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Wing Tai Properties Limited

永泰地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

ANNOUNCEMENT OF 2014 ANNUAL RESULTS, FINAL DIVIDEND, RECORD DATE AND CLOSURE OF REGISTER

CHAIRMAN'S STATEMENT

Dear Shareholders

Despite the challenging operating environment in the local residential property market, I am pleased to report that the Group continued to report solid results for 2014 on the back of our diversified portfolio of residential, commercial and hospitality assets. Net profit attributable to shareholders was HK\$1,943.6 million for 2014, riding on resilient growth in recurring rental revenue and operating profit, as well as sustainable capital value gains from our prime investment properties. The Board of Directors has proposed a final dividend of HK9.3 cents per share. Together with the interim dividend of HK4.2 cents, the total dividend for the year stands at HK13.5 cents per share.

In 2014, following the Government's move to increase land supply with plots of various sizes and in different locations, we proactively participated in government land tenders and won a prime residential site in Shau Kei Wan. Situated at the harbour-front with an entrancing seaview and easy access to the public transport network, the site with a gross floor area of approximately 46,000 square feet, is unique in the urban area of Hong Kong Island. Currently, our residential development pipeline has expanded to six projects which will extend well beyond 2018.

The handover of two luxury residential developments, namely The Warren and The Pierre, was well-received. This was a testimony to our commitment to achieve unique value creation for our customers through our product design and quality, timely and cost effective execution, as well as customer-oriented lifestyle driven services by Lanson Place. The Group recognised revenue and related profits from the pre-sale of The Pierre in the first half of 2014.

The Hong Kong residential property market in 2014 was for the most part difficult given the government's continued market cooling measures which were reinforced in February 2015. The primary sale market showed signs of recovery in the second half of 2014 backed by pent-up domestic demand and continued low interest rate environment. We took advantage of this window to re-launch the remaining units of Seymour, The Warren, Providence Bay, Providence Peak and The Graces, and received favourable market attention and sales results. In late November 2014,

the Group launched our newest development in the urban centre of Kowloon, Homantin Hillside, for which revenue and related profits from the pre-sales will be recognised in 2016.

Our commercial investment portfolio continued to deliver good upward rental reversion in rates and stable high occupancy. In Hong Kong, our Grade-A office twin towers in Kowloon East, Landmark East achieved virtually full occupancy with sustainable positive rental reversions on renewal or upon rent review. The Government's initiative to transform Kowloon East into the second central business district of Hong Kong is well supported by the private sectors through active land tenders and sales transactions hitting record highs, as well as enhanced tenant profile with major financial institutions and multi-national corporations moving their corporate offices to Kowloon East.

The Lanson Place hospitality business remained solid with gradual growth in revenue supported by stable occupancy level and rental rates, and increased number of rooms under management. In November 2014, we signed a 10-year management contract to manage 186 luxurious serviced apartment units in downtown Puxi, Shanghai, which denoted the 10th addition to our Lanson Place portfolio and the 4th flag in the vibrant city of Shanghai. Currently, Lanson Place has established its presence in Beijing, Shanghai, Kuala Lumpur, Singapore and Hong Kong.

We are confident that with a healthy and robust balance sheet, prudent strategic planning and disciplined execution, we are well positioned to take full advantage of the opportunities in the market as they arise to further grow and diversify our asset portfolio to create long-term value for our stakeholders. I would like to express my gratitude to our shareholders, colleagues and business partners for all your support over the years.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 17 March 2015

FINANCIAL RESULTS

The Board of Directors (the “Directors”) of Wing Tai Properties Limited (the “Company”) presents the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2014, together with comparative figures for the previous year, as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
	Note	2014 HK\$'M	2013 HK\$'M
Continuing operations			
Revenue	3	1,783.5	1,736.2
Cost of sales		(857.1)	(917.4)
		<hr/>	<hr/>
Gross profit		926.4	818.8
Other gains, net		8.0	105.6
Selling and distribution costs		(75.9)	(85.9)
Administrative expenses		(250.0)	(236.9)
Change in fair value of investment properties and financial instruments	4	1,539.2	2,121.1
		<hr/>	<hr/>
Profit from operations	5	2,147.7	2,722.7
Finance costs		(130.1)	(159.1)
Finance income		13.9	13.2
Share of results of joint ventures		(0.6)	163.5
Share of results of associates		2.2	5.9
		<hr/>	<hr/>
Profit before taxation from continuing operations		2,033.1	2,746.2
Taxation	6	(89.5)	(91.4)
		<hr/>	<hr/>
Profit for the year from continuing operations		1,943.6	2,654.8
Discontinued operations			
Profit for the year from discontinued operations		-	6.4
		<hr/>	<hr/>
Profit for the year		1,943.6	2,661.2
		<hr/> <hr/>	<hr/> <hr/>
Profit for the year attributable to:			
Equity holders of the Company			
- From continuing operations		1,943.6	2,654.6
- From discontinued operations		-	6.4
		<hr/>	<hr/>
		1,943.6	2,661.0
Non-controlling interests			
- From continuing operations		-	0.2
		<hr/>	<hr/>
		1,943.6	2,661.2
		<hr/> <hr/>	<hr/> <hr/>

CONSOLIDATED INCOME STATEMENT (Continued)

