

WING TAI PROPERTIES LIMITED

永泰地產有限公司

STOCK CODE 股份代號 369



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.

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BOARD OF DIRECTORS**Executive Directors**

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

CHENG Wai Sun, Edward *GBS 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*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

CHENG Hoi Chuen, Vincent *GBS OBE JP*

LAM Kin Fung, Jeffrey *GBS JP*

AUDIT COMMITTEE MEMBERS

YEUNG Kit Shing, Jackson (Chairman)

HONG Pak Cheung, William

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

REMUNERATION COMMITTEE MEMBERS

Simon MURRAY *CBE* (Chairman)

CHENG Wai Chee, Christopher *GBS OBE 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 *GBS 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 2018 and 2017, and of the five years ended 31 December 2017:

	Interim results		Annual results				
	2018 HK\$'M	2017 HK\$'M	2017 HK\$'M	2016 HK\$'M	2015 HK\$'M	2014 HK\$'M	2013 HK\$'M
RESULTS							
Revenue	469.5	545.8	1,064.3	1,103.3	1,009.2	1,783.5	1,736.2
Profit before taxation							
from continuing operations	1,112.2	504.3	2,101.0	1,260.4	1,182.3	2,033.1	2,746.2
Taxation	(43.1)	(53.5)	(98.6)	(111.2)	(83.2)	(89.5)	(91.4)
Profit for the period/year from continuing operations	1,069.1	450.8	2,002.4	1,149.2	1,099.1	1,943.6	2,654.8
Profit for the period/year from discontinued operations	–	–	–	–	–	–	6.4
Profit for the period/year	1,069.1	450.8	2,002.4	1,149.2	1,099.1	1,943.6	2,661.2
Attributable to:							
Shareholders of the Company							
– From continuing operations	1,035.5	449.8	1,981.9	1,146.5	1,099.1	1,943.6	2,654.6
– From discontinued operations	–	–	–	–	–	–	6.4
Total	1,035.5	449.8	1,981.9	1,146.5	1,099.1	1,943.6	2,661.0
Holders of perpetual capital securities							
– From continuing operations	33.1	–	18.4	–	–	–	–
Non-controlling interests							
– From continuing operations	0.5	1.0	2.1	2.7	–	–	0.2
Profit for the period/year	1,069.1	450.8	2,002.4	1,149.2	1,099.1	1,943.6	2,661.2

	At 30 June	At 31 December				
	2018 HK\$'M	2017 HK\$'M	2016 HK\$'M	2015 HK\$'M	2014 HK\$'M	2013 HK\$'M
ASSETS AND LIABILITIES						
Total assets	35,420.5	35,496.1	30,776.1	28,220.9	27,527.8	26,705.1
Total liabilities	(6,877.5)	(7,686.2)	(6,464.0)	(4,873.6)	(4,847.6)	(5,809.9)
Perpetual capital securities	(1,513.7)	(1,514.5)	–	–	–	–
Non-controlling interests	(6.0)	(5.5)	(3.5)	(1.0)	(1.2)	(1.5)
Equity attributable to shareholders of the Company	27,023.3	26,289.9	24,308.6	23,346.3	22,679.0	20,893.7

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that the Group's consolidated profit attributable to shareholders was HK\$1,036 million for the six months ended 30 June 2018, and earnings per share was HK\$0.77. The Board has recommended an interim dividend of HK6.0 cents per share.

During the first half of 2018, notwithstanding two rounds of US interest rate hikes, Hong Kong's residential market continued to thrive with record-breaking land and home prices across the board, sustained by strong pent-up demand from end-users and investors amid a supply shortage. In the second quarter we launched Le Cap, one of our latest luxury low-density residential developments at Kau To Shan, achieving record-high unit prices in this new district for the house and special apartment units. Revenue of respective units being sold will be recognised upon handover throughout 2018 and 2019.

For the two investment properties offloaded in last December and this January, both transactions were completed during the period under review with cash inflow of HK\$5,013 million duly received offering us ample financial resources to pursue growth opportunities as and when they arise. A disposal gain of HK\$693 million for the January sale was booked in the first half.

With a view to strategically repositioning and expanding our asset portfolio, we have established a good presence in both the traditional CBD in Central and the growing CBD₂ in Kowloon East. Regarding the prime commercial complex site at Gage Street/Graham Street we acquired last October, master planning process for the composite development has been commenced, which comprises Grade A office tower, a hotel, retail shops and public open space.

In Kowloon East, market demand for Grade A office space has stayed strong as decentralisation and consolidation requirements remain the dominant trends. In the first half of the year, transaction prices for office sites and spaces kept soaring to new heights. Our flagship Grade A twin office towers, Landmark East, continued to deliver high occupancy and steadily growing rental income, which were supported by a quality tenant profile of international and domestic corporations looking for large floor plate and high office specifications.

On the hospitality front, our hospitality investment and management brand Lanson Place registered resilient performance for all of its properties under management. In the first half, we entered into a 10-year management contract to operate a brand new luxurious serviced apartment project in Melbourne, which is scheduled for completion in 2022. This marks Lanson Place's first property in Australia, and is also the Group's 12th managed property in the Asia Pacific region.

Taking this opportunity, I would like to express my gratitude to my fellow Board members who bring valuable knowledge and insights to the Group, and to all business partners, colleagues and stakeholders as a whole for their support throughout the years.

Cheng Wai Chee, Christopher

Chairman

Hong Kong, 24 August 2018

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2018, the Group's revenue was HK\$470 million compared with HK\$546 million in 2017. Consolidated profit for the six months ended 30 June 2018 was HK\$1,069 million, an increase of HK\$618 million compared with HK\$451 million in 2017. The increase was mainly attributable to a gain on the disposals of subsidiaries of HK\$693 million, offset by a lower profit from property development and a lower fair value gain on investment properties and financial instruments.

Consolidated profit attributable to shareholders was HK\$1,036 million, an increase of HK\$586 million compared with HK\$450 million in 2017.

Earnings per share attributable to shareholders was HK\$0.77 compared with HK\$0.33 in 2017.

Property Development

The property development segment revenue was HK\$16 million in the first half of 2018 compared with HK\$94 million in 2017. Segment loss before taxation was HK\$69 million compared with segment profit before taxation of HK\$9 million in 2017.

Wholly-owned projects

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 was obtained in July 2017. Superstructure work is in progress and the project is scheduled for completion in 2018. The property will be fully furnished and is scheduled for leasing in 2019.

The Carmel, a low-density residential site in Siu Sau, Tai Lam, Tuen Mun, provides a gross floor area of approximately 159,000 square feet. Superstructure work is in progress and the project is scheduled for completion in 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 are in progress and the project is scheduled for completion in 2021.

Majority-owned project

The Group has a 70% interest in the site on Castle Peak Road, Tai Lam, Tuen Mun, a medium-density residential site that offers a gross floor area of approximately 294,000 square feet. Foundation work and site formation work are in progress. 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 in Pak Shek Kok, Tai Po. Cumulatively, as at 30 June 2018, around 99% of the residential units of Providence Bay and Providence Peak were sold and all the residential units of The Graces were sold.

The Group has a 50% interest in Homantin Hillside, located in Hung Hom. The project has a saleable area of approximately 128,000 square feet for 173 residential units. In the first half of 2018, around 2% of the residential units were sold. Cumulatively, as at 30 June 2018, around 99% of the residential units were sold. The Group is the lead project manager and lead sales and marketing manager for the project.

