

# WING TAI PROPERTIES LIMITED

永泰地產有限公司

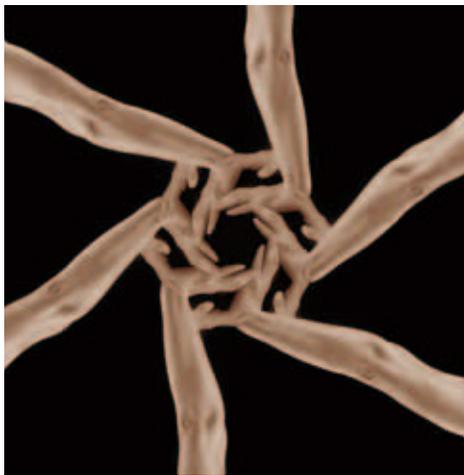
STOCK CODE 股份代號 369

# 2014

WE DON'T JUST BUILD,  
WE CRAFT

INTERIM REPORT  
中期報告

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.



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## CHAIRMAN'S STATEMENT

Dear Shareholders,

We are pleased to report solid results in the first half of 2014, riding on our well-established and balanced asset portfolio. Our prime investment properties continued to grow in terms of recurring income, rental reversion and asset value. The Group has recognised profit of the pre-sale units of The Pierre during the period. As a result, the Group achieved consolidated net profit of HK\$1,601 million, a 55% increase from the previous period.

The government's policy to boost land supply gave us more opportunities to replenish our land bank and to build a sustainable development pipeline of quality projects with long-term growth potential. In April 2014, we won a government tender for a prime residential site in Shau Kei Wan with a gross floor area of approximately 46,000 square feet. Located at the harbour-front with an unobstructed seaview and easy access to public transportation, the site is valuable and unique in the urban area of Hong Kong Island.

The handover of The Warren units sold was well-received, which once again attested to our commitment towards delivering quality and excellence to buyers. The Pierre's Occupation Permit was obtained in May 2014, and handover to buyers will be in the fourth quarter of 2014. The Hong Kong residential property market showed signs of recovery with substantial primary sales transactions during the period. The Group has been actively preparing for pre-sales of two luxury projects, namely Homantin Hillside in Hong Kong, and Upper Riverside in Shanghai.

All our office and industrial properties achieved nearly full occupancy in the first half of 2014. We have seen active transactions hitting record highs in Kowloon East, as well as more large and multi-national corporations moving their corporate offices to this new CBD. All these trends benefit our investment properties, namely Landmark East and Shui Hing Centre. Our Grade-A office Landmark East not only recorded increasing spot rent, but also achieved good positive rental reversions with a high renewal success rate from our quality tenant base. On our hospitality

business front, Lanson Place continued to record steady occupancy and rental rates, and continued to benefit from the well-recognised brand reputation underscored by industry awards.

In August 2014, the Group issued, through private placement, its first seven-year unrated fixed-rate bond of HK\$100 million at an attractive coupon rate, reflecting continued market recognition and confidence in our financial position. The Group will endeavour to grow its diversified and risk-resilient portfolio on a robust capital structure, and to deliver sustainable growth and create more value for our shareholders in a dynamic market environment. I would like to conclude by conveying my gratitude to our shareholders, employees and business partners for their unwavering support.

**Cheng Wai Chee, Christopher**  
*Chairman*

Hong Kong, 26 August 2014

# MANAGEMENT DISCUSSION AND ANALYSIS

## **BUSINESS REVIEW**

In the first half of 2014, the Group's revenue was HK\$1,317 million, an increase of HK\$971 million or 281% compared with HK\$346 million in 2013. This is mainly due to recognition of pre-sold units of The Pierre in 2014 and growing rental and property management income. Consolidated profit attributable to equity holders was HK\$1,601 million, an increase of HK\$565 million or 55% compared with HK\$1,036 million in 2013. Other than the effect of the recognition of The Pierre and growing rental and property management income mentioned above, the increase was mainly attributable to higher fair value gain on the Group's investment properties of HK\$1,346 million in 2014 compared with HK\$826 million in 2013.

In the second half of 2013, the Group ceased its non-core garment manufacturing operations to focus on growing its property business. The cessation did not have any significant impact on the Group's net profit, net assets and cash flows. According to the Hong Kong Financial Reporting Standards No. 5 "Non-current Assets Held For Sale and Discontinued Operations", the cessation is presented as "Discontinued operations" in the Group's condensed consolidated income statement with certain comparatives re-presented.

## **Property Development**

Property development segment revenue was HK\$898 million in the first half of 2014, an increase of HK\$895 million compared with HK\$3 million in 2013. Segment profit before taxation was HK\$171 million in 2014, an increase of HK\$128 million compared with HK\$43 million in 2013. The increase was mainly due to the recognition of revenue and related profit of The Pierre in 2014.

### *Wholly-owned projects*

The Warren, located at 9 Warren Street, Causeway Bay, is a residential and commercial project with a saleable area of approximately 53,000 square feet. The commercial portion comprises two retail shops on the ground floor. One residential unit was sold in the first half of 2014. Around 78% of the residential units have been sold as at 30 June 2014 and nearly all of the sold units were handed over to the buyers in July and August 2014.

The Pierre, located at 1 Coronation Terrace, Mid-Levels West, is a residential project with a gross floor area of approximately 40,000 square feet. Over 97% of the residential units were pre-sold in September 2012. Interior fitting-out works are in progress. The Occupation Permit was obtained in May 2014 and the pre-sold units are expected to be handed over to the buyers in second half of 2014.

The Siu Sau site in Tuen Mun, a low-density residential site with a gross floor area of approximately 159,000 square feet, is scheduled for completion in 2018.

In April 2014, the Group acquired a premium seaview residential site located at Shau Kei Wan, with a gross floor area of approximately 46,000 square feet. The project is scheduled for completion in 2018.

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# MANAGEMENT DISCUSSION AND ANALYSIS

## *Joint venture projects*

The Group has a 15% interest in each of Providence Bay, Providence Peak and The Graces located at Pak Shek Kok, Tai Po. In first half of 2014, around 22% of the residential units of The Graces were sold. As at 30 June 2014, 61%, 81% and 70% of the residential units of Providence Bay, Providence Peak and The Graces have been sold respectively.

The Group has a 30% interest in Seymour, located at the Mid-levels. More than 96% of its residential units have been sold.

The Group has a 50% interest in a residential project in Hung Hom, newly named as Homantin Hillside, which is in close proximity to the future MTR station of Shatin to Central Link. The project has a gross floor area of approximately 153,000 square feet. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure works commenced in February 2014 and the development is scheduled for completion in 2016.

The Group has two residential projects in Kau To, Shatin which were acquired in August 2012 and January 2013 respectively. The Group has a 35% interest in both sites which offer a combined gross floor area of approximately 460,000 square feet. The Group is the joint project manager and lead sales and marketing manager for both projects. The projects are scheduled for completion in 2017.

## **Property Investment and Management**

Property investment and management segment revenue was HK\$333 million in the first half of 2014, an increase of HK\$72 million compared with HK\$261 million in 2013. Segment profit before taxation was HK\$1,508 million in 2014, an increase of HK\$515 million compared with HK\$993 million in 2013. Excluding fair value gain of investment properties and a one-off disposal gain of an associate, segment profit before taxation was HK\$189 million in 2014, an increase of HK\$25 million compared with HK\$164 million in 2013. The increase reflects continued growth in rental rate of the Group's investment properties.

## *Wholly-owned properties in Hong Kong*

As at 30 June 2014, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 0.7 million square feet of industrial buildings, had an aggregate fair market valuation of HK\$17,374 million.

Landmark East is the Group's flagship property located in Kowloon East. This wholly-owned 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. As at 30 June 2014, the property achieved nearly full occupancy with only about 60 tenants. In the first half of 2014, around 15% of leases were renewed with an average upward rental reversion of approximately 48%. Around 12% of leases will expire or be subject to rent review in the second half of 2014 and will be subject to renewal or review on prevailing market terms.

Located at Hennessy Road in the heart of Wan Chai, W Square offers approximately 129,000 square feet of office and retail space. As at 30 June 2014, W Square achieved an occupancy rate of approximately 93%. In the first half of 2014, around 22% of leases were renewed with an average upward rental reversion of approximately 16%. Around 26% of the leases will expire in the second half of 2014 and will be subject to renewal on prevailing market terms.

