Wing Tai Properties Announces 2012 Annual Results
Net Profit Achieves Record-High at HK$4.7 Billion

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Optimised Corporate Structure and Consolidated Business Platform for Sustainable Growth

Disciplined Execution of Corporate Strategies to Maximise Shareholder Value

24 March 2013, Hong Kong - **Wing Tai Properties Limited** ("Wing Tai" or the "Group", SEHK stock code: 369) announced the Group's audited consolidated results for the year ended 31 December 2012.

During the year, the Group reported HK$4.7 billion in consolidated profit attributable to equity holders, compared with HK$2.2 billion in 2011. The 114% increase in profit was primarily due to a higher fair value gain from investment properties, gain on disposal of subsidiaries, higher aggregate sales of residential properties being recognised and growing rental income from investment properties. The Group's revenue was HK$3.0 billion, an increase of 18% compared with HK$2.5 billion in 2011. These results were the culmination of the disciplined execution of the Group's strategies and expansion plans over the past few years.

The Board of Directors proposed to declare a final dividend of HK9.3 cents per share (2011: HK7.7 cents), together with an interim dividend of HK4.2 cents per share (2011: HK3.8 cents), making a total dividend of HK13.5 cents per share, a 17% increase from 2011.

Deputy Chairman and Chief Executive of the Group, Mr. Edward Cheng, said "2012 was an exciting and fruitful year for the Group as we continued our path of expansion. We made great strides in optimising our corporate structure and consolidating our business platform with a balanced and diversified property portfolio. Our strategic initiatives have successfully strengthened our financial capability, giving us the flexibility to weather uncertainties and drive sustainable growth as a premium property group."

During the year, the Group continued the transformation with the disposal of non-core apparel branded business, Gieves & Hawkes, which provided an attractive return to shareholders and generated both immediate cash inflow and potential long-term monetary entitlements for the Group. By employing an efficient and integrated restructuring scheme, the Group also acquired approximately 90% of the assets of Winsor Properties Holdings Limited ("Winsor Properties") at a discount and with minimal acquisition funding. The restructuring was completed by disposing the listed holding company at premium. As a result, a total immediate accretion of HK$919.0 million to shareholders' equity was realised as well as the holding company discount was eliminated, while shareholders of Winsor Properties also monetized their investment at an attractive premium.

In November 2012, the Group proactively diversified its funding source to tap the regional capital market by setting up the US$1 billion Unsecured Medium Term Note Programme ("MTN Programme") and immediately launched in the public market a S$170 million tranche of unrated 10-year fixed rate debut bonds. Upon receiving positive market response, a HK$480 million tranche of unrated 10-year fixed rate bonds was placed in the private market. Given such strong endorsement of the Group's credibility for long-term bonds among debt investors, the MTN Programme will continue to serve as one of the financing platforms to access a broader investor base as well as lengthen and stagger our financing maturity profile.

BUSINESS REVIEW

Property

The property division recorded a segment profit of HK$4,619.5 million, an increase of 54% compared with HK$3,005.8 million in 2011. The fair value gain of investment properties was HK$3,652.4 million in 2012, compared with HK$2,105.0 million in 2011.

Property Development

In 2012, revenue and operating profit generated from this segment amounted to HK$1,884.1 million and HK$556.0 million respectively.

As of 31 December 2012, approximately 73% of the units of Providence Peak and 51% of the units of Providence Bay in the Pak Shek Kok development at Tai Po, which the Group has 15% interest, had been presold. Revenue attributable to the Group in 2012 from total sales at Providence Peak and Providence Bay amounted to HK$1,560.0 million. Delivery of the sold units is scheduled for 2013. Presale consent has been obtained for The Graces.

The Group recognised revenue of HK$208.9 million from the sale of two units at Forfar. The development is completely sold out with the exception of a few car-parking spaces.

Revenue generated from the sale of six units at Seymour of HK$113.4 million, being 30% attributable to the Group, was recognised in 2012. Over 90% of residential units at the development have been sold.

Meanwhile, over 68% of units at The Warren, the Group's first-ever "Lanson Place Lifestyle Services" Residence in Hong Kong were presold as at 31 December 2012. Superstructure works are in progress and the project is scheduled for completion in 2014.

Over 97% of units at The Pierre were sold in less than two weeks during the initial launch in September 2012. Superstructure works are in progress and the project is scheduled for completion in 2014.

The Ko Shan Road residential project, which the Group has a 50% interest, is currently under construction with a gross floor area of approximately 153,000 square feet, and is scheduled for completion in 2015. The Group is the lead project manager and the lead sales and marketing manager.