The Group has a 35% interest in two low-density residential projects, Le Cap and La Vetta, located in Kau To, Shatin, offering a combined gross floor area of approximately 460,000 square feet. Certificate of Compliance for Le Cap and Occupation Permit for La Vetta were obtained in March 2018. Le Cap and La Vetta are scheduled for completion in 2018. In the first half of 2018, around 12% of the residential units of Le Cap were sold since its sale launch in late April 2018. The Group is the joint project manager and lead sales and marketing manager for both projects.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group led a joint venture for a commercial complex site in Central, Site C of the Gage Street/Graham Street project as put up by the Urban Renewal Authority. The site is advantageously located in the heart of the bustling Central financial hub, providing a gross floor area of up to 433,500 square feet for the development of a Grade A office tower, a hotel, retail shops as well as public open space with green facilities for the neighbourhood. The Group is the lead project manager and lead leasing manager for this project. The project is currently undergoing the master planning stage.

Property Investment and Management

Following the completion of disposals of Winner Godown Building and W Square in the first half of 2018, the property investment and management segment revenue was HK\$373 million for the six months ended 30 June 2018, a decrease of HK\$8 million compared with HK\$381 million in 2017. Segment profit before taxation (including fair value changes) was HK\$1,229 million, an increase of HK\$759 million compared with HK\$470 million in 2017. Excluding fair value changes in investment properties and financial instruments and a one-off gain on the disposals of subsidiaries in 2018, segment profit before taxation was HK\$237 million in the first half of 2018, compared with HK\$240 million in 2017.

Wholly-owned properties in Hong Kong

As at 30 June 2018, the Group's portfolio of investment properties comprises Landmark East and Shui Hing Centre with an aggregate fair market valuation of around HK\$16,529 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 2018, the property achieved an occupancy of approximately 98%.

Shui Hing Centre is an industrial building in Kowloon Bay, with a gross floor area of approximately 187,000 square feet. As at 30 June 2018, the property achieved an occupancy of approximately 96%.

Disposal of a wholly-owned property in Hong Kong

In January 2018, the Group disposed of its entire interest in W Square, an office and retail complex located in Wan Chai with a gross floor area of approximately 129,000 square feet, at a consideration of approximately HK\$2,850 million and recognised a disposal gain of HK\$693 million. The disposal was completed in May 2018.

Wholly-owned properties in London, the United Kingdom

As at 30 June 2018, 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\$914 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 on 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 2018, the above three wholly-owned properties achieved an average occupancy of approximately 83%.

Joint venture properties in London, the United Kingdom

The Group has a 25% interest in a commercial property located on 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 2018, the property achieved an occupancy of approximately 94%.

The Group has a 33% interest in a 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. It is currently vacant under refurbishment and expansion works which are scheduled for completion in the second half of 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 2018, approximately 91% of the units were leased.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$68 million in the first half of 2018 compared with HK\$60 million in 2017. Segment profit before taxation (including fair value changes) was HK\$66 million in 2018, an increase of HK\$50 million compared with HK\$16 million in 2017. Excluding fair value changes in investment properties and financial instruments, segment profit before taxation was HK\$18 million in 2018, compared with HK\$10 million in 2017, 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.

In April 2018, a 10-year management contract was signed to manage a brand new luxurious serviced residence project of approximately 117 units in the city centre of Melbourne, Australia. The project is targeted for completion by 2022. This marks Lanson Place's first property in Australia, and is also the Group's 12th managed property in the Asia Pacific region.

Lanson Place Hospitality Management and the properties under the brand continue to be well recognised by travellers. In Shanghai, Lanson Place Jinlin Tiandi Serviced Residences clinched the "Best Serviced Apartment in China" title at the TTG China Travel Awards 2018 in March 2018. One Sunland Serviced Suites managed by Lanson Place also won the "Best Serviced Apartment Award" at the Weekend on the Go~2018 Best Travel Destination Awards presented by City Traveler magazine in June 2018. In Kuala Lumpur, Ambassador Row Hotel Suites by Lanson Place was named the "Business Hotel of the Year 2018 (Malaysia)" at the Travel and Hospitality Awards in June 2018, while Lanson Place Bukit Ceylon Serviced Residences took home three accolades, encompassing the "Aparthotel of the Year 2018" at the Travel and Hospitality Awards, the "Recognition of Excellence 2018" by HotelsCombined as well as the "Asia Pacific Hotel Awards for Best Large Hotel Malaysia 2018-2019" at the International Hotel Awards in June 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

Others

This segment represents investing activities and unallocated corporate expenses including central management and administrative function. Segment revenue was HK\$12 million in the first half of 2018, compared with HK\$11 million in 2017. Segment loss before taxation (including fair value changes) was HK\$113 million in the first half of 2018, a decrease of HK\$122 million compared with a segment profit of HK\$9 million in 2017. The segment loss mainly represented a change in fair value of financial instruments of HK\$113 million. With effect from 1 January 2018, upon adoption of HKFRS 9 Financial Instruments, REIT and other financial investments have been reclassified as financial investments at fair value through profit or loss. Related mark to market gain/(loss) has to be recorded under change in fair value of financial instruments in profit or loss account. The mark to market loss in 2018 represented a drop in share prices of our investments during the period under review. Excluding fair value loss in financial instruments, this segment achieved breakeven in the first half of 2018, compared with segment loss before taxation of HK\$1 million in 2017.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totalled HK\$28,543 million as at 30 June 2018 (31 December 2017: HK\$27,810 million). The increase of HK\$733 million is mainly resulted from the profit for the period of HK\$1,069 million, offset by the distribution of the 2017 final dividend of HK\$304 million.

As at 30 June 2018, the Group's bank and other borrowings totalled HK\$5,321 million (31 December 2017: HK\$6,184 million). The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2018		31 December 2017	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	513	10%	1,402	23%
Between one and two years	1,230	23%	1,134	18%
Between two and five years	3,284	62%	2,776	45%
After five years	294	5%	872	14%
	5,321	100%	6,184	100%

As at 30 June 2018, the Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$1,332 million (31 December 2017: HK\$5,530 million), representing 4.7% of the Group's net assets (31 December 2017: 19.9%). The decrease in gearing ratio is mainly due to the receipt of proceeds from the disposals of wholly-owned properties, resulting in an increase in bank balances and cash.

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 to 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 2018 HK\$ million	31 December 2017 HK\$ million
Bank balances and cash	3,989	654
Unutilised revolving loan facilities	2,124	976
	6,113	1,630

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 2018, the Group had contingent liabilities of HK\$7,302 million (31 December 2017: HK\$5,223 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 2018, the Group's advances to joint ventures of HK\$5,317 million (31 December 2017: HK\$5,285 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 2018, several of the Group's investment properties, properties for sale and financial investments at fair value through profit or loss with carrying values of HK\$3,914 million, HK\$4,182 million and HK\$290 million, respectively, were pledged to secure credit facilities for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS & INTERIM DIVIDEND

PROSPECTS

For the remainder of the year, we expect the Hong Kong economy and property market would become more challenging on the back of uncertainties brought about by the Sino-US trade disputes, interest rate hikes, recent RMB and stock market fluctuations, in addition to accelerated government cooling measures on local residential property.