The Group has two industrial buildings, Winner Godown Building in Tsuen Wan and Shui Hing Centre in Kowloon Bay, with a combined gross floor area of approximately 684,000 square feet. As at 30 June 2014, the two properties achieved nearly full occupancy. In the first half of 2014, around 10% of leases was renewed with an average upward rental reversion of approximately 27%. Around 15% of the leases will expire in the second half of 2014 and will be subject to renewal on prevailing market terms.

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#### *Wholly-owned properties in London*

The newly-refurbished commercial property at No.1 Savile Row/7 Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade-A office and premier retail space. As at 30 June 2014, the property achieved an occupancy rate of approximately 66%.

The high-end commercial property located at 8-12 (even) Brook Street, West End, offers easy access to the Oxford Circus and Bond Street underground stations and has a net internal area of approximately 19,000 square feet of Grade-A office and premier retail space. As at 30 June 2014, the property achieved an occupancy rate of approximately 74%.

#### *Joint venture project in China*

The Group has a 50% interest in Upper Riverside, a luxury apartment building located at Lujiazui, Pudong, Shanghai. The project has a gross floor area of approximately 210,000 square feet. The Group is the lead project manager and lead sales and marketing manager. Interior fitting out works are progressing on schedule, and the project is scheduled for completion in 2015.

#### **Hospitality Investment and Management**

Hospitality investment and management segment revenue was HK\$74 million in the first half of 2014 compared with HK\$71 million in 2013. Segment profit before taxation was HK\$47 million in 2014, compared with HK\$56 million in 2013.

Lanson Place Bukit Ceylon Serviced Residences, our 50:50 joint venture property in Kuala Lumpur, Malaysia marked its soft opening in August 2013. The residences is the second property in the Group's portfolio to qualify as one of the "Small Luxury Hotels of the World™" and is also the first "Small Luxury Hotel" in Kuala Lumpur's central business district.

The Lanson Place Hotel in Hong Kong and Lanson Place Jinlin Tiandi Serviced Residences in Shanghai recorded a gradual rise in both the occupancy and average rental rates after their refurbishment.

Lanson Place Central Park Serviced Residences in Beijing achieved an occupancy rate of around 95% with a steady growth in average rental rate.

Lanson Place properties continue to be well-recognised by travellers. The Lanson Place Hotel was awarded the "2014 Certificate of Excellence" by TripAdvisor and "Expedia Insiders' Select 2014" by Expedia.com. In addition, Lanson Place Central Park Serviced Residences and Lanson Place Hospitality Management Limited were awarded "The Best Serviced Apartments of China" and "The Best Serviced Apartment Operator of China" respectively at the 9th China Hotel Starlight Awards.

#### **Others**

The others segment comprises investing activities and corporate. Segment revenue was HK\$12 million in the first half of 2014 compared with HK\$11 million in 2013. Segment loss before taxation was HK\$54 million in 2014, a decrease of HK\$60 million compared with a profit of HK\$6 million in 2013. The decrease was mainly due to a one-off gain from the return of investment of an available-for-sale financial asset of HK\$46 million in 2013.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Liquidity and Financial Resources

The Group's net assets totalled HK\$22,443 million as at 30 June 2014 (31 December 2013: HK\$20,895 million). The increase of HK\$1,548 million mainly resulted from the profit for the period of HK\$1,601 million and a fair value gain arising from the revaluation of available-for-sale financial assets of HK\$76 million, offset by the distribution of the 2013 final dividend of HK\$125 million in the first half of 2014.

As at 30 June 2014, the Group's bank and other borrowings totalled HK\$4,356 million (31 December 2013: HK\$4,687 million). The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2014		31 December 2013	
	HK\$ million		HK\$ million	
Repayable:				
Within one year	1,209	28%	1,740	37%
Between one and two years	53	1%	32	1%
Between two and five years	1,404	32%	1,236	26%
After five years	1,690	39%	1,679	36%
	4,356	100%	4,687	100%

As at 30 June 2014, the Group's net borrowings (total bank borrowings and fixed rate bonds less bank balances and cash) was HK\$3,770 million (31 December 2013: HK\$3,445 million), representing 16.8% of the Group's net assets (31 December 2013: 16.5%). 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's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	30 June 2014	31 December 2013
	HK\$ million	HK\$ million
Bank balances and cash	585	1,242
Unutilised revolving loan facilities	2,150	1,714
	2,735	2,956

### Foreign Currencies

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

### Contingent Liabilities

As at 30 June 2014, the Group had contingent liabilities of HK\$2,868 million (31 December 2013: HK\$2,865 million) in respect of guarantees given by the Company for banking facilities granted to an associated company and certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the associated company and joint ventures.

# MANAGEMENT DISCUSSION AND ANALYSIS & INTERIM DIVIDEND

## **Pledge of Assets**

As at 30 June 2014, the Group's advances to associates/joint ventures of HK\$1,472 million (31 December 2013: HK\$1,385 million) were subordinated to the loan facilities of associates/joint ventures and assigned. The shares in these associates/joint ventures beneficially owned by the Group are pledged to financial institutions.

As at 30 June 2014, several of the Group's investment properties, other financial assets and properties for sale with carrying values of HK\$10,195 million, HK\$366 million and HK\$890 million respectively were pledged to secure credit facilities for the Group.

## **PROSPECTS**

The Hong Kong residential property market took time to absorb the adverse impact from the government's cooling measures. The momentum in the recent recovery of the primary property market is expected to continue in the second half of 2014, supported by strong fundamentals in the local economy, low interest rate, low unemployment rate, and immense domestic pent-up demand. We remained proactive in identifying the optimal windows to launch our two premium residential projects – Homantin Hillside in Hong Kong, and Upper Riverside in Shanghai, as well as continue to sell the remaining units of The Warren, Seymour, The Graces, Providence Bay and Providence Peak.

We have been strategically building our residential pipeline for sustainable development, which has now extended through 2018. We will continue to be proactive and selective in identifying suitable acquisitions to replenish our land bank.

The Grade-A office leasing market is expected to remain active in the second half of 2014. We have already secured good rental reversion or new lease rental for a considerable number of leases expiring in the second half of 2014, and will further enhance our quality tenant base. We are confident that our investment properties will continue to see positive rental reversion and high occupancy for the rest of the year, contributing to growing recurring income and profit.

The Group will continue to explore opportunities to acquire quality commercial buildings and serviced residences in Hong Kong and other gateway cities, to enhance its asset portfolio quality and recurring earnings. We will also look for opportunities to extend our Lanson Place operation through third party management contract in the region.

## **EMPLOYEES**

As at 30 June 2014, the Group had approximately 570 employees. The Group offers comprehensive remuneration and benefit packages to its employees, which are structured according to the prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme to provide retirement benefits to all employees in Hong Kong.

Employees, including directors, are eligible for the Company's share incentive scheme where the incentive shares are generally exercisable in stages within ten years.

## **INTERIM DIVIDEND**

The Directors declared the payment of an interim dividend of HK4.2 cents per share for the year ending 31 December 2014 (2013: HK4.2 cents). The interim dividend will be distributed on or around 3 October 2014 to the shareholders whose names appear on the register of members of the Company at the close of business on 16 September 2014 (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 16 September 2014.