In August 2012 and January 2013, the Group through a consortium acquired two premier residential development sites at Kau To, Shatin, with an aggregate gross floor area of approximately 460,000 square feet. The Group has a 35% interest in each of the two sites and the two developments are scheduled for completion between 2016 and 2017. The Group will act as a joint project manager and the lead sales and marketing manager of the two developments.

At Belle Vue Residences, a luxury residential development in Singapore, 95% of its units have been sold with 13% of sales recorded in 2012.

Property Investment and Management

In 2012, revenue and operating profit generated from this segment amounted to HK$534.8 million and HK$353.3 million respectively.

As at 31 December 2012, the Group's portfolio of investment properties comprises 1.5 million square feet of Grade-A office buildings and 0.7 million square feet of industrial buildings in the urban areas. Together, they had an aggregate fair market valuation of HK$14,148.0 million.

Landmark East achieved occupancy of about 98% as at 31 December 2012, with only approximately 60 tenants occupying over 1.3 million square feet of office space. In 2012, approximately 16% of leases were renewed with an average rental reversion of approximately 70%. Approximately 51% of the leases will expire or subject to rent review in 2013.

W Square achieved an occupancy rate of 100% as at 31 December 2012, while approximately 15% of leases were renewed with an average rental reversion of approximately 12% in 2012, and approximately 29% of the leases will expire in 2013.

The Group's Winner Godown Building and Shui Hing Centre had an average occupancy rate of approximately 98% as at 31 December 2012.

The Lujiazui project at Pudong, Shanghai, of which the Group has a 50% interest, is scheduled for completion in early 2014 with interior fitting out works in progress. The Group is the lead project manager and lead sales and marketing manager.

Hospitality Investment and Management

Despite the refurbishment of Lanson Place Hotel, the Group's hospitality business under Lanson Place management recorded a steady growth in average rental rate in 2012 compared to 2011. During the year, revenue increased 2% to HK$138.5 million compared to the previous year. Operating profit reached HK$57.8 million.

As at 31 December 2012, Lanson Place Central Park Residences in Beijing recorded an occupancy rate of over 95% while Lanson Place Jinlin Tiandi Residences in Shanghai recorded an occupancy rate of approximately 90%. The Lanson Place Hotel was crowned "Asia's Leading Boutique Hotel" in the World Travel Awards 2012.

PROSPECTS

Despite the weak recovery of the global economy, China's growth story is likely to stay on track, which we believe will continue to benefit our business growth in Hong Kong and Southeast Asia. The government's recent policies on Hong Kong's property market, including the Buyer's Stamp Duty (BSD) and the Double Stamp Duty (DSD), have made potential property buyers more cautious. While it takes time for the market to adjust to these cooling measures, the government's moves to increase land supply in Hong Kong, while interest rates are low, will continue to contribute to a favorable environment for the Group's business development. Being backed by a stronger and more robust capital structure as well as a balanced asset portfolio, the Group is now in a better position to weather market challenges while remaining vigilant to any near-term market volatility.

Amid the recent government measures in the property market, the Group will closely monitor the market development while preparing the launching of projects. Given the established development pipeline, it is expected to contribute to a stable stream of earnings and cash flow in the coming years. In addition, the Group will continue to grow its residential property development operations by replenishing land bank in a cautious but proactive manner.

The diversified property investment business in the commercial and hospitality sectors will continue to provide stable recurring income which is set to grow, in particular with major investment properties now wholly owned by the Group after the completion of restructuring scheme on Winsor Properties. Positive rental reversion is expected from Hong Kong leasing properties, which will continue to boost leasing revenue. In particular, Landmark East has a significant number of leases up for renewal or rent review, which were concluded when the market was slow in 2009 to 2010. The development will benefit from the continued strong demand for Grade A office space in Kowloon East. The earnings base of hospitality properties will be further expanded with new luxurious serviced residences in Kuala Lumpur's Bukit Ceylon, scheduled to commence operations in the second quarter of 2013. The Group will continue to acquire and enhance investment portfolio with quality assets and build upon strong and quality tenant base.

Mr. Cheng concludes "Despite current market uncertainties, we will stay disciplined. Through prudent financial management and our diversified financing sources, while leveraging our strengthened balance sheet and solid business platform, we will grow our presence in the luxury residential, prime commercial and hospitality property sectors, and actively capture the opportunities that arise."