In late June, the Hong Kong government announced additional initiatives to address the city's housing issues, including increasing public or subsidised housing supply and introducing a new vacancy tax on first-hand residential properties. While impact of such measures will hinge much on detailed arrangements which have yet to be fully released, it certainly will take time for the market to absorb and reflect the effects. As such, we believe the near-term residential property market would remain resilient in the light of strong demand from domestic end-users and investors, supported by relatively low mortgage rates as well as ample financing liquidity.

On the residential front, we will stay proactive yet cautious in acquiring strategic sites for our development pipeline, and will be vigilant in capturing market opportunities to sell our developed products to optimise return. We will launch the second phase of Le Cap while making full preparation for the launch of La Vetta, our other luxury low-density residential development at Kau To Shan. Meanwhile, we are seeking out windows of opportunity to launch The Carmel, our residential project sitting in a low-density neighbourhood in Siu Sau, Tuen Mun.

For the office market, the relocation trend to Kowloon East is expected to persist, with Grade A office rentals trending higher. Boosted by a strong and high-quality tenant mix, Landmark East is poised to continue to enjoy a high occupancy and solid rental growth amid a dynamic future.

It is always our long-term business strategy to accelerate the expansion of our strategic land bank and enhance our investment portfolio in the residential, commercial and/or hospitality arenas. With a strong financial position and surplus cash on hand, we will continue to uphold our proactive yet prudent approach to take advantage of the opportunities that come along to acquire yield-enhancing investment properties in Hong Kong and London.

EMPLOYEES

As at 30 June 2018, the Group had approximately 490 employees. The Group offers comprehensive remuneration and benefit packages to its employees, 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 shares options are generally exercisable by phases within ten years.

INTERIM DIVIDEND

The Directors declared the payment of an interim dividend of HK6.0 cents per share for the year ending 31 December 2018 (2017: HK4.5 cents). The interim dividend will be distributed on or around 3 October 2018 to the shareholders whose names appear on the register of members of the Company at the close of business on 11 September 2018 (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 11 September 2018.

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 14 to 40, which comprises the condensed consolidated balance sheet of Wing Tai Properties Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2018 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 24 August 2018

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CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2018

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 2018.

	Note	Unaudited	
		Six months ended 30 June	
		2018 HK\$'M	2017 HK\$'M
Revenue	7	469.5	545.8
Cost of sales		(99.4)	(138.4)
Gross profit		370.1	407.4
Other (losses)/gains, net	8	(32.5)	3.7
Selling and distribution costs		(18.1)	(30.2)
Administrative expenses		(155.2)	(154.1)
Change in fair value of			
– investment properties		337.3	239.9
– financial instruments	9	(104.8)	14.2
		232.5	254.1
Gain on disposal of subsidiaries	17	693.3	–
Profit from operations	10	1,090.1	480.9
Finance costs		(34.7)	(37.1)
Finance income		15.6	17.5
Share of results of joint ventures	15	40.3	41.8
Share of results of associates		0.9	1.2
Profit before taxation		1,112.2	504.3
Taxation	11	(43.1)	(53.5)
Profit for the period		1,069.1	450.8
Profit for the period attributable to:			
Shareholders of the Company		1,035.5	449.8
Holders of perpetual capital securities		33.1	–
Non-controlling interests		0.5	1.0
		1,069.1	450.8
Earnings per share attributable to shareholders of the Company	12		
– Basic		HK\$0.77	HK\$0.33
– Diluted		HK\$0.77	HK\$0.33

The notes on pages 20 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Unaudited	
	Six months ended 30 June	
	2018 HK\$'M	2017 HK\$'M
Profit for the period	1,069.1	450.8
Other comprehensive income		
Items that have been/may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(11.3)	35.8
Net fair value gain arising from revaluation of available-for-sale financial assets	–	73.9
Net gain on net investment hedge		
– Fair value gain	1.6	4.3
– Realised upon settlement	0.2	–
Net gain on cash flow hedge	4.3	0.5
Share of other comprehensive income of a joint venture	1.5	1.3
Other comprehensive income for the period, net of tax	(3.7)	115.8
Total comprehensive income for the period	1,065.4	566.6
Total comprehensive income for the period attributable to:		
Shareholders of the Company	1,031.8	565.6
Holders of perpetual capital securities	33.1	–
Non-controlling interests	0.5	1.0
Total comprehensive income for the period	1,065.4	566.6

The notes on pages 20 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2018

	Note	Unaudited 30 June 2018 HK\$'M	Audited 31 December 2017 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	14	19,638.4	19,317.1
Other properties, plant and equipment	14	75.7	78.7
Investments in joint ventures	15	703.4	661.7
Loans to joint ventures		5,114.3	6,070.7
Investments in associates		12.1	14.7
Loans to associates		14.4	14.7
Financial investments at fair value through profit or loss		420.3	–
Available-for-sale financial assets		–	529.9
Deferred tax assets		18.3	13.4
Derivative financial instruments		38.5	49.3
		26,035.4	26,750.2
Current assets			
Properties for sale	16	4,187.9	3,856.2
Trade and other receivables, deposits and prepayments	18	1,202.7	2,102.7
Derivative financial instruments		4.9	0.5
Tax recoverable		0.2	0.6
Bank balances and cash		3,989.4	654.2
		9,385.1	6,614.2
Assets classified as held for sale	17	–	2,131.7
		9,385.1	8,745.9
Current liabilities			
Trade and other payables and accruals	19	978.8	912.3
Derivative financial instruments		16.9	25.2
Tax payable		77.4	43.3
Bank and other borrowings	20	512.9	1,401.5
		1,586.0	2,382.3
Liabilities directly associated with assets classified as held for sale	17	–	39.3
		1,586.0	2,421.6
Non-current liabilities			
Bank and other borrowings	20	4,807.7	4,782.6
Other long-term liability	5(d)	45.7	57.7
Derivative financial instruments		105.9	101.4
Deferred tax liabilities		332.2	322.9
		5,291.5	5,264.6
NET ASSETS		28,543.0	27,809.9
EQUITY			
Shareholders' funds			
Share capital	21	674.6	673.1
Reserves		26,348.7	25,616.8
		27,023.3	26,289.9
Perpetual capital securities	22	1,513.7	1,514.5
Non-controlling interests		6.0	5.5
TOTAL EQUITY		28,543.0	27,809.9

The notes on pages 20 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Unaudited												
	Attributable to shareholders 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	Perpetual capital securities HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
At 1 January 2018	673.1	3,310.3	(14.2)	310.3	18.2	51.6	(64.3)	751.0	21,253.9	26,289.9	1,514.5	5.5	27,809.9
Changes in accounting policies (Note 4(c))	-	-	-	(310.3)	-	-	-	-	310.3	-	-	-	-
Restated balance as at 1 January 2018	673.1	3,310.3	(14.2)	-	18.2	51.6	(64.3)	751.0	21,564.2	26,289.9	1,514.5	5.5	27,809.9
Comprehensive income													
Profit for the period	-	-	-	-	-	-	-	-	1,035.5	1,035.5	33.1	0.5	1,069.1
Other comprehensive income													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(11.3)	-	-	(11.3)	-	-	(11.3)
Net gain on net investment hedge	-	-	1.8	-	-	-	-	-	-	1.8	-	-	1.8
Net gain on cash flow hedge	-	-	4.3	-	-	-	-	-	-	4.3	-	-	4.3
Share of other comprehensive income of a joint venture	-	-	1.5	-	-	-	-	-	-	1.5	-	-	1.5
Total comprehensive income	-	-	7.6	-	-	-	(11.3)	-	1,035.5	1,031.8	33.1	0.5	1,065.4
Transactions with owners													
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	5.2	-	-	-	-	5.2	-	-	5.2
Incentive shares exercised	0.7	5.3	-	-	(6.0)	-	-	-	-	-	-	-	-
Share options exercised	0.8	4.2	-	-	(5.0)	-	-	-	-	-	-	-	-
2017 final dividend paid	-	-	-	-	-	-	-	-	(303.6)	(303.6)	-	-	(303.6)
Distribution paid on perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(33.9)	-	(33.9)
Total transactions with owners	1.5	9.5	-	-	(5.8)	-	-	-	(303.6)	(298.4)	(33.9)	-	(332.3)
At 30 June 2018	674.6	3,319.8	(6.6)	-	12.4	51.6	(75.6)	751.0	22,296.1	27,023.3	1,513.7	6.0	28,543.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2018