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 9 to 29, which comprises the condensed consolidated balance sheet of Wing Tai Properties Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2014 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on the interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**SCOPE OF REVIEW**

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

**CONCLUSION**

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

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 26 August 2014

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2014

## 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 2014.

	Note	Unaudited	
		Six months ended 30 June 2014 HK\$'M	2013 HK\$'M (Re-presented)
<b>Continuing operations</b>			
<b>Revenue</b>	6	1,317.0	346.0
Cost of sales		(742.4)	(71.6)
<b>Gross profit</b>		574.6	274.4
Other (losses)/gains, net	7	(4.0)	115.3
Selling and distribution costs		(54.4)	(10.4)
Administrative expenses		(127.2)	(111.5)
Change in fair value of investment properties	12	1,345.7	826.1
<b>Profit from operations</b>	8	1,734.7	1,093.9
Finance costs		(70.7)	(78.3)
Finance income		5.8	22.5
Share of results of joint ventures	22	1.7	58.5
Share of results of associates		(0.2)	1.0
<b>Profit before taxation from continuing operations</b>		1,671.3	1,097.6
Taxation	9	(70.4)	(38.0)
<b>Profit for the period from continuing operations</b>		1,600.9	1,059.6
<b>Discontinued operations</b>			
Loss for the period from discontinued operations	21	–	(23.6)
<b>Profit for the period</b>		1,600.9	1,036.0
<b>Attributable to:</b>			
Equity holders of the Company			
– From continuing operations		1,600.9	1,059.4
– From discontinued operations		–	(23.6)
		1,600.9	1,035.8
Non-controlling interests			
– From continuing operations		–	0.2
		1,600.9	1,036.0

# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2014

	Note	<b>Unaudited</b>	
		<b>Six months ended 30 June 2014</b>	<b>2013</b>
			(Re-presented)
<b>Earnings per share attributable to equity holders of the Company</b>	10		
Basic earnings per share			
– From continuing operations		HK\$1.20	HK\$0.79
– From discontinued operations		–	(HK\$0.01)
		HK\$1.20	HK\$0.78
Diluted earnings per share			
– From continuing operations		HK\$1.19	HK\$0.79
– From discontinued operations		–	(HK\$0.02)
		HK\$1.19	HK\$0.77
<b>Interim dividend</b> (expressed in HK\$'M)	11	56.2	56.1

The notes on pages 16 to 29 are an integral part of this Interim Financial Information.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Unaudited	
	Six months ended 30 June 2014 HK\$'M	2013 HK\$'M (Re-presented)
<b>Profit for the period</b>	1,600.9	1,036.0
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations	(5.0)	(14.0)
Net fair value gain/(loss) arising from revaluation of available-for-sale financial assets	75.9	(41.0)
Net (loss)/gain on cash flow hedge		
– Fair value (losses)/gains	(20.3)	25.2
– Realised upon settlement	19.4	23.5
Net loss on net investment hedge	(3.0)	(2.9)
<b>Other comprehensive income for the period, net of tax</b>	67.0	(9.2)
<b>Total comprehensive income for the period</b>	1,667.9	1,026.8
<b>Attributable to:</b>		
Equity holders of the Company	1,667.9	1,026.6
Non-controlling interests	–	0.2
<b>Total comprehensive income for the period</b>	1,667.9	1,026.8
<b>Total comprehensive income attributable to equity holders of the Company:</b>		
– From continuing operations	1,667.9	1,050.2
– From discontinued operations	–	(23.6)
	1,667.9	1,026.6

The notes on pages 16 to 29 are an integral part of this Interim Financial Information.

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2014

	Note	Unaudited 30 June 2014 HK\$'M	Audited 31 December 2013 HK\$'M
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment properties	12	20,364.4	19,002.7
Other properties, plant and equipment	12	61.4	68.0
Investments in joint ventures	22	482.3	511.5
Loans to joint ventures		1,828.5	1,726.7
Investments in associates		98.3	100.5
Loans to associates		24.7	24.7
Deposits and loan receivables		20.8	20.1
Other financial assets		475.4	401.6
Deferred tax assets		6.0	9.4
Derivative financial instruments		23.0	30.2
		23,384.8	21,895.4
<b>Current assets</b>			
Properties for sale	13	1,331.6	1,425.0
Trade and other receivables, deposits and prepayments	14	2,316.5	1,885.9
Other financial assets		39.8	51.3
Sales proceeds held in stakeholders' accounts		111.9	192.4
Tax recoverable		0.3	2.3
Restricted bank deposits		10.0	10.6
Bank balances and cash		585.4	1,242.2
		4,395.5	4,809.7
<b>Current liabilities</b>			
Trade and other payables and accruals	15	488.1	684.9
Derivative financial instruments		25.5	39.5
Tax payable		110.5	71.7
Bank and other borrowings	16	1,209.0	1,739.7
		1,833.1	2,535.8
<b>Net current assets</b>		2,562.4	2,273.9
<b>Total assets less current liabilities</b>		25,947.2	24,169.3
<b>Non-current liabilities</b>			
Bank and other borrowings	16	3,146.5	2,947.1
Other long-term liability	4(d)	65.3	58.9
Derivative financial instruments		54.9	54.2
Deferred tax liabilities		237.3	213.9
		3,504.0	3,274.1
<b>NET ASSETS</b>		22,443.2	20,895.2
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	17	669.3	667.6
Reserves		21,772.4	20,226.1
		22,441.7	20,893.7
<b>Non-controlling interests</b>		1.5	1.5
<b>TOTAL EQUITY</b>		22,443.2	20,895.2

The notes on pages 16 to 29 are an integral part of this Interim Financial Information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Unaudited											
	Attributable to equity holders of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Hedging reserve	Investment revaluation reserve	Employee share-based compensation reserve	Other property revaluation reserve	Translation reserve	Contributed surplus	Retained profits	Total		
HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	
At 1 January 2014	667.6	3,273.6	(30.6)	178.1	15.5	64.1	76.5	751.0	15,897.9	20,893.7	1.5	20,895.2
<b>Comprehensive income</b>												
Profit for the period	-	-	-	-	-	-	-	-	1,600.9	1,600.9	-	1,600.9
<b>Other comprehensive income</b>												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(5.0)	-	-	(5.0)	-	(5.0)
Net fair value gain arising from revaluation of available-for-sale financial assets	-	-	-	75.9	-	-	-	-	-	75.9	-	75.9
Net loss on cash flow hedge	-	-	(0.9)	-	-	-	-	-	-	(0.9)	-	(0.9)
Net loss on net investment hedge	-	-	(3.0)	-	-	-	-	-	-	(3.0)	-	(3.0)
Total comprehensive income	-	-	(3.9)	75.9	-	-	(5.0)	-	1,600.9	1,667.9	-	1,667.9
<b>Transactions with owners</b>												
Value of employee services relating to grants of incentive shares	-	-	-	-	3.9	-	-	-	-	3.9	-	3.9
Value of employee services relating to lapse of incentive shares	-	-	-	-	(1.0)	-	-	-	-	(1.0)	-	(1.0)
Incentive shares exercised	1.7	10.2	-	-	(10.2)	-	-	-	-	1.7	-	1.7
2013 final dividend paid (Note)	-	-	-	-	-	-	-	-	(124.5)	(124.5)	-	(124.5)
Total transactions with owners	1.7	10.2	-	-	(7.3)	-	-	-	(124.5)	(119.9)	-	(119.9)
At 30 June 2014	669.3	3,283.8	(34.5)	254.0	8.2	64.1	71.5	751.0	17,374.3	22,441.7	1.5	22,443.2

Note:

2013 final dividend paid on 13 June 2014 of HK9.3 cents per ordinary share approved at annual general meeting held on 26 May 2014.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Unaudited											
	Attributable to equity holders of the Company											
	Share capital HK\$'M	Share premium HK\$'M	Hedging reserve HK\$'M	Investment revaluation reserve HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
At 1 January 2013	666.1	3,267.0	(101.8)	228.1	12.2	57.0	63.0	751.0	13,417.2	18,359.8	2.0	18,361.8
<b>Comprehensive income</b>												
Profit for the period	-	-	-	-	-	-	-	-	1,035.8	1,035.8	0.2	1,036.0
<b>Other comprehensive income</b>												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(14.0)	-	-	(14.0)	-	(14.0)
Net fair value loss arising from revaluation of available-for-sale financial assets	-	-	-	(41.0)	-	-	-	-	-	(41.0)	-	(41.0)
Net gain on cash flow hedge	-	-	48.7	-	-	-	-	-	-	48.7	-	48.7
Net loss on net investment hedge	-	-	(2.9)	-	-	-	-	-	-	(2.9)	-	(2.9)
Total comprehensive income	-	-	45.8	(41.0)	-	-	(14.0)	-	1,035.8	1,026.6	0.2	1,026.8
<b>Transactions with owners</b>												
Value of employee services relating to grants of incentive shares	-	-	-	-	3.9	-	-	-	-	3.9	-	3.9
Incentive shares exercised	1.5	6.6	-	-	(6.6)	-	-	-	-	1.5	-	1.5
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(0.6)	(0.6)
2012 final dividend paid	-	-	-	-	-	-	-	-	(124.2)	(124.2)	-	(124.2)
Total transactions with owners	1.5	6.6	-	-	(2.7)	-	-	-	(124.2)	(118.8)	(0.6)	(119.4)
At 30 June 2013	667.6	3,273.6	(56.0)	187.1	9.5	57.0	49.0	751.0	14,328.8	19,267.6	1.6	19,269.2