	Note	Year ended 31 December	
		2014	2013
Earnings per share attributable to equity holders of the Company	7		
Basic earnings per share			
- From continuing operations		HK\$1.45	HK\$1.99
- From discontinued operations		-	-
		<u>HK\$1.45</u>	<u>HK\$1.99</u>
Diluted earnings per share			
- From continuing operations		HK\$1.45	HK\$1.98
- From discontinued operations		-	-
		<u>HK\$1.45</u>	<u>HK\$1.98</u>
Dividends (expressed in HK\$'M)	8	<u>180.7</u>	<u>180.6</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2014	2013
	HK\$'M	HK\$'M
Profit for the year	1,943.6	2,661.2
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Net surplus arising on revaluation of land use rights and other properties, plant and equipment upon transfer to investment properties	-	7.1
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(44.8)	13.5
Net fair value gain/(loss) arising from revaluation of available-for-sale financial assets	87.8	(50.0)
Net gain/(loss) on net investment hedge	0.6	(7.9)
Net (loss)/gain on cash flow hedge		
- Fair value (losses)/gains	(53.1)	33.5
- Realised upon settlement	26.9	45.6
- Release to profit or loss	(5.1)	-
	12.3	34.7
Other comprehensive income for the year, net of tax	12.3	41.8
Total comprehensive income for the year	1,955.9	2,703.0
Total comprehensive income for the year attributable to:		
Equity holders of the Company	1,955.9	2,702.8
Non-controlling interests	-	0.2
	1,955.9	2,703.0
Total comprehensive income for the year attributable to equity holders of the Company:		
- From continuing operations	1,955.9	2,696.4
- From discontinued operations	-	6.4
	1,955.9	2,702.8

CONSOLIDATED BALANCE SHEET

	Note	2014 HK\$'M	2013 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties		20,586.1	19,002.7
Other properties, plant and equipment		58.4	68.0
Investments in joint ventures		482.3	511.5
Loans to joint ventures		1,905.8	1,726.7
Investments in associates		100.0	100.5
Loans to associates		21.8	24.7
Deposits and loan receivables		17.5	20.1
Other financial assets		487.0	401.6
Deferred tax assets		4.5	9.4
Derivative financial instruments		-	30.2
		<u>23,663.4</u>	<u>21,895.4</u>
Current assets			
Properties for sale	9	1,322.2	1,425.0
Trade and other receivables, deposits and prepayments	10	777.0	1,885.9
Other financial assets		38.9	51.3
Derivative financial instruments		0.4	-
Sales proceeds held in stakeholders' accounts		79.1	192.4
Tax recoverable		40.7	2.3
Restricted bank deposits		13.5	10.6
Bank balances and cash		1,592.6	1,242.2
		<u>3,864.4</u>	<u>4,809.7</u>
Current liabilities			
Trade and other payables and accruals	11	404.4	684.9
Derivative financial instruments		18.9	39.5
Tax payable		46.2	71.7
Bank and other borrowings		63.8	1,739.7
		<u>533.3</u>	<u>2,535.8</u>
Net current assets		<u>3,331.1</u>	<u>2,273.9</u>
Total assets less current liabilities		<u>26,994.5</u>	<u>24,169.3</u>

CONSOLIDATED BALANCE SHEET (Continued)

	2014 HK\$'M	2013 HK\$'M
Non-current liabilities		
Bank and other borrowings	3,815.0	2,947.1
Other long-term liability	91.5	58.9
Derivative financial instruments	136.6	54.2
Deferred tax liabilities	271.2	213.9
	<u>4,314.3</u>	<u>3,274.1</u>
NET ASSETS	<u>22,680.2</u>	<u>20,895.2</u>
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	669.3	667.6
Reserves	22,009.7	20,226.1
	<u>22,679.0</u>	<u>20,893.7</u>
Non-controlling interests	1.2	1.5
TOTAL EQUITY	<u>22,680.2</u>	<u>20,895.2</u>

NOTES:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the Hong Kong Companies Ordinance.

The consolidated financial statements are prepared in accordance with the applicable requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) for this financial year and the comparative period.

In 2013, the Group ceased its garment manufacturing operations. The ceased business is presented as discontinued operations for the year ended 31 December 2013.

These consolidated financial statements are presented in millions of Hong Kong dollars (HK\$'M).

2. Significant accounting policies

(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)	Financial instruments: Presentation - Offsetting financial assets and financial liabilities
HKAS 36 (Amendment)	Impairment of assets
HKFRS 10 (Amendment), HKFRS 12 (Amendment) and HKAS 27 (Amendment)	Consolidation for investment entities
HK (IFRIC) – Int 21	Levies

The adoption of the above 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 financial statements in the current and prior year.

(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 following new standards, revised standards, amendments and improvements to standards and interpretations to HKFRS that have been issued but are not yet effective for the year ended 31 December 2014:

		Effective for annual periods beginning on or after
HKAS 1 (Amendment)	Disclosure initiative	1 January 2016
HKAS 16 (Amendment) and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
HKAS 19 (2011) (Amendment)	Defined benefit plans – employee contributions	1 January 2015
HKAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016

2. 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 (Continued)

		Effective for annual periods beginning on or after
HKFRS 7 (Amendment) and HKFRS 9 (Amendment)	Mandatory effective date of HKFRS 9 and transition disclosures	1 January 2015
HKFRS 10 (Amendment), HKFRS 12 (Amendment) and HKAS 28 (2011) (Amendment)	Investment entities: applying the consolidation