	Unaudited												
	Attributable to shareholders of the Company											Non-controlling interests HK\$'M	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			
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	

The notes on pages 20 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2018

	Note	Unaudited	
		Six months ended 30 June	
		2018 HK\$'M	2017 HK\$'M
Net cash (used in)/generated from operating activities		(348.8)	795.1
Cash flows from investing activities			
Additions of investment properties		(8.6)	(8.0)
Purchase of other properties, plant and equipment		(1.8)	–
Advance of loans to joint ventures		(2,132.5)	(140.7)
Repayments of loans to joint ventures		2,316.0	40.9
Placement of deposits with banks with original maturity of more than three months		(1,042.6)	–
Net proceeds from disposal of subsidiaries	17	2,809.5	–
Proceeds from disposal of investment properties		1,888.9	–
Other investing cash net outflow		(7.5)	(125.7)
Net cash generated from/(used in) investing activities		3,821.4	(233.5)
Cash flows from financing activities			
Bank and other borrowings raised		154.9	115.0
Repayment of bank and other borrowings		(997.4)	(28.8)
Dividends paid by the Company		(303.6)	(185.8)
Distribution paid on perpetual capital securities		(33.9)	–
Other financing cash net outflow		–	(1.8)
Net cash used in financing activities		(1,180.0)	(101.4)
Increase in cash and cash equivalents		2,292.6	460.2
Cash and cash equivalents at the beginning of the period		646.0	1,682.8
Cash and cash equivalents at the end of the period		2,938.6	2,143.0
Cash and cash equivalents comprise:			
Bank balances and cash		3,989.4	2,267.5
Less: Deposits with maturity of more than three months		(1,050.8)	(124.5)
		2,938.6	2,143.0

The notes on pages 20 to 40 form an integral part of this Interim Financial Information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

1. GENERAL INFORMATION

Wing Tai Properties Limited (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 24 August 2018.

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2018 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 2017.

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 Group’s annual financial statements for the year ended 31 December 2017, 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 2018, noted below.

(a) New standards, revised standards, amendments and improvements to standards effective for the current accounting period beginning on 1 January 2018 and relevant to the Group

Amendments to HKAS 40	Transfers of investment property
Amendments to HKFRS 2	Classification and measurement of share-based payment transactions
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contracts with customers
Annual improvements	Annual improvements 2014–2016 cycle
HKFRS 9	Financial instruments
HKFRS 15	Revenue from contracts with customers
HK(IFRIC) – Interpretation 22	Foreign currency transactions and advance consideration

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) **New standards, revised standards, amendments and improvements to standards effective for the current accounting period beginning on 1 January 2018 and relevant to the Group (Continued)**

Except for HKFRS 9 and HKFRS 15, the adoption of the other new or revised standards, amendments and improvements to standards and interpretations of HKFRS stated above did not have any significant impact to the Group's Interim Financial Information in the current and prior periods. The impact from adoption of HKFRS 9 and HKFRS 15 is disclosed in note 4 below.

(b) **New standards, revised standards, amendments and improvements to standards relevant to the Group that are not yet effective in 2018 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 28	Long-term interests in associates and joint ventures	1 January 2019
Annual improvements HKFRS 16	Annual improvements 2015–2017 cycle Leases	1 January 2019 1 January 2019
HK(IFRIC) – Interpretation 23	Uncertainty over income tax treatments	1 January 2019
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

HKFRS 16 – Leases

HKFRS 16 replaces HKAS 17 and related interpretations and introduces a comprehensive model for the identification of lease arrangement and accounting treatment for both lessors and lessees. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The standard will affect primarily the accounting for the Group's operating leases. The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the standard before its effective date.

Other than HKFRS 16, the Group is in the process of making an 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. CHANGES IN ACCOUNTING POLICIES

This note explains the impact from adoption of HKFRS 9 and HKFRS 15 on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods.

The Group adopted HKFRS 9 and HKFRS 15 using the modified retrospective approach where the cumulative impact from adoption is recognised in the opening balance of retained earnings as at 1 January 2018 and that comparatives had not been restated. The new accounting policies are set out below and the adjustments to the consolidated financial statements are set out in note 4(c).

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

4. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) HKFRS 9 – Financial instruments

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial investments and other financial assets and financial liabilities, derecognition of financial instruments, impairment of financial investments and other financial assets and hedge accounting.

Accounting policies applied from 1 January 2018:

(i) *Financial investments and other financial assets*

Classification

From 1 January 2018, the Group classifies its financial investments and other financial assets either those to be measured subsequently at fair value (either through other comprehensive income (“OCI”), or through profit or loss), or those to be measured at amortised cost. The classification depends on the entity’s business model for managing the financial investments and other financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (“FVOCI”).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial investment and other financial asset at its fair value plus, in the case of a financial investment and other financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial investment and other financial asset. Transaction costs of financial investments and other financial assets carried at FVPL are expensed in profit or loss.

(i) **Debt instruments**

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial investments and other financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

4. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) HKFRS 9 – Financial instruments (Continued)

(i) *Financial investments and other financial assets (Continued)*

Measurement (Continued)

(i) Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial investments and other financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial investment and other financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial investments and other financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the income statement.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial investments and other financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

4. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) HKFRS 15 – Revenue from contracts with customers

HKFRS 15 replaces HKAS 18 Revenue which covers contracts for goods and services and HKAS 11 Construction Contracts which covers construction contracts. HKFRS 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

Accounting policy for property development activities applied from 1 January 2018:

- Revenue from pre-sale of properties under development is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the properties under development may transfer over time or at a point in time. If properties have no alternative use to the Group contractually and the Group has an enforceable right to payment for performance completed to date, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the completed property.
- The timing of revenue recognition for sale of completed properties would be recognised when the underlying property is legally or physically transfer to the customer under the control transfer model.
- The Group currently offers different payment schemes to customers, the transaction price and the amount of revenue for the sale of property would be adjusted when significant financial component exists in that contract.
- Certain costs incurred for obtaining a pre-sale property contract would be eligible for capitalisation under HKFRS 15 and match with revenue recognition pattern of related contract.

