant to HKFRS issued by the HKICPA for the purposes of the Group's consolidated financial statements.

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2017, the interests of the Directors and the Chief Executive of the Company in shares and underlying shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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:

Interests in the Company

Director	Number of shares/underlying shares held					Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests	Number of underlying shares held under equity derivatives (Note f)		
Cheng Wai Chee, Christopher	11,722,316	-	-	462,488,185 (Note b)	2,121,250	476,331,751	35.38%
Cheng Wai Sun, Edward	9,654,981	-	-	462,488,185 (Note b)	2,121,250	474,264,416	35.23%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)	-	462,488,185	34.36%
Chow Wai Wai, John	613,752	-	-	-	402,250	1,016,002	0.08%
Ng Kar Wai, Kenneth	120,000	-	-	-	1,261,000	1,381,000	0.10%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note c)	-	9,224,566	0.69%
Kwok Ho Lai, Edward (Alternate Director to Kwok Ping Luen, Raymond)	-	-	-	9,736,566 (Note d)	-	9,736,566	0.72%
Ng Tak Wai, Frederick	278,391	1,016,000	-	313,666 (Note e)	-	1,608,057	0.12%

Notes:

- (a) The total number of issued shares in the capital of the Company (the “Shares”) as at 30 June 2017 was 1,346,156,279.
- (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 deemed to be interested in 9,224,566 Shares by virtue of being a beneficiary of a trust for the purpose of Part XV of the SFO. As this trust is one of the discretionary trusts, referred to in Note (d) below, these 9,224,566 Shares represented the same interests and were therefore duplicated between Kwok Ping Luen, Raymond and Kwok Ho Lai, Edward for the purpose of Part XV of the SFO.
- (d) Kwok Ho Lai, Edward was deemed to be interested in 9,736,566 Shares by virtue of being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
- (e) 313,666 Shares were held by Ng Tak Wai, Frederick jointly with his spouse.
- (f) These interests represented the interests in underlying shares in respect of the share options and incentive shares granted by the Company to these director. Details of which are set out in the sections below headed Share Option Plan and Share Incentive Scheme.

Save as disclosed herein, as at 30 June 2017, 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 as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

GENERAL INFORMATION

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during or subsisting as at the six months ended 30 June 2017 are set out below:

SHARE OPTION PLAN

Under the Share Option Plan of the Company adopted by the shareholders of the Company on 27 October 2015 (“Share Option Plan”), the Board of Directors of the Company or a duly authorised committee thereof may, in its absolute discretion, grant options to directors, employees, officers, consultants, former directors, former employees, former officers or former consultants of any members of the Group (the “Eligible Persons”) to subscribe for the Shares. The purpose of the Share Option Plan is to enable the Company to grant share options to incentivise and retain such Eligible Persons.

(i) Outstanding Share Options

Details of the share options granted and summary of movements of the outstanding share options during the six months ended 30 June 2017 under the Share Option Plan are as follows:

	Date of grant	Exercise price per share option (HK\$)	Closing price of Shares immediately before the date of grant (HK\$)	Exercise period	Number of share options				Weighted average closing price of the Shares immediately before the dates on which the options were exercised (HK\$)	
					As at 1.1.2017	Granted during the six months ended 30.6.2017	Exercised during the six months ended 30.6.2017	Cancelled/lapsed during the six months ended 30.6.2017		As at 30.6.2017
Director										
Cheng Wai Chee, Christopher	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	247,250	-	247,250	-	-	4.74
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	247,250	-	-	-	247,250	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	494,500	-	-	-	494,500	N/A
	13.1.2017	4.75	4.74	13.1.2018 to 13.1.2027	-	248,750	-	-	248,750	N/A
	13.1.2017	4.75	4.74	13.1.2019 to 13.1.2027	-	248,750	-	-	248,750	N/A
	13.1.2017	4.75	4.74	13.1.2020 to 13.1.2027	-	497,500	-	-	497,500	N/A
Cheng Wai Sun, Edward	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	247,250	-	247,250	-	-	4.74
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	247,250	-	-	-	247,250	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	494,500	-	-	-	494,500	N/A
	13.1.2017	4.75	4.74	13.1.2018 to 13.1.2027	-	248,750	-	-	248,750	N/A
	13.1.2017	4.75	4.74	13.1.2019 to 13.1.2027	-	248,750	-	-	248,750	N/A
	13.1.2017	4.75	4.74	13.1.2020 to 13.1.2027	-	497,500	-	-	497,500	N/A
Chow Wai Wai, John	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	46,250	-	46,250	-	-	4.74
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	46,250	-	-	-	46,250	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	92,500	-	-	-	92,500	N/A
	13.1.2017	4.75	4.74	13.1.2018 to 13.1.2027	-	45,750	-	-	45,750	N/A
	13.1.2017	4.75	4.74	13.1.2019 to 13.1.2027	-	45,750	-	-	45,750	N/A
	13.1.2017	4.75	4.74	13.1.2020 to 13.1.2027	-	91,500	-	-	91,500	N/A