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About Wing Tai Properties Limited

The business of Wing Tai Properties Limited (SEHK stock code: 369) (Previously known as USI Holdings Limited) spans three core areas: property development under the Wing Tai Asia brand; property investment and management arm; and the hospitality investment and management arm under its Lanson Place brand in Hong Kong, Shanghai, Beijing, Singapore and Kuala Lumpur. Wing Tai Properties was listed on the Stock Exchange of Hong Kong Limited in 1991.

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CONSOLIDATED INCOME STATEMENT

	Year ended 31 December 2012 HK$'M	2011 HK$'M (re-presented)
Continuing operations		
Revenue	2,961.5	2,513.5
Cost of sales	(1,704.4)	(1,358.1)
Gross profit	1,257.1	1,155.4
Other gains, net	130.9	53.3
Selling and distribution costs	(151.2)	(109.3)
Administrative expenses	(291.5)	(265.7)
Change in fair value of investment properties	3,653.4	2,107.8
Gain on disposal of subsidiaries	237.4	-
Profit from operations	4,836.1	2,941.5
Finance costs	(99.0)	(92.1)
Finance income	8.4	7.1
Share of results of associates	62.2	57.6
Profit before taxation from continuing operations	4,807.7	2,914.1
Taxation	(273.6)	(134.1)
Profit for the year from continuing operations	4,534.1	2,780.0
Discontinued operations		
Loss for the year from discontinued operations	(22.3)	(44.1)
Gain on disposal of subsidiaries	275.6	-
	253.3	(44.1)
Profit for the year	4,787.4	2,735.9
Attributable to:		
Equity holders of the Company		
- From continuing operations	4,477.0	2,257.0
- From discontinued operations	253.3	(44.1)
	4,730.3	2,212.9
Non-controlling interests		
- From continuing operations	57.1	523.0
	4,787.4	2,735.9

CONSOLIDATED INCOME STATEMENT (Continued)

	Year ended 31 December 2012 HK$'M	2011 HK$'M (re-presented)
Earnings/(loss) per share for profit attributable to equity holders of the Company		
(expressed in HK dollar per share)		
Basic earnings/(loss) per share		
- From continuing operations	HK$3.36	HK$1.70
- From discontinued operations	HK$0.19	(HK$0.03)
	HK$3.55	HK$1.67
Diluted earnings/(loss) per share		
- From continuing operations	HK$3.35	HK$1.69
- From discontinued operations	HK$0.19	(HK$0.03)
	HK$3.54	HK$1.66
Dividends (expressed in HK$'M)	180.2	153.0

CONSOLIDATED BALANCE SHEET

	As at 31 December 2012 HK$'M	As at 31 December 2011 HK$'M
ASSETS AND LIABILITIES		
Non-current assets		
Land use rights	3.2	3.2
Investment properties	17,046.3	13,894.0
Other properties, plant and equipment	100.2	180.9
Investments in associates	281.3	469.5
Loans to associates	31.2	47.8
Deposits and loan receivables	209.0	306.1
Other financial assets	505.7	423.5
Deferred tax assets	13.5	9.4
Derivative financial instruments	0.2	0.2
	18,190.6	15,334.6
Current assets		
Inventories	16.8	68.8
Properties for sale	4,608.6	4,227.9
Deposits and loan receivables	0.6	175.0
Trade and other receivables, deposits and prepayments	758.5	874.0
Other financial assets	57.0	29.2
Sales proceeds held in stakeholders' accounts	456.8	146.4
Tax recoverable	0.7	0.8
Pledged and restricted bank deposits	11.4	3.5
Bank balances and cash	1,260.9	976.6
	7,171.3	6,502.2
Current liabilities		
Trade and other payables and accruals	1,242.4	908.2
Derivative financial instruments	52.4	45.8
Tax payable	156.0	90.7
Bank and other borrowings	1,584.8	1,704.6
	3,035.6	2,749.3
Net current assets	4,135.7	3,752.9
Total assets less current liabilities	22,326.3	19,087.5

CONSOLIDATED BALANCE SHEET (Continued)

	As at 31 December	
	2012	2011
	HK$'M	HK$'M
Non-current liabilities		
Bank and other borrowings	3,510.7	3,484.1
Other long-term liability	74.2	-
Derivative financial instruments	70.2	67.2
Deferred tax liabilities	295.8	153.5
	3,950.9	3,704.8
NET ASSETS	18,375.4	15,382.7
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	666.1	663.2
Reserves	17,707.3	12,284.5
	18,373.4	12,947.7
Non-controlling interests	2.0	2,435.0
TOTAL EQUITY	18,375.4	15,382.7