(c) Impact on the condensed consolidated financial information

The Group has applied HKFRS 9 and HKFRS 15 retrospectively from 1 January 2018. As permitted by the respective transitional provisions of these accounting standards, comparatives for 2017 were not restated. The reclassifications and adjustments were recognised in the opening condensed consolidated balance sheet on 1 January 2018. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

Condensed consolidated balance sheet (extract)	As at 1 January 2018		
	As previously stated HK\$'M	Impact from adoption of HKFRS 9 (Note 4(a)) HK\$'M	Restated HK\$'M
Non-current assets			
Available-for-sale financial assets	529.9	(529.9)	–
Financial investments at fair value through profit or loss	–	529.9	529.9
Equity			
Investment revaluation reserve	310.3	(310.3)	–
Retained profits	21,253.9	310.3	21,564.2

4. CHANGES IN ACCOUNTING POLICIES (Continued)

(c) Impact on the condensed consolidated financial information (Continued)

Upon adoption of HKFRS 9, REIT and other financial investments with fair value of HK\$529.9M as at 1 January 2018 were reclassified from available-for-sale financial assets to financial investments at fair value through profit or loss. They do not meet the HKFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest. Related fair value gains of HK\$310.3M was transferred from investment revaluation reserve to retained profits as at 1 January 2018.

Adoption of HKFRS 15 has no impact to the opening condensed consolidated balance sheet on 1 January 2018.

The following tables show the impact on each individual line item of the condensed consolidated income statement and the condensed consolidated statement of comprehensive income for the six months ended 30 June 2018 and the condensed consolidated balance sheet as of 30 June 2018 following the adoption of the HKFRS 9 and HKFRS 15. Line items that were not affected by the changes are not included.

Condensed consolidated income statement (extract)	Six months ended 30 June 2018			Result as reported HK\$'M
	Before adoption of HKFRS 9 and HKFRS 15 HK\$'M	Impact from adoption of		
		HKFRS 9 (Note 4(a)) HK\$'M	HKFRS 15 (Note 4(b)) HK\$'M	
Change in fair value of financial instruments	4.7	(109.5)	–	(104.8)
Share of results of joint ventures	123.4	–	(83.1)	40.3
Profit for the period	1,261.7	(109.5)	(83.1)	1,069.1
Earnings per share attributable to shareholders of the Company				
– Basic	HK\$0.91	(HK\$0.08)	(HK\$0.06)	HK\$0.77
– Diluted	HK\$0.91	(HK\$0.08)	(HK\$0.06)	HK\$0.77

Condensed consolidated statement of comprehensive income (extract)	Six months ended 30 June 2018			Result as reported HK\$'M
	Before adoption of HKFRS 9 and HKFRS 15 HK\$'M	Impact from adoption of		
		HKFRS 9 (Note 4(a)) HK\$'M	HKFRS 15 (Note 4(b)) HK\$'M	
Profit for the period	1,261.7	(109.5)	(83.1)	1,069.1
Other comprehensive income				
Items that have been/may be reclassified subsequently to profit or loss:				
Net fair value loss arising from revaluation of available-for-sale financial assets	(109.5)	109.5	–	–
Total comprehensive income for the period	1,148.5	–	(83.1)	1,065.4

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

4. CHANGES IN ACCOUNTING POLICIES (Continued)

(c) Impact on the condensed consolidated financial information (Continued)

Condensed consolidated balance sheet (extract)	As at 30 June 2018			Result as reported HK\$'M
	Before adoption of	Impact from adoption of		
	HKFRS 9 and HKFRS 15 HK\$'M	HKFRS 9 (Note 4(a)) HK\$'M	HKFRS 15 (Note 4(b)) HK\$'M	
Non-current assets				
Investments in joint ventures	786.5	–	(83.1)	703.4
Financial investments at fair value through profit or loss	–	420.3	–	420.3
Available-for-sale financial assets	420.3	(420.3)	–	–
Equity				
Investment revaluation reserve	200.9	(200.9)	–	–
Retained profits	22,178.3	200.9	(83.1)	22,296.1

The adoption of HKFRS 9 and HKFRS 15 has no impact on the net cash flow from operating, investing and financing activities on the condensed consolidated cash flow statement.

5. 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 rate 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 2017.

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).

The following tables present the Group's financial investments and other financial assets and liabilities that are measured at fair value at 30 June 2018 and 31 December 2017.

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
At 30 June 2018				
Assets				
Financial investments at fair value through profit or loss				
– listed securities	420.3	–	–	420.3
Derivative financial instruments				
– interest rate swap contracts	–	4.6	–	4.6
– cross currency swap contracts	–	33.5	–	33.5
– forward exchange contracts	–	5.3	–	5.3
	420.3	43.4	–	463.7
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	13.7	–	13.7
– cross currency swap contracts	–	107.9	–	107.9
– forward exchange contracts	–	1.2	–	1.2
Other long-term liability	–	–	45.7	45.7
	–	122.8	45.7	168.5
At 31 December 2017				
Assets				
Available-for-sale financial assets				
– listed securities	529.9	–	–	529.9
Derivative financial instruments				
– interest rate swap contracts	–	2.1	–	2.1
– cross currency swap contracts	–	47.7	–	47.7
	529.9	49.8	–	579.7
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	20.1	–	20.1
– cross currency swap contracts	–	97.1	–	97.1
– forward exchange contracts	–	9.4	–	9.4
Other long-term liability	–	–	57.7	57.7
	–	126.6	57.7	184.3

During the six months ended 30 June 2018, there were no transfers 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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

5. 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 2018 and 2017.

	Other long-term liability 2018 HK\$'M	2017 HK\$'M
At 1 January	57.7	62.7
Group's contributions	(0.5)	(1.4)
Fair value gain recognised in profit or loss (Note 9)	(11.5)	(9.3)
At 30 June	45.7	52.0
Total unrealised gain for the period included in profit or loss for liabilities held at the end of the reporting period	(11.5)	(9.3)

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.

6. 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 2017.

7. REVENUE AND SEGMENT INFORMATION

Revenue represents the 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 2018 HK\$'M	2017 HK\$'M
Sale of properties and project management income	16.4	94.0
Rental income and property management income	441.5	441.0
Dividend income	11.6	10.8
	469.5	545.8

7. 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 2018						
REVENUE						
External sales	16.4	373.1	68.4	11.6	–	469.5
Inter-segment sales	–	7.3	–	–	(7.3)	–
Total	16.4	380.4	68.4	11.6	(7.3)	469.5
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments and gain on disposal of subsidiaries	(73.8)	264.4	(10.3)	(16.0)	–	164.3
Change in fair value of						
– investment properties	–	290.3	47.0	–	–	337.3
– financial instruments	–	8.4	–	(113.2)	–	(104.8)
Gain on disposal of subsidiaries	–	693.3	–	–	–	693.3
Profit/(loss) from operations	(73.8)	1,256.4	36.7	(129.2)	–	1,090.1
Finance costs	–	(29.9)	(5.4)	(16.8)	17.4	(34.7)
Finance income	–	0.3	–	32.7	(17.4)	15.6
Share of results of joint ventures	4.9	1.2	34.2	–	–	40.3
Share of results of associates	–	0.9	–	–	–	0.9
Profit/(loss) before taxation	(68.9)	1,228.9	65.5	(113.3)	–	1,112.2
Taxation						(43.1)
Profit for the period						1,069.1
OTHER ITEMS						
Depreciation and amortisation	0.1	0.6	–	4.1	–	4.8
Gain on disposal of other properties, plant and equipment	(0.2)	–	–	–	–	(0.2)