	Date of grant	Exercise price per share option (HK\$)	Closing price of Shares immediately before the date of grant (HK\$)	Exercise period	Number of share options				Weighted average closing price of the Shares immediately before the dates on which the options were exercised (HK\$)	
					As at 1.1.2017	Granted during the six months ended 30.6.2017	Exercised during the six months ended 30.6.2017	Cancelled/ lapsed during the six months ended 30.6.2017		As at 30.6.2017
Ng Kar Wai, Kenneth	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	14,000	-	14,000	-	-	4.74
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	14,000	-	-	-	14,000	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	28,000	-	-	-	28,000	N/A
	13.1.2017	4.75	4.74	13.1.2018 to 13.1.2027	-	13,250	-	-	13,250	N/A
	13.1.2017	4.75	4.74	13.1.2019 to 13.1.2027	-	13,250	-	-	13,250	N/A
	13.1.2017	4.75	4.74	13.1.2020 to 13.1.2027	-	26,500	-	-	26,500	N/A
Employees										
Employees in aggregate	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	227,750	-	227,750	-	-	4.74
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	227,750	-	-	-	227,750	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	455,500	-	-	-	455,500	N/A
	13.1.2017	4.75	4.74	13.1.2018 to 13.1.2027	-	250,750	-	-	250,750	N/A
	13.1.2017	4.75	4.74	13.1.2019 to 13.1.2027	-	250,750	-	-	250,750	N/A
	13.1.2017	4.75	4.74	13.1.2020 to 13.1.2027	-	501,500	-	-	501,500	N/A
					<u>3,130,000</u>	<u>3,229,000</u>	<u>782,500</u>	<u>-</u>	<u>5,576,500</u>	

Note: The Company will provide subscription money to the share option holders in the event that they exercise their share options when the closing market price of the Shares on the exercise day is equal to or higher than the exercise price of share options concerned.

GENERAL INFORMATION

(ii) Valuation of Share Options

The fair value of share options granted during the period ended 30 June 2017 are determined by using the Binominal Model (the “Model”). Key assumptions of the Model are as follows:

Risk-free rate	1.7%
Expected dividend yield	3.16%
Expected volatility of the market price of the Shares	32.26%
Expected life	10 years from the date of grant
Estimated fair value per share option	HK\$0.77

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, the existing model does not, in the Directors’ opinion, necessarily provide a reliable single measure of the fair value of share options.

SHARE INCENTIVE SCHEME

Under the 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 the Shares.

The Share Incentive Scheme expired on 16 June 2015, no further incentive shares can be granted under the Share Incentive Scheme but the provisions of the Share Incentive Scheme remain in full force and effect in all other respects in relation to the incentive shares granted. All outstanding incentive shares granted which are yet to be vested or exercised shall remain valid.

Outstanding Incentive Shares

Details of the incentive shares granted and summary of the movements of the outstanding incentive shares during the six months ended 30 June 2017 under the Share Incentive Scheme are as follows:

Date of award	Number of incentive shares				As at 30.6.2017	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
	As at 1.1.2017	Awards made during the six months ended	Vested and exercised during the six months ended	Cancelled/ lapsed during the six months ended				
	30.6.2017	30.6.2017	30.6.2017	30.6.2017				
Director								
Cheng Wai Chee, Christopher	28.5.2014	393,000	-	393,000	-	N/A	N/A	20,000
	28.5.2015	192,250	-	192,250	-	N/A	N/A	14,000
	28.5.2015	384,500	-	-	-	384,500	10.1.2018 10.1.2018 to 28.5.2025	313,000
Cheng Wai Sun, Edward	28.5.2014	393,000	-	393,000	-	N/A	N/A	20,000
	28.5.2015	192,250	-	192,250	-	N/A	N/A	14,000
	28.5.2015	384,500	-	-	-	384,500	10.1.2018 10.1.2018 to 28.5.2025	313,000
Chow Wai Wai, John	28.5.2014	79,000	-	79,000	-	N/A	N/A	4,000
	28.5.2015	40,250	-	40,250	-	N/A	N/A	3,000
	28.5.2015	80,500	-	-	-	80,500	10.1.2018 10.1.2018 to 28.5.2025	65,000