The notes on pages 16 to 29 are an integral part of this Interim Financial Information.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2014

	Unaudited	
	Six months ended 30 June 2014 HK\$'M	2013 HK\$'M
Net cash (used in)/generated from operating activities	(105.5)	666.3
Cash flows from investing activities		
Additions of investment properties	(4.0)	(471.4)
Net advance to loans to joint ventures	(91.4)	(300.3)
Other investing cash net inflow	30.2	175.0
Net cash used in investing activities	(65.2)	(596.7)
Cash flows from financing activities		
Net (repayment to)/proceeds from bank and other borrowings	(359.9)	244.3
Other financing cash net outflow	(124.5)	(165.8)
Net cash (used in)/generated from financing activities	(484.4)	78.5
(Decrease)/increase in cash and cash equivalents	(655.1)	148.1
Cash and cash equivalents at the beginning of the period	1,183.8	1,079.8
Cash and cash equivalents at the end of the period	528.7	1,227.9
<b>Analysis of balances of cash and cash equivalents</b>		
Bank balances and cash	585.4	1,227.9
Less: Deposits with maturity of more than three months	(56.7)	–
	528.7	1,227.9

The notes on pages 16 to 29 are an integral part of this Interim Financial Information.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

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

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

In 2013, the Group ceased its garment manufacturing operations. The ceased business was presented as discontinued operations and certain comparatives had been re-presented according to Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" to conform with current presentation. Details of which are disclosed in Note 21 to the Interim Financial Information.

This Interim Financial Information is presented in million of Hong Kong dollars (HK\$'M), unless otherwise stated. It has been reviewed by the Company's Audit Committee. It has also been approved for issue by the Board of Directors on 26 August 2014.

## 2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2014 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 2013.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Company's annual financial statements for the year ended 31 December 2013, 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 2014, noted below.

### (a) New standards, revised standards, amendments and improvements to standards and interpretations of HKFRS effective for the current accounting period beginning on 1 January 2014 and relevant to the Group

HKAS 32 (Amendment)	Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Recoverable amount disclosure for non-financial assets
HKAS 39 (Amendment)	Financial instruments – recognition and measurement – novation of derivatives
HKFRS 10 (Amendment), HKFRS 12 (Amendment) and HKAS 27 (Amendment)	Investment entities
HK (IFRIC) – Int 21	Levies

The adoption of the 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.

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) New standards, revised standards, amendments and improvements to standards and interpretations of HKFRS that are not yet effective in 2014 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 and interpretations of HKFRS that have been issued but are not yet effective for the period.

		<b>Effective for accounting periods beginning on or after</b>
HKFRS 7 (Amendment) and HKFRS 9 (Amendment)	Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKFRS 9	Financial instruments	To be determined*
HKFRS 11	Accounting for acquisitions of interests in joint operation	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017

\* The original effective date of 1 January 2015 is removed and it will be set once the other phase of HKFRS 9 is completed and finalised.

The Group is in the process of making assessment of the impact of these new standards, revised standards, amendments and improvements to standards and interpretations of HKFRS and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

### 4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### (a) Financial risk factors

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

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

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

#### (b) Fair value estimation

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

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

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

### (b) Fair value estimation (Continued)

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2014 and 31 December 2013.

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
<b>At 30 June 2014</b>				
<b>Assets</b>				
Other financial assets				
Available-for-sale financial assets				
– listed securities	474.2	–	–	474.2
– unlisted securities	–	1.2	–	1.2
Derivative financial instruments				
– interest rate swap contracts	–	22.8	–	22.8
– forward foreign exchange contracts	–	0.2	–	0.2
	474.2	24.2	–	498.4
<b>Liabilities</b>				
Derivative financial instruments				
– interest rate swap contracts	–	23.0	–	23.0
– cross currency swap contracts	–	57.4	–	57.4
Other long-term liability	–	–	65.3	65.3
	–	80.4	65.3	145.7
<b>At 31 December 2013</b>				
<b>Assets</b>				
Other financial assets				
Available-for-sale financial assets				
– listed securities	399.5	–	–	399.5
– unlisted securities	–	2.1	–	2.1
Derivative financial instruments				
– interest rate swap contracts	–	30.2	–	30.2
	399.5	32.3	–	431.8
<b>Liabilities</b>				
Derivative financial instruments				
– interest rate swap contracts	–	42.5	–	42.5
– cross currency swap contracts	–	51.2	–	51.2
Other long-term liability	–	–	58.9	58.9
	–	93.7	58.9	152.6

During the six-month period ended 30 June 2014, 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.

#### 4. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

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

Level 2 financial instruments comprise forward exchange, cross currency swap and interest rate swap contracts. The fair value is calculated as the present value 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 2014 and 2013.

	Other long-term liability	
	2014	2013
	HK\$'M	HK\$'M
At 1 January	58.9	74.2
Company contributions	(0.4)	(0.3)
Fair value losses/(gains) recognised in profit or loss (Note 7)	6.8	(13.2)
At 30 June	65.3	60.7
Total unrealised losses/(gains) for the period included in profit or loss for liabilities held at the end of the reporting period	6.8	(13.2)

Other long-term liability represents provisions of liabilities in relation to indemnifying a third party against the cost of winding up the pension scheme of a subsidiary group that was previously held by the Group. Assumptions like investment rate of return, price inflation rate, pension increase rate and numerous demographic assumptions have been used in the fair value estimates.

#### 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

#### 6. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2014	2013	2014	2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
		(Re-presented)		(Re-presented)
Sale of properties and project management income	897.8	3.1	–	–
Rental and property management income	406.8	331.8	–	–
Dividend income from available-for-sale financial assets	12.4	11.1	–	–
Sale of garment products	–	–	–	80.9
	1,317.0	346.0	–	80.9

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

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

Segment information are analysed on the basis of the Group's operating divisions. They are (i) Property Development, (ii) Property Investment and Management, (iii) Hospitality Investment and Management and (iv) Others. Others include Investing Activities and Corporate. In previous years, Investing Activities are disclosed as a separate operating segment. Considering that Investing Activities are not significant to the Group, it is combined with Corporate segment and presented as Others in 2014. Comparative figures for 2013 Investing Activities and Corporate segments have been re-presented.

Garment Manufacturing segment ceased its operations in 2013 and was presented as discontinued operations for the six months ended 30 June 2013.

	Continuing operations					Total HK\$'M
	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	
<b>For the six months ended 30 June 2014</b>						
<b>REVENUE</b>						
External sales	897.8	332.8	74.0	12.4	–	1,317.0
Inter-segment sales	–	6.6	–	–	(6.6)	–
Total	897.8	339.4	74.0	12.4	(6.6)	1,317.0
<b>RESULTS</b>						
Profit/(loss) before change in fair value of investment properties and net fair value loss on derivative financial instruments	162.4	247.3	30.9	(46.6)	–	394.0
Change in fair value of investment properties	–	1,319.4	26.3	–	–	1,345.7
Net fair value loss on derivative financial instruments	–	(5.0)	–	–	–	(5.0)
Profit/(loss) from operations	162.4	1,561.7	57.2	(46.6)	–	1,734.7
Finance costs	(2.7)	(49.7)	(8.4)	(29.0)	19.1	(70.7)
Finance income	0.1	0.7	2.8	21.3	(19.1)	5.8
Share of results of joint ventures	10.5	(5.0)	(3.8)	–	–	1.7
Share of results of associates	0.4	–	(0.6)	–	–	(0.2)
Profit/(loss) before taxation	170.7	1,507.7	47.2	(54.3)	–	1,671.3
Taxation	–	–	–	–	–	(70.4)
Profit for the period	–	–	–	–	–	1,600.9
<b>Other items</b>						
Depreciation and amortisation	3.9	1.0	–	2.1	–	7.0
Loss/(gain) on disposal of other properties, plant and equipment	2.9	0.4	–	(0.3)	–	3.0
Loss on financial liabilities at fair value through profit or loss classified under other long-term liability	–	–	–	6.8	–	6.8