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

7. 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 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	–	225.7	14.2	–	–	239.9
– financial instruments	–	4.9	–	9.3	–	14.2
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

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 2018 HK\$'M	2017 HK\$'M
Hong Kong	428.7	510.8
Singapore	14.8	11.1
United Kingdom	12.9	11.9
The People's Republic of China	11.8	10.8
Others	1.3	1.2
	469.5	545.8

7. REVENUE AND SEGMENT INFORMATION (Continued)

The following is an analysis of the Group's external revenue by timing of satisfaction of performance obligations:

	Six months ended 30 June 2018			Total HK\$'M
	Revenue recognised at a point in time HK\$'M	Revenue recognised over time HK\$'M	Rental income HK\$'M	
Property development	5.1	10.7	0.6	16.4
Property investment and management	–	4.3	368.8	373.1
Hospitality investment and management	0.2	7.1	61.1	68.4
Others	11.6	–	–	11.6
	16.9	22.1	430.5	469.5

8. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2018 HK\$'M	2017 HK\$'M
Exchange (losses)/gains, net	(1.0)	2.9
Gain on disposal of other properties, plant and equipment	0.2	–
Write-off of interest income receivable from a joint venture	(34.2)	–
Others	2.5	0.8
	(32.5)	3.7

9. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2018 HK\$'M	2017 HK\$'M
Net fair value (loss)/gain on derivative financial instruments	(6.8)	4.9
Gain on financial liabilities at fair value through profit or loss classified under other long-term liability	11.5	9.3
Loss on financial investments at fair value through profit or loss	(109.5)	–
	(104.8)	14.2

10. PROFIT FROM OPERATIONS

	Six months ended 30 June	
	2018 HK\$'M	2017 HK\$'M
Profit from operations has been arrived at after charging the following:		
Share-based compensation expenses	5.2	7.3
Staff costs including directors' remuneration	128.1	129.9
Cost of properties included in cost of sales	1.7	43.2
Depreciation of other properties, plant and equipment	4.8	2.3
Direct operating expenses arising from investment properties generating rental income	84.7	81.7
Operating lease rental expenses in respect of land and buildings	0.7	0.4

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

11. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2017: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the condensed consolidated income statement represents:

	Six months ended 30 June 2018 HK\$'M	2017 HK\$'M
Current taxation		
– Current tax on profits for the period	36.4	37.6
– (Over)/under-provision in prior periods	(0.1)	0.1
	36.3	37.7
Deferred taxation		
– Change in fair value of investment properties	3.1	7.3
– Temporary differences on tax depreciation	8.1	7.8
– Recognition of tax losses	(5.0)	(1.5)
– Other temporary differences	0.6	0.7
– Under-provision in prior period	–	1.5
	6.8	15.8
Taxation	43.1	53.5

12. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for profit attributable to shareholders of the Company is based on the following financial information:

	Six months ended 30 June 2018 HK\$'M	2017 HK\$'M
Profit attributable to shareholders of the Company	1,035.5	449.8
	Six months ended 30 June 2018	2017
Weighted average number of ordinary shares in issue	1,348,909,885	1,345,932,155
Effect of dilutive potential shares issuable under the Company's share option plan and share incentive scheme	1,944,115	2,856,315
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,350,854,000	1,348,788,470

13. INTERIM DIVIDEND

	Six months ended 30 June 2018 HK\$'M	2017 HK\$'M
Interim dividend of HK6.0 cents (2017: HK4.5 cents) per ordinary share	80.9	60.6

On 24 August 2018, the board of directors has resolved to declare an interim dividend of HK6.0 cents (2017: HK4.5 cents) per ordinary share. This interim dividend, amounting to HK\$80.9M (2017: HK\$60.6M), 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 2018.

14. CAPITAL EXPENDITURE

	Investment properties HK\$'M	Other properties, plant and equipment HK\$'M
Opening net book value at 1 January 2018	19,317.1	78.7
Exchange differences	(24.6)	–
Net gain arising from change in fair value	337.3	–
Additions	8.6	1.8
Depreciation and amortisation	–	(4.8)
Closing net book value at 30 June 2018	19,638.4	75.7
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

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2018 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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

15. 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 2018 HK\$'M	31 December 2017 HK\$'M
Assets		
– Investment properties	826.3	829.2
– Properties for sale	9,866.4	2,966.6
– Bank balances and cash	496.3	261.4
– Other assets	1,267.0	7,972.4
Liabilities		
– Amounts due to shareholders	(286.8)	(76.4)
– Loans from shareholders	(5,850.4)	(6,070.7)
– Bank and other borrowings	(5,258.5)	(4,870.0)
– Other liabilities	(356.9)	(350.8)
Net assets	703.4	661.7

	Six months ended 30 June 2018 HK\$'M	2017 HK\$'M
Revenue	65.3	223.2
Profit from operations	58.7	67.7
Finance costs	(17.8)	(17.2)
Finance income	1.0	0.7
Profit before taxation	41.9	51.2
Taxation	(1.6)	(9.4)
Profit for the period	40.3	41.8

16. PROPERTIES FOR SALE

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Properties under development held for sale	4,181.9	3,848.4
Completed properties	6.0	7.8
	4,187.9	3,856.2

17. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

The following assets and liabilities were reclassified as held for sale in relation to the disposal of subsidiaries as at 31 December 2017:

	31 December 2017 HK\$'M
Assets classified as held for sale	
Investment property	2,125.0
Trade and other receivables, deposits and prepayments	1.5
Bank balances and cash	5.2
	<hr/> 2,131.7
Liabilities directly associated with assets classified as held for sale	
Trade and other payables and accruals	(18.8)
Tax payables	(0.3)
Deferred tax liabilities	(20.2)
	<hr/> (39.3)

In January 2018, the Group disposed of its entire interest in W Square, an office and retail complex located in Wan Chai, with a gross floor area of approximately 129,000 square feet. The disposal was completed in May 2018. Disposal gain was arrived as follows:

	HK\$'M
Initial consideration	2,848.8
Less: Completion adjustments upon closing	(38.5)
Bank balances and cash disposed	(0.8)
	<hr/> 2,809.5
Net proceeds from disposal of subsidiaries	2,809.5
Less: Net asset value of subsidiaries	(2,085.7)
Transaction cost	(30.5)
	<hr/> 693.3

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

18. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Trade receivables	19.2	55.2
Deferred rent receivables	12.0	10.7
Amounts due from and loans to joint ventures	1,022.9	76.4
Loan to an associate	0.3	–
Other receivables, deposits and prepayments	148.3	71.5
Proceeds receivable from disposal of investment properties	–	1,888.9
	1,202.7	2,102.7

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 2018 HK\$'M	31 December 2017 HK\$'M
0 – 30 days	9.5	48.0
31 – 90 days	3.2	4.1
Over 90 days	6.5	3.1
	19.2	55.2

19. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Trade payables	26.6	21.3
Rental deposits received	170.3	185.5
Construction costs payable	74.0	100.8
Amounts due to joint ventures	514.9	442.7
Provision for other costs arising from disposal of a joint venture and subsidiaries	8.4	8.6
Other creditors and accruals	184.6	153.4
	978.8	912.3

19. 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 2018 HK\$'M	31 December 2017 HK\$'M
0 – 30 days	25.6	11.3
31 – 90 days	0.6	9.5
Over 90 days	0.4	0.5
	26.6	21.3