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Date of award	Number of incentive shares					As at 30.6.2017	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
	As at 1.1.2017	Awards made during the six months ended 30.6.2017	Vested and exercised during the six months ended 30.6.2017	Cancelled/ lapsed during the six months ended 30.6.2017					
Director									
Ng Kar Wai, Kenneth	15.6.2015	106,000	-	106,000	-	-	N/A	N/A	15,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2018	21.1.2018 to 15.6.2025	79,000
	15.6.2015	212,000	-	-	-	212,000	21.1.2019	21.1.2019 to 15.6.2025	115,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2018	21.1.2018 to 15.6.2025	77,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2019	21.1.2019 to 15.6.2025	55,000
	15.6.2015	212,000	-	-	-	212,000	21.1.2020	21.1.2020 to 15.6.2025	87,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2019	21.1.2019 to 15.6.2025	53,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2020	21.1.2020 to 15.6.2025	42,000
	15.6.2015	212,000	-	-	-	212,000	21.1.2021	21.2.2021 to 15.6.2025	69,000
Employees									
Employees in aggregate	28.5.2014	316,000	-	316,000	-	-	N/A	N/A	16,000
	28.5.2015	185,750	-	185,750	-	-	N/A	N/A	13,000
	28.5.2015	371,500	-	-	-	371,500	10.1.2018	10.1.2018 to 28.5.2025	302,000
		<u>4,284,500</u>	<u>-</u>	<u>1,897,500</u>	<u>-</u>	<u>2,387,000</u>			

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 Director to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2017, the following persons (other than the Directors and the Chief Executive of the Company) had interests in the Shares 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 (Note 1)
1. Brave Dragon Limited	Beneficial owner	141,794,482	10.53%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.09%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes 2(a) & 3)	34.36%
4. Deutsche Bank International Trust Co. Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.36%
5. Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.36%
6. Wing Tai Corporation Limited	Interest of controlled corporation	182,560,826 (Note 5)	13.56%
7. Renowned Development Limited	Interest of controlled corporation	182,560,826 (Notes 2(c) & 5)	13.56%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	199,884,783 (Notes 2(c) & 6)	14.85%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 (Note 7)	13.64%
10. Gala Land Investment Company Limited	Beneficial owner	101,579,467	7.55%
11. Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes 2(d) & 8)	7.55%
12. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Notes 2(d) & 9)	13.37%
13. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Notes 2(d) & 10)	11.20%

GENERAL INFORMATION

Notes:

- 1 The total number of issued Shares as at 30 June 2017 was 1,346,156,279.
- 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 and were included in the interests of party 8.
 - (d) the interests of party 10 duplicated with the interests of party 11 entirely and were included in the interests of parties 12 and 13.
- 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 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 28.72% 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 9.4% 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 93,629,998 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 Limited ("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, 5,673,333 and 37,680,000 Shares respectively.

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

Sunrise beneficially owned 100% of the issued share capital of Charmview International Limited ("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 Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.
- 8 Farnham Group Limited ("Farnham") beneficially owned 100% of the issued share capital of Gala Land Investment Company Limited ("Gala Land"), therefore, Farnham was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of its corporate interest therein.

9 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.

10 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 2017, the Company had not been notified of any interests or short positions held by any substantial shareholder in the Share or underlying Share 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 2017, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the Share or underlying Share, which are required to be recorded in the register required to be kept under section 336 of the SFO.

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

At 30 June 2017, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$4,614.1 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

An unaudited combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 30 June 2017 are presented below:

	Combined balance sheet (HK\$'M)	Group's attributable interest (HK\$'M)
Non-current assets	4,487.0	1,381.9
Current assets	10,135.3	3,253.4
Current liabilities	(1,347.0)	(451.6)
Non-current liabilities	(5,637.7)	(1,812.7)
Amounts and loans due from shareholders	2,291.2	343.7
Amounts and loans due to shareholders	(5,845.7)	(2,103.9)
Net assets	4,083.1	610.8

GENERAL INFORMATION

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 is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules. The Company has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2017.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

All Directors have confirmed, following specific enquiry by the Company, that they had fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2017.

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 director's fee for each of the independent non-executive directors of the Company (namely, Simon Murray, Fang Hung, Kenneth, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma and Cheng Hoi Chuen, Vincent) was increased from HK\$260,000 to HK\$280,000 for the year ending 31 December 2017.

The fee for the chairman of each of the Remuneration Committee and Nomination Committee (namely Simon Murray and Cheng Hoi Chuen, Vincent) was increased from HK\$50,000 to HK\$60,000 for the the year ending 31 December 2017.

Dr. Cheng Wai Chee, Christopher, the Chairman and an executive director of the Company, retired as an independent non-executive director of Kingboard Chemical Holdings Limited with effect from 29 May 2017.

Mr. Cheng Wai Sun, Edward, an executive director of the Company, retired as a board member of the Airport Authority Hong Kong with effect from 31 May 2017 and ceased to be a member of the Commission on Strategic Development of the Government of the HKSAR with effect from 30 June 2017.

Mr. Ng Tak Wai, Frederick, a non-executive director of the Company, ceased to be a director of certain subsidiaries of Wing Tai Corporation Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the SFO, with effect from 9 April 2017.

Mr. Simon Murray, an independent non-executive director of the Company, retired as an independent non-executive director of Cheung Kong Property Holdings Limited with effect from 11 May 2017.

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

During the six months ended 30 June 2017, 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