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

	Continuing operations					Discontinued operation	
	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	Garment manufacturing HK\$'M
<b>For the six months ended 30 June 2013 (Re-presented)</b>							
<b>REVENUE</b>							
External sales	3.1	260.9	70.9	11.1	–	346.0	80.9
Inter-segment sales	–	7.8	–	–	(7.8)	–	–
Total	3.1	268.7	70.9	11.1	(7.8)	346.0	80.9
<b>RESULTS</b>							
Profit/(loss) before change in fair value of investment properties and net fair value gain on derivative financial instruments	(26.5)	224.8	29.8	21.0	–	249.1	(23.6)
Change in fair value of investment properties	–	798.8	27.3	–	–	826.1	–
Net fair value gain on derivative financial instruments	–	0.2	–	18.5	–	18.7	–
Profit/(loss) from operations	(26.5)	1,023.8	57.1	39.5	–	1,093.9	(23.6)
Finance costs	–	(34.6)	(8.7)	(35.0)	–	(78.3)	–
Finance income	15.3	0.6	4.7	1.9	–	22.5	–
Share of results of joint ventures	56.1	2.7	(0.3)	–	–	58.5	–
Share of results of associates	(1.9)	–	2.9	–	–	1.0	–
Profit before taxation	43.0	992.5	55.7	6.4	–	1,097.6	(23.6)
Taxation	–	–	–	–	–	(38.0)	–
Profit for the period	–	–	–	–	–	1,059.6	(23.6)
<b>Other items</b>							
Depreciation and amortisation	4.1	1.6	–	1.9	–	7.6	4.4
Gain on disposal of an associate	–	(29.5)	–	–	–	(29.5)	–
Gain on disposal of other properties, plant and equipment	–	(0.2)	–	–	–	(0.2)	(0.2)
Gain on financial liabilities at fair value through profit or loss classified under other long-term liability	–	–	–	(13.2)	–	(13.2)	–

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

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2014 HK\$'M	2013 HK\$'M	2014 HK\$'M	2013 HK\$'M
	(Re-presented)		(Re-presented)	
Hong Kong	1,276.7	312.9	–	3.4
North America	–	–	–	61.5
United Kingdom	10.1	4.0	–	0.7
Others	30.2	29.1	–	15.3
	1,317.0	346.0	–	80.9

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 7. OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2014	2013	2014	2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
	(Re-presented)		(Re-presented)	
Amortisation of interest income on held-to-maturity investments	0.9	5.8	–	–
Exchange losses, net	(2.9)	(1.6)	–	(0.1)
Gain on disposal of an associate	–	29.5	–	–
Gain on return of investment of an available-for-sale financial asset	–	46.1	–	–
(Loss)/gain on financial liabilities at fair value through profit or loss classified under other long-term liability	(6.8)	13.2	–	–
Net fair value (loss)/gain on derivative financial instruments	(5.0)	18.7	–	–
Compensation income arising from termination of a serviced residences operating agreement	8.1	–	–	–
Others	1.7	3.6	–	1.1
	(4.0)	115.3	–	1.0

## 8. PROFIT FROM OPERATIONS

	Six months ended 30 June			
	Continuing operations		Discontinued operations	
	2014	2013	2014	2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
	(Re-presented)		(Re-presented)	
Profit from operations has been arrived at after charging/(crediting) the following:				
Share-based compensation expenses net of lapse of incentive shares	4.6	5.4	–	–
Staff costs including directors' remuneration	102.5	97.8	–	38.9
Amortisation of interest income on held-to-maturity investments	(0.9)	(5.8)	–	–
Amortisation of land use rights	–	0.1	–	–
Depreciation of other properties, plant and equipment	7.0	7.5	–	4.4
Direct operating expenses arising from investment properties generating rental income	73.3	58.8	–	–
Loss/(gain) on disposal of other properties, plant and equipment	3.0	(0.2)	–	(0.2)
Gain on disposal of an associate	–	(29.5)	–	–
Gain on return of investment of an available-for-sale financial asset	–	(46.1)	–	–
Loss/(gain) on financial liabilities at fair value through profit or loss classified under other long-term liability	6.8	(13.2)	–	–
Net fair value loss/(gain) on derivative financial instruments	5.0	(18.7)	–	–
Operating lease rental expenses in respect of land and buildings	0.7	2.0	–	1.1

## 9. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated income statement attributable to continuing operations represents:

	<b>Six months ended 30 June 2014 HK\$'M</b>	<b>2013 HK\$'M (Re-presented)</b>
<b>Continuing operations</b>		
Current taxation		
– Hong Kong profits tax	41.2	12.8
– Taxation in other jurisdictions	–	0.2
	41.2	13.0
Deferred taxation		
– Change in fair value of investment properties	11.3	7.6
– Temporary differences on tax depreciation	5.3	4.3
– Utilisation of tax losses	12.7	12.8
– Withholding tax	(0.1)	0.3
	29.2	25.0
Income tax expenses relating to continuing operations	70.4	38.0

Details of income tax expenses relating to discontinued operations are disclosed in Note 21 to this Interim Financial Information.

## 10. EARNINGS PER SHARE

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

	<b>Six months ended 30 June 2014 HK\$'M</b>	<b>2013 HK\$'M (Re-presented)</b>
Profit attributable to equity holders of the Company		
– Continuing operations	1,600.9	1,059.4
– Discontinued operations	–	(23.6)
	1,600.9	1,035.8
	<b>Six months ended 30 June 2014</b>	<b>2013</b>
Weighted average number of ordinary shares in issue	1,336,361,747	1,334,978,387
Effect of dilutive potential shares issuable under the Company's share incentive scheme	4,657,653	5,103,048
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,341,019,400	1,340,081,435

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 11. INTERIM DIVIDEND

	<b>Six months ended 30 June 2014 HK\$'M</b>	<b>2013 HK\$'M</b>
Interim dividend of HK4.2 cents (2013: HK4.2 cents) per ordinary share	56.2	56.1

## 12. CAPITAL EXPENDITURE

	<b>Land use rights HK\$'M</b>	<b>Investment properties HK\$'M</b>	<b>Other properties, plant and equipment HK\$'M</b>
Opening net book value at 1 January 2014	–	19,002.7	68.0
Exchange differences	–	12.0	–
Gain arising from change in fair value	–	1,345.7	–
Additions	–	4.0	4.4
Disposals	–	–	(4.0)
Depreciation and amortisation	–	–	(7.0)
Closing net book value at 30 June 2014	–	20,364.4	61.4
Opening net book value at 1 January 2013	3.2	16,321.5	100.2
Exchange differences	–	(2.2)	–
Gain arising from change in fair value	–	826.1	–
Additions	–	471.4	8.0
Disposals	–	–	(0.3)
Depreciation and amortisation	(0.1)	–	(11.9)
Closing net book value at 30 June 2013	3.1	17,616.8	96.0

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2014 on an open market value basis. The Group engaged Savills Valuation and Professional Services Limited, Jones Lang LaSalle Limited and Savills (UK) Limited to value its investment properties. The values have been made with reference to comparable current prices in an active market and income capitalisation approach from current leases and assumptions about lease from future leases in light of current market conditions and reversionary income potential.