20. BANK AND OTHER BORROWINGS

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Bank borrowings	3,309.0	4,161.7
Fixed rate bonds	1,853.9	1,866.3
Loans from non-controlling interests	157.7	156.1
	5,320.6	6,184.1

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

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Within one year	512.9	1,401.5
Between one and two years	1,229.8	1,134.3
Between two and five years	3,284.3	2,775.9
After five years	293.6	872.4
	5,320.6	6,184.1
Less: Amounts due within one year shown under current liabilities	(512.9)	(1,401.5)
Amounts due after one year	4,807.7	4,782.6
Analysed as		
Secured	3,309.0	3,406.6
Unsecured	2,011.6	2,777.5
	5,320.6	6,184.1

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

21. SHARE CAPITAL

	Number of ordinary shares of HK\$0.50 each	Amount HK\$'M
Authorised:		
At 1 January 2017, 31 December 2017 and 30 June 2018	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2018	1,346,156,279	673.1
Issue of shares on exercise of share options and incentive shares	3,001,750	1.5
At 30 June 2018	1,349,158,029	674.6
At 1 January 2017	1,343,476,279	671.7
Issue of shares on exercise of share options and incentive shares	2,680,000	1.4
At 31 December 2017	1,346,156,279	673.1

22. PERPETUAL CAPITAL SECURITIES

Under the US\$1 billion Medium Term Note Programme, Wing Tai Properties (Finance) Limited, a wholly-owned subsidiary of the Group, issued S\$260M 4.35% unrated senior guaranteed perpetual capital securities (the "Securities") which are listed on Singapore Exchange Securities Trading Limited in 2017. The Group accounted for the Securities as equity instruments pursuant to HKFRS issued by the HKICPA for the purposes of the Group's consolidated financial statements.

23. COMMITMENTS

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Expenditure in respect of investment properties		
– contracted but not provided for	9.7	9.2
Expenditure in respect of investment properties through joint ventures		
– contracted but not provided for	2.6	11.9
Capital injection to joint ventures		
– contracted but not provided for	397.3	398.8
	409.6	419.9

24. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

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

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Guarantees given to banks in respect of bank facilities extended to joint ventures	7,302.4	5,222.6

At 30 June 2018, bank loans of HK\$5,258.5M (31 December 2017: HK\$4,870.0M) being guaranteed by the Group to joint ventures have been drawn down.

25. PLEDGE OF ASSETS

As at 30 June 2018, the Group's advances to joint ventures of HK\$5,317.1M (31 December 2017: HK\$5,285.1M) were subordinated to the loan facilities of joint ventures and assigned. The joint ventures are engaged in property development and property investment and management. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

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

	30 June 2018 HK\$'M	31 December 2017 HK\$'M
Investment properties	3,914.1	3,843.7
Properties for sale	4,181.9	3,848.4
Financial investments fair value through profit or loss	289.8	–
Available-for-sale financial assets	–	365.3
	8,385.8	8,057.4

The credit facilities were utilised to the extent of HK\$3,309.0M (31 December 2017: HK\$3,406.7M).

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

26. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June 2018 HK\$'M	2017 HK\$'M
Key management compensation (Note)		
Salaries and other benefits	(16.1)	(14.9)
Retirement benefits costs	(0.7)	(0.6)
Value of share options and incentive shares	(3.8)	(4.3)
	(20.6)	(19.8)
Interest income from loans to and amounts due from joint ventures	6.4	11.0
Interest expenses for loans from non-controlling interests	(1.6)	(1.2)
Sales and marketing service fee income from joint ventures	2.4	2.5
Serviced apartment management and license fee income from a joint venture	0.9	0.9
Serviced apartment management and license fee income from a substantial shareholder of the Company	0.6	0.8
Project management fee income from joint ventures	5.0	0.5
Property rental income from joint ventures	–	2.3
Property rental income from a substantial shareholder of the Company	2.7	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 2018 HK\$'M	31 December 2017 HK\$'M
Non-current loans to joint ventures	5,114.3	6,070.7
Amounts due from and current loans to joint ventures	1,022.9	76.4
Amounts due to joint ventures	514.9	442.7
Non-current loans to associates	14.4	14.7
Current loan to an associate	0.3	–

GENERAL INFORMATION

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

As at 30 June 2018, 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 held				Number of underlying shares held under equity derivatives (Note f)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests			
Cheng Wai Chee, Christopher	12,602,816	-	-	462,488,185 (Note b)	2,130,750	477,221,751	35.37%
Cheng Wai Sun, Edward	10,535,481	-	-	462,488,185 (Note b)	2,130,750	475,154,416	35.22%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)	-	462,488,185	34.28%
Chow Wai Wai, John	786,252	-	-	-	389,750	1,176,002	0.09%
Ng Kar Wai, Kenneth	359,250	-	-	-	1,062,750	1,422,000	0.11%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note c)	-	9,224,566	0.68%
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%

GENERAL INFORMATION

Notes:

- (a) The total number of issued shares in the capital of the Company (the “Shares”) as at 30 June 2018 was 1,349,158,029.
- (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 2018, 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.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during or subsisting as at the six months ended 30 June 2018 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 2018 under the Share Option Plan are as follows:

Director	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 1.1.2018	Granted during the six months ended 30.6.2018	Exercised during the six months ended 30.6.2018	Cancelled/lapsed during the six months ended 30.6.2018		As at 30.6.2018
Cheng Wai Chee, Christopher	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	247,250	-	247,250	-	-	5.51
	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	-	-	5.38
	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
	27.3.2018	6.10	6.10	22.1.2019 to 26.3.2028	-	222,500	-	-	222,500	N/A
	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	-	222,500	-	-	222,500	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	-	445,000	-	-	445,000	N/A

GENERAL INFORMATION

	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 1.1.2018	Granted during the six months ended 30.6.2018	Exercised during the six months ended 30.6.2018	Cancelled/lapsed during the six months ended 30.6.2018	As at 30.6.2018	
Cheng Wai Sun, Edward	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	247,250	-	247,250	-	-	5.51
	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	-	-	5.38
	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
	27.3.2018	6.10	6.10	22.1.2019 to 26.3.2028	-	222,500	-	-	225,000	N/A
	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	-	222,500	-	-	225,000	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	-	445,000	-	-	445,000	N/A
Chow Wai Wai, John	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	46,250	-	46,250	-	-	5.51
	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	-	-	5.38
	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
	27.3.2018	6.10	6.10	22.1.2019 to 26.3.2028	-	40,000	-	-	40,000	N/A
	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	-	40,000	-	-	40,000	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	-	80,000	-	-	80,000	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 1.1.2018	Granted during the six months ended 30.6.2018	Exercised during the six months ended 30.6.2018	Cancelled/lapsed during the six months ended 30.6.2018		As at 30.6.2018
Ng Kar Wai, Kenneth	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	14,000	-	14,000	-	-	5.51
	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	-	-	5.38
	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
	27.3.2018	6.10	6.10	22.1.2019 to 26.3.2028	-	10,250	-	-	10,250	N/A
	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	-	10,250	-	-	10,250	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	-	20,500	-	-	20,500	N/A
Employees										
Employees in aggregate	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	217,500	-	217,500	-	-	5.51
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	435,000	-	-	-	435,000	N/A
	13.1.2017	4.75	4.74	13.1.2018 to 13.1.2027	240,000	-	240,000	-	-	5.38
	13.1.2017	4.75	4.74	13.1.2019 to 13.1.2027	240,000	-	-	-	240,000	N/A
	13.1.2017	4.75	4.74	13.1.2020 to 13.1.2027	480,000	-	-	-	480,000	N/A
	27.3.2018	6.10	6.10	22.1.2019 to 26.3.2028	-	201,000	-	-	201,000	N/A
	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	-	201,000	-	-	201,000	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	-	402,000	-	-	402,000	N/A
					5,502,750	2,785,000	1,568,750	-	6,719,000	