## 13. PROPERTIES FOR SALE

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Properties under development held for sale	1,024.4	1,131.6
Completed properties	307.2	293.4
	1,331.6	1,425.0

**14. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Trade receivables	1,468.0	793.4
Deferred rent receivables	13.6	10.3
Amounts due from and loans to joint ventures	733.6	996.3
Amounts due from and loans to associates	8.1	6.2
Other receivables, deposits and prepayments	93.2	79.7
	<b>2,316.5</b>	<b>1,885.9</b>

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with the industry practice. The following is an ageing analysis of the Group's trade receivables (net of provision) at the balance sheet date:

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Not yet due	1,455.0	779.4
1 – 30 days	6.0	5.6
31 – 90 days	1.7	6.2
Over 90 days	5.3	2.2
	<b>1,468.0</b>	<b>793.4</b>

**15. TRADE AND OTHER PAYABLES AND ACCRUALS**

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Trade payables	20.7	35.3
Properties sale deposits received	–	173.0
Rental deposits received	160.8	150.5
Construction costs payables	108.9	116.8
Amounts due to joint ventures	0.1	12.1
Amounts due to associates	0.2	0.4
Provision for other costs arising from disposal of subsidiaries	8.6	10.0
Other creditors and accruals	188.8	186.8
	<b>488.1</b>	<b>684.9</b>

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

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
0 – 30 days	19.6	33.6
31 – 90 days	0.8	1.1
Over 90 days	0.3	0.6
	<b>20.7</b>	<b>35.3</b>

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 16. BANK AND OTHER BORROWINGS

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Bank borrowings	2,735.3	3,082.2
Fixed rate bonds	1,620.2	1,604.6
	4,355.5	4,686.8

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

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Within one year	1,209.0	1,739.7
Between one and two years	52.6	32.4
Between two and five years	1,404.4	1,236.1
After five years	1,689.5	1,678.6
	4,355.5	4,686.8
Less: Amounts due within one year shown under current liabilities	(1,209.0)	(1,739.7)
Amounts due after one year	3,146.5	2,947.1
Analysed as		
– secured	2,735.3	3,082.2
– unsecured	1,620.2	1,604.6
	4,355.5	4,686.8

## 17. SHARE CAPITAL

	<b>Number of ordinary shares of HK\$0.50 each</b>	<b>Amount HK\$'M</b>
Authorised:		
At 1 January 2013, 31 December 2013 and 30 June 2014	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2013	1,332,257,279	666.1
Issue of shares on exercise of incentive shares	3,040,250	1.5
At 31 December 2013	1,335,297,529	667.6
At 1 January 2014	1,335,297,529	667.6
Issue of shares on exercise of incentive shares	3,308,000	1.7
At 30 June 2014	1,338,605,529	669.3

## 18. COMMITMENTS

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Expenditure in respect of investment properties		
– contracted but not provided for	0.5	2.0
Expenditure in respect of acquisition of other properties, plant and equipment		
– contracted but not provided for	–	2.1
Capital injection to joint ventures		
– contracted but not provided for	409.3	460.8
	409.8	464.9

## 19. CONTINGENT LIABILITIES

The Group's contingent liabilities as at the balance sheets dates are as follows:

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Guarantees given to banks in respect of banking facilities extended to		
– joint ventures	2,755.4	2,752.5
– an associate	112.5	112.5
	2,867.9	2,865.0

At 30 June 2014, bank loans of HK\$1,392.7M (31 December 2013: HK\$1,366.8M) and HK\$112.5M (31 December 2013: HK\$112.5M) being guaranteed by the Group to joint ventures and an associate respectively have been drawn down.

## 20. PLEDGE OF ASSETS

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

	<b>30 June 2014 HK\$'M</b>	<b>31 December 2013 HK\$'M</b>
Investment properties	10,195.2	16,037.3
Other financial assets	366.3	309.4
Properties for sale	889.6	1,421.0
	11,451.1	17,767.7

The facilities were utilised to the extent of HK\$2,735.3M (31 December 2013: HK\$3,082.2M).

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2014

## 21. DISCONTINUED OPERATIONS

In October 2013, the Group decided to cease its garment manufacturing operations. Accordingly, provision for closure costs as at 31 December 2013 was HK\$18.8M, out of which HK\$11.2M was utilised by 30 June 2014.

Financial information relating to the discontinued operations for the six months ended 30 June 2013 is as follows:

	HK\$'M
Revenue	80.9
Cost of sales	(74.5)
Other gains, net	1.0
Selling and distribution costs	(3.1)
Administrative expenses	(27.9)
Loss before taxation from discontinued operations	(23.6)
Taxation	–
Loss for the period from discontinued operations attributable to equity holders of the Company	(23.6)

The net cash flows attributable to the discontinued operations for the six months ended 30 June 2013 are as follows:

	HK\$'M
Net cash used in operating activities	(27.3)
Net cash generated from investing activities	0.4
Total net cash outflows	(26.9)

## 22. INVESTMENTS IN JOINT VENTURES

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

	30 June 2014 HK\$'M	31 December 2013 HK\$'M
<b>Assets</b>		
Non-current assets		
– Investment properties	1,164.7	1,168.3
– Other non-current assets	28.9	16.7
Current assets		
– Properties for sale	3,436.7	3,431.5
– Bank balances and cash	273.3	279.1
– Other current assets	200.2	396.4
<b>Liabilities</b>		
Current liabilities		
– Amounts due to shareholders	(733.6)	(996.3)
– Bank and other borrowings	(0.6)	(0.6)
– Other current liabilities	(275.3)	(287.2)
Non-current liabilities		
– Loans to shareholders	(1,828.5)	(1,726.7)
– Bank and other borrowings	(1,661.6)	(1,642.7)
– Other non-current liabilities	(121.9)	(127.0)
<b>Net assets</b>	482.3	511.5

## 22. INVESTMENTS IN JOINT VENTURES (Continued)

	Six months ended 30 June	
	2014	2013
	HK\$'M	HK\$'M
<b>Revenue</b>	157.9	276.0
<b>Profit from operations</b>	3.3	81.4
Finance costs	(3.2)	(15.1)
Finance income	1.6	0.6
<b>Profit before taxation</b>	1.7	66.9
Taxation	–	(8.4)
<b>Profit for the period</b>	1.7	58.5

## 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2014	2013
	HK\$'M	HK\$'M
Key management compensation (Note)		
Salaries and other benefits	(12.2)	(11.1)
Retirement benefits costs	(0.5)	(0.5)
Value of incentive shares	(1.9)	(2.8)
	(14.6)	(14.4)
Interest income from loans to joint ventures	2.5	19.6
Project management fee income from joint ventures	14.9	2.6
Serviced apartment management fee income from an associate	1.2	1.0
Serviced apartment management and license fee income from a joint venture	0.2	–
Serviced apartment management and license fee income from a substantial shareholder of the Company	1.8	2.0
Property rental income from a substantial shareholder of the Company	2.5	2.3

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

*Note:*

Key management personnel represents the directors of the Group.

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

	30 June	31 December
	2014	2013
	HK\$'M	HK\$'M
Loans to joint ventures	1,828.5	1,726.7
Amounts due from and loans to joint ventures	733.6	996.3
Amounts due to joint ventures	0.1	12.1
Loans to associates	24.7	24.7
Amounts due from and loans to associates	8.1	6.2
Amounts due to associates	0.2	0.4

**DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION**

As at 30 June 2014, the interests of the Directors and the Chief Executive of the Company in shares and underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") are as follows:

**Interests in the Company**

Director	Number of shares held					Number of underlying shares held under equity derivatives (Note d)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests				
Cheng Wai Chee, Christopher	9,272,316	-	-	462,488,185 (Note b)	-	1,818,250	473,578,751	35.38%
Cheng Wai Sun, Edward	7,204,981	-	-	462,488,185 (Note b)	-	1,818,250	471,511,416	35.22%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)	-	-	462,488,185	34.55%
Chow Wai Wai, John	232,252	-	-	-	-	254,750	487,002	0.04%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note c)	-	-	9,224,566	0.69%
Ng Tak Wai, Frederick	592,057	1,016,000	-	-	-	-	1,608,057	0.12%

*Notes:*

- (a) The total number of issued shares in the capital of the Company (the "Shares") as at 30 June 2014 was 1,338,605,529.
- (b) Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis, being beneficiaries of a family trust, were deemed to be interested in 462,488,185 Shares beneficially owned by Brave Dragon Limited, Wing Tai Retail Pte. Ltd. and Crossbrook Group Limited as set out under the section headed Substantial Shareholders' Interests below. The same represented the same interests and was therefore duplicated amongst these three directors for the purpose of Part XV of the SFO.
- (c) Kwok Ping Luen, Raymond was a beneficiary of a trust the assets of which included interests in 9,224,566 Shares.
- (d) These interests represented the interests in underlying shares in respect of the incentive shares granted by the Company to these directors as beneficial owners. Details of which are set out in the section below headed Share Incentive Scheme.