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 2018 are determined by using the Binominal Model (the “Model”). Key assumptions of the Model are as follows:

Risk-free rate	1.96%
Expected dividend yield	4.44%
Expected volatility of the market price of the Shares	33.18%
Expected life	10 years from the date of grant
Estimated fair value per share option	HK\$1.02

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 2018 under the Share Incentive Scheme are as follows:

	Date of award	Number of incentive shares				As at 30.6.2018	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2018	Awards made during the six months ended 30.6.2018	Vested and exercised during the six months ended 30.6.2018	Cancelled/ lapsed during the six months ended 30.6.2018				
Director									
Cheng Wai Chee, Christopher	28.5.2015	384,500	-	384,500	-	N/A	N/A	17,000	
Cheng Wai Sun, Edward	28.5.2015	384,500	-	384,500	-	N/A	N/A	17,000	
Chow Wai Wai, John	28.5.2015	80,500	-	80,500	-	N/A	N/A	4,000	
Ng Kar Wai, Kenneth	15.6.2015	106,000	-	106,000	-	N/A	N/A	9,000	
	15.6.2015	212,000	-	-	-	212,000	21.1.2019 to 15.6.2025	114,000	
	15.6.2015	106,000	-	106,000	-	N/A	N/A	9,000	
	15.6.2015	106,000	-	-	-	106,000	21.1.2019 to 15.6.2025	55,000	
	15.6.2015	212,000	-	-	-	212,000	21.1.2020 to 15.6.2025	86,000	
	15.6.2015	106,000	-	-	-	106,000	21.1.2019 to 15.6.2025	53,000	
	15.6.2015	106,000	-	-	-	106,000	21.1.2020 to 15.6.2025	41,000	
	15.6.2015	212,000	-	-	-	212,000	21.1.2021 to 15.6.2025	68,000	

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	Date of award	Number of incentive shares				As at 30.6.2018	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2018	Awards made during the six months ended 30.6.2018	Vested and exercised during the six months ended 30.6.2018	Cancelled/ lapsed during the six months ended 30.6.2018				
Employees									
Employees in aggregate	28.5.2015	371,500	-	371,500	-	-	N/A	N/A	16,000
		2,387,000	-	1,433,000	-	954,000			

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 2018, 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 or as otherwise notified to the Company:

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	10.51%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.04%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes 2(a) & 3)	34.28%
4. Butterfield Fiduciary Services (Guernsey) Limited (formerly Deutsche Bank International Trust Co. Limited)	Trustee	462,488,185 (Notes 2(b) & 4)	34.28%
5. Butterfield Fiduciary Services (Cayman) Limited (formerly Deutsche Bank International Trust Co. (Cayman) Limited)	Trustee	462,488,185 (Notes 2(b) & 4)	34.28%
6. Wing Tai Corporation Limited	Interest of controlled corporation	182,560,826 (Note 5)	13.53%
7. Renowned Development Limited	Interest of controlled corporation	182,560,826 (Notes 2(c) & 5)	13.53%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	199,884,783 (Notes 2(c) & 6)	14.82%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 (Note 7)	13.61%
10. Gala Land Investment Company Limited	Beneficial owner	101,579,467	7.53%
11. Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes 2(d) & 8)	7.53%
12. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Notes 2(d) & 9)	13.34%
13. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Notes 2(d) & 10)	11.18%

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Notes:

- 1 The total number of issued Shares as at 30 June 2018 was 1,349,158,029.
- 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 The Company was notified that Deutsche Bank International Trust Co. Limited changed its name to Butterfield Fiduciary Services (Guernsey) Limited (“Butterfield Guernsey”) with effect from 3 April 2018. Butterfield Guernsey 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”).

The Company was notified that Deutsche Bank International Trust Co. (Cayman) Limited changed its name to Butterfield Fiduciary Services (Cayman) Limited (“Butterfield Cayman”) with effect from 6 April 2018. Butterfield Cayman was the trustee of the Unit Trust and was deemed to be interested in 462,488,185 Shares (Such deemed interest arose by virtue of the fact that Butterfield Cayman was interested indirectly through subsidiaries in more than one-third of the issued share capital of Wing Tai Holdings Limited which was interested in 462,488,185 Shares.)
- 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”), Mondale Holdings Limited (“Mondale”), Victory Zone Holdings Limited (“Victory Zone”) and Country World Limited (“Country World”). Wesmore was the beneficial owner of 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.

Mondale beneficially owned 100% of the issued share capital of Junwall Holdings Ltd. (“Junwall”), which in turn beneficially owned 100% of the issued share capital of Techglory Ltd. (“Techglory”). Techglory was the beneficial owner of 192,000 Shares.

Victory Zone beneficially owned 100% of the issued share capital of Charmview International Ltd (“Charmview”). Charmview was the beneficial owner of 7,141,600 Shares.

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

By virtue of the corporate interest of SHKP in the aforesaid companies, SHKP was deemed to be interested in the interests of Wesmore, 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 2018, 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 2018, 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 2018, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$13,454 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 2018 are presented below:

	Combined balance sheet (HK\$'M)	Group's attributable interest (HK\$'M)
Non-current assets	4,836.1	1,496.1
Current assets	21,579.1	10,515.6
Current liabilities	(4,514.2)	(1,601.2)
Non-current liabilities	(8,423.2)	(4,045.0)
Amounts and loans due from shareholders	3,289.2	514.9
Amounts and loans due to shareholders	(12,331.5)	(6,164.9)
Net assets	4,435.5	715.5

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 applied the principles and 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 2018.

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.

The Company has made specific enquiry of all Directors regarding non-compliance with the Model Code during the six months ended 30 June 2018, and received confirmations from all the Directors that they had fully complied with the required standard set out in the Model Code throughout the six months.

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.

Dr. Cheng Wai Chee, Christopher, the Chairman and an executive director of the Company, retired as a steward of the board of The Hong Kong Jockey Club on 15 June 2018 and retired as a member of the Judicial Officers Recommendation Commission of the Government of the HKSAR on 1 July 2018.

Mr. Cheng Wai Sun, Edward, the Deputy Chairman and Chief Executive of the Company, ceased to be a member of the Remuneration Committee of the Company with effect from 6 June 2018 and resigned as an independent non-executive director of Orient Overseas (International) Limited with effect from 3 August 2018.

Mr. Simon Murray, an independent non-executive director of the Company, resigned as an independent non-executive director of Orient Overseas (International) Limited with effect from 3 August 2018.

Mr. Haider Hatam Tyebjee Barma, an independent non-executive director of the Company, was appointed as a member of the Audit Committee of the Company with effect from 6 June 2018.

Mr. Cheng Hoi Chuen, Vincent, an independent non-executive director of the Company, ceased to serve as an independent non-executive director of China Minsheng Banking Corp., Ltd. on 21 June 2018.

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

During the six months ended 30 June 2018, 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