## SHARE INCENTIVE SCHEME

Under a Share Incentive Scheme approved by shareholders of the Company on 17 June 2005 (“Share Incentive Scheme”), the Board of Directors of the Company or a duly authorised committee thereof may in its absolute discretion make offer of awards to selected employees (including executive directors) of the Group to subscribe in cash at par value for shares of the Company.

Details of the incentive shares granted and summary of the movements of the outstanding incentive shares for the period ended 30 June 2014 under the Share Incentive Scheme are as follows:

Director	Date of award	Number of incentive shares					As at 30.6.2014	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2014	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Cheng Wai Chee, Christopher	31.3.2011	193,000	-	193,000	-	-	N/A	N/A	-	
	31.3.2011	386,000	-	386,000	-	-	N/A	N/A	10,000	
	24.5.2012	275,000	-	275,000	-	-	N/A	N/A	-	
	24.5.2012	275,000	-	275,000	-	-	N/A	N/A	12,000	
	24.5.2012	550,000	-	-	-	550,000	17.1.2015	17.1.2015 to 24.5.2022	325,000	
	6.5.2013	160,750	-	160,750	-	-	N/A	N/A	32,000	
	6.5.2013	160,750	-	-	-	160,750	23.1.2015	23.1.2015 to 6.5.2023	212,000	
	6.5.2013	321,500	-	-	-	321,500	23.1.2016	23.1.2016 to 6.5.2023	268,000	
	28.5.2014	-	196,500	-	-	196,500	13.1.2015	13.1.2015 to 28.5.2024	178,000	
	28.5.2014	-	196,500	-	-	196,500	13.1.2016	13.1.2016 to 28.5.2024	69,000	
28.5.2014	-	393,000	-	-	393,000	13.1.2017	13.1.2017 to 28.5.2024	86,000		

# GENERAL INFORMATION

Director	Date of award	Number of incentive shares				As at 30.6.2014	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2014	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period				
Cheng Wai Sun, Edward	31.3.2011	386,000	-	386,000	-	-	N/A	N/A	10,000
	24.5.2012	275,000	-	275,000	-	-	N/A	N/A	12,000
	24.5.2012	550,000	-	-	-	550,000	17.1.2015	17.1.2015 to 24.5.2022	325,000
	6.5.2013	160,750	-	160,750	-	-	N/A	N/A	32,000
	6.5.2013	160,750	-	-	-	160,750	23.1.2015	23.1.2015 to 6.5.2023	212,000
	6.5.2013	321,500	-	-	-	321,500	23.1.2016	23.1.2016 to 6.5.2023	268,000
	28.5.2014	-	196,500	-	-	196,500	13.1.2015	13.1.2015 to 28.5.2024	178,000
	28.5.2014	-	196,500	-	-	196,500	13.1.2016	13.1.2016 to 28.5.2024	69,000
	28.5.2014	-	393,000	-	-	393,000	13.1.2017	13.1.2017 to 28.5.2024	86,000

Director	Date of award	Number of incentive shares					As at 30.6.2014	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2014	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Au Hing Lun, Dennis (resigned as director on 6 May 2014)	31.3.2011	162,500	-	162,500	-	-	N/A	N/A	8,000	
	24.5.2012	115,000	-	115,000	-	-	N/A	N/A	10,000	
	24.5.2012	230,000	-	-	230,000	-	N/A	N/A	(438,000)	
	6.5.2013	70,750	-	70,750	-	-	N/A	N/A	28,000	
	6.5.2013	70,750	-	-	70,750	-	N/A	N/A	(122,000)	
	6.5.2013	141,500	-	-	141,500	-	N/A	N/A	(155,000)	
Ng Tak Wai, Frederick	31.3.2011	14,000	-	14,000	-	-	N/A	N/A	-	
Chow Wai Wai, John	6.5.2013	32,250	-	32,250	-	-	N/A	N/A	6,000	
	6.5.2013	32,250	-	-	-	32,250	23.1.2015	23.1.2015 to 6.5.2023	42,000	
	6.5.2013	64,500	-	-	-	64,500	23.1.2016	23.1.2016 to 6.5.2023	54,000	
	28.5.2014	-	39,500	-	-	39,500	13.1.2015	13.1.2015 to 28.5.2024	36,000	
	28.5.2014	-	39,500	-	-	39,500	13.1.2016	13.1.2016 to 28.5.2024	14,000	
	28.5.2014	-	79,000	-	-	79,000	13.1.2017	13.1.2017 to 28.5.2024	17,000	

# GENERAL INFORMATION

Employees	Date of award	Number of incentive shares					As at 30.6.2014	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2014	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Employees In aggregate	31.3.2011	406,000	-	406,000	-	-	N/A	N/A	10,000	
	24.5.2012	270,000	-	270,000	-	-	N/A	N/A	12,000	
	24.5.2012	540,000	-	-	-	540,000	17.1.2015	17.1.2015 to 24.5.2022	314,000	
	6.5.2013	126,000	-	126,000	-	-	N/A	N/A	24,000	
	6.5.2013	126,000	-	-	-	126,000	23.1.2015	23.1.2015 to 6.5.2023	163,000	
	6.5.2013	252,000	-	-	-	252,000	23.1.2016	23.1.2016 to 6.5.2023	206,000	
	28.5.2014	-	158,000	-	-	158,000	13.1.2015	13.1.2015 to 28.5.2024	143,000	
	28.5.2014	-	158,000	-	-	158,000	13.1.2016	13.1.2016 to 28.5.2024	55,000	
	28.5.2014	-	316,000	-	-	316,000	13.1.2017	13.1.2017 to 28.5.2024	69,000	
		6,829,500	2,362,000	3,308,000	442,250	5,441,250				

*Note:* Subscription price per share is the par value of one ordinary share of the Company. Funds for subscription of ordinary shares will be provided by the Company when the right to subscribe for ordinary shares of the Company is exercised.

Save as disclosed above, at no time during the period was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement that may enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## FAIR VALUES OF INCENTIVE SHARES AWARDED

The fair values of incentive shares awarded during the period ended 30 June 2014 are determined by using the Binominal Option Pricing Model (the “Model”). Key assumptions of the Model are as follows:

Risk-free rate	1.91%
Expected dividend yield	2.67%
Expected volatility of the market price of the Company’s shares	34.48%
Expected life	10 years from the date of award

The Model requires the input of subjective assumptions, including the volatility of share price. Because changes in subjective assumptions can materially affect the fair value estimate, in the directors’ opinion, the existing model does not necessarily provide a reliable single measure of the fair value of incentive shares.

## SUBSTANTIAL SHAREHOLDERS’ INTERESTS

As at 30 June 2014, the following persons (other than the Directors and the Chief Executive of the Company) had interests in the shares of the Company as recorded in the register kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
1. Brave Dragon Limited	Beneficial owner	141,794,482	10.59%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.20%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes 2(a) & 3)	34.55%
4. Deutsche Bank International Trust Co. Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.55%
5. Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.55%
6. Wing Tai Corporation Limited	Interest of controlled corporation	182,560,826 (Note 5)	13.64%
7. Renowned Development Limited	Interest of controlled corporation	182,560,826 (Notes 2(c) & 5)	13.64%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	199,884,783 (Notes 2(c) & 6)	14.93%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 (Note 7)	13.72%

# GENERAL INFORMATION

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
10. HSBC Trustee (C.I.) Limited	Trustee	183,612,533 (Notes 2(d) & 8)	13.72%
11. Gala Land Investment Company Limited	Beneficial owner	101,579,467	7.59%
12. Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes 2(e) & 9)	7.59%
13. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Notes 2(e) & 10)	13.45%
14. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Notes 2(e) & 11)	11.27%

*Notes:*

- 1 The total number of issued Shares as at 30 June 2014 was 1,338,605,529.
- 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 9 duplicated with the interests of party 10 entirely.
  - (e) the interests of party 11 duplicated with the interests of party 12 entirely and were included in the interests of parties 13 and 14.
- 3 Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 50,282,667 Shares.
- 4 Deutsche Bank International Trust Co. Limited was the trustee of a family trust (of which Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis were beneficiaries) which held all units of a unit trust ("Unit Trust"). Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust which beneficially owned 100% of the issued shares of Wing Tai Asia Holdings Limited and 61.3% of the issued shares of Terebene Holdings Inc. Wing Tai Asia Holdings Limited, through its wholly-owned subsidiary, Wing Sun Development Private Limited, held 28.36% of the issued shares of Wing Tai Holdings Limited. Terebene Holdings Inc. held 59.3% of the issued shares of Winlyn Investment Pte Ltd. which in turn held 9.28% of the issued shares of Wing Tai Holdings Limited.
- 5 Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited ("Bestime") and Pofung Investments Limited ("Pofung") and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in 93,629,998 Shares and 88,930,828 Shares held by Bestime and Pofung respectively.
 

By virtue of the corporate interest of Renowned Development Limited in Wing Tai Corporation Limited, the former was deemed to be interested in the latter's interest in the Shares.

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- 6 By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned Development Limited and Broxbourne Assets Limited, Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned Development Limited and Broxbourne Assets Limited in the Shares. Broxbourne Assets Limited beneficially owned 17,323,957 Shares.
- 7 Sun Hung Kai Properties Limited (“SHKP”) beneficially owned 100% of the issued share capital of Wesmore Limited (“Wesmore”), Fourseas Investments Limited (“Fourseas”), Junwall Holdings Ltd. (“Junwall”), Sunrise Holdings Inc. (“Sunrise”) and Country World Limited (“Country World”). Wesmore held 11,928,210 Shares.
- Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited (“Soundworld”), Units Key Limited (“Units Key”) and Triple Surge Limited (“Triple Surge”). Soundworld, Units Key and Triple Surge were the beneficial owners of 20,869,323, 5,673,333 and 37,680,000 Shares respectively.
- Junwall beneficially owned 100% of the issued share capital of Techglory Ltd. (“Techglory”). Techglory was the beneficial owner of 192,000 Shares.
- Sunrise beneficially owned 100% of the issued share capital of Charmview International Limited (“Charmview”). Charmview was the beneficial owner of 7,141,600 Shares.
- Country World beneficially owned 100% of the issued share capital of Erax Strong Development Ltd (“Erax Strong”). Erax Strong was the beneficial owner of 128,067 Shares.
- By virtue of the corporate interest of SHKP in the aforesaid companies, SHKP was deemed to be interested in the interest of Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.
- 8 HSBC Trustee (C.I.) Limited, as the trustee of certain discretionary trusts, was deemed to be interested in more than one-third of the issued share capital of SHKP. By virtue of its deemed interest in SHKP, it was deemed to be interested in 183,612,533 Shares.
- 9 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.
- 10 Chow Chung Kai and his wife, Chow Yu Yue Chen, held 48,532,744 and 700,566 Shares respectively.
- The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 29,212,047 Shares.
- Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Chung Kai was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of his corporate interest therein.
- The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 50% of the issued share capital of Farnham.
- 11 Chow Yu Yue Chen and her husband, Chow Chung Kai, held 700,566 and 48,532,744 Shares respectively.
- Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Yu Yue Chen was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of Chow Chung Kai’s corporate interest therein.

Save as disclosed above, as at 30 June 2014, the Company had not been notified of any interests or short positions held by any substantial shareholder in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### **INTERESTS OF ANY OTHER PERSONS**

As at 30 June 2014, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of the SFO.

# GENERAL INFORMATION

## DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As at 30 June 2014, the aggregate amounts due from and all guarantees given by the Group on behalf of the affiliated companies of Nan Fung Group Holdings Limited (the “Relevant Companies”) amounted to approximately 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

Details of the amounts for the Relevant Companies as at 30 June 2014 are as follows:

Name of the Relevant Company	Group's % of attributable equity interest therein	Amount of guarantee for loan facilities given on its behalf by the Company as at 30 June 2014 (Note 1)	Amount due from it to the Group as at 30 June 2014 (Note 2)	Total	Final maturity date of the loan facilities
		HK\$'M	HK\$'M	HK\$'M	
Century Rise Limited	15%	-	256.1	256.1	-
The Graces – Providence Bay Finance Company Limited	15%	-	10.1	10.1	-
Pacific Bond Limited	15%	-	235.3	235.3	-
Providence Bay Finance Company Limited	15%	-	7.9	7.9	-
Brave Sky Investments Limited	50%	756.3	463.8	1,220.1	the earlier of (a) 2 April 2016 or (b) the date falling 9 months after the issuance of the Certificate of Compliance by the Directors of Lands (or, if earlier, the issuance of the Consent to Assign)
Property Sky Limited	50%	-	364.3	364.3	-
Estate Success Limited	50%	-	1.3	1.3	-
<b>Total</b>				<b>2,095.1</b>	

Notes:

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

## DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

At 30 June 2014, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$5,732.9 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

An unaudited pro-forma combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 30 June 2014 is presented below:

	Pro-forma combined balance sheet (HK\$'M)	Group's attributable interest (HK\$'M)
Non-current assets	3,874.4	1,568.3
Current assets	15,039.3	3,976.5
Current liabilities	(1,803.3)	(400.8)
Non-current liabilities	(4,737.2)	(1,958.9)
Amounts and loans due from shareholders	2.1	0.3
Amounts and loans due to shareholders	(8,903.2)	(2,604.8)
Net assets	3,472.1	580.6

## AUDIT COMMITTEE

The Audit Committee has reviewed with the management and the auditor of the Company the unaudited interim financial report and considered the significant accounting principles and policies adopted by the Company and discussed with the management the internal control and financial reporting matters in respect of this interim report.

## CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules. The Company has complied with all the applicable code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2014.

## 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.

Au Hing Lun, Dennis, who resigned as an executive director of the Company on 6 May 2014, confirmed, following specific enquiry by the Company, that he complied with the Model Code throughout the period from 1 January 2014 to 5 May 2014.

All other directors have confirmed, following specific enquiry by the Company, that they had fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2014.

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# GENERAL INFORMATION

## **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.

Cheng Wai Sun, Edward, an executive director of the Company, was appointed as an independent non-executive director of Standard Chartered Bank (Hong Kong) Limited with effect from 3 April 2014.

Simon Murray, an independent non-executive director of the Company, resigned as the Vice Chairman and independent non-executive director of Essar Energy plc (listed on the London Stock Exchange) on 19 May 2014.

Fang Hung, Kenneth, an independent non-executive director of the Company, resigned as a non-executive director of Xiezhong International Holdings Limited with effect from 30 July 2014.

Cheng Hoi Chuen, Vincent, an independent non-executive director of the Company, was appointed as an independent non-executive director of Hutchison Whampoa Limited with effect from 10 July 2014.

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

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.



**BOARD OF DIRECTORS****Executive Directors**

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

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

CHENG Man Piu, Francis

CHOW Wai Wai, John

**Non-Executive Directors**

KWOK Ping Luen, Raymond *JP*  
(*YUNG Wing Chung as his alternate*)

HONG Pak Cheung, William

NG Tak Wai, Frederick

CHEN Chou Mei Mei, Vivien

**Independent Non-Executive Directors**

Simon MURRAY *CBE*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

CHENG Hoi Chuen, Vincent *GBS OBE JP*

**AUDIT COMMITTEE MEMBERS**

YEUNG Kit Shing, Jackson (*Chairman*)

FANG Hung, Kenneth *GBS CBE JP*

HONG Pak Cheung, William

**REMUNERATION COMMITTEE MEMBERS**

Simon MURRAY *CBE (Chairman)*

CHENG Wai Chee, Christopher *GBS OBE JP*

CHENG Wai Sun, Edward *SBS JP*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

**NOMINATION COMMITTEE MEMBERS**

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

CHENG Wai Chee, Christopher *GBS OBE JP*

CHENG Wai Sun, Edward *SBS JP*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

**COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

FUNG Ching Man, Janet

**AUDITOR**

PricewaterhouseCoopers

**LEGAL ADVISERS TO THE COMPANY**

Slaughter and May (*as to Hong Kong Laws*)

Appleby (*as to Bermuda Laws*)

**PRINCIPAL BANKERS**

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

**PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT**

Appleby Management (Bermuda) Ltd.

Canon's Court, 22 Victoria Street

Hamilton HM 12, Bermuda

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

Tricor Standard Limited

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**

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**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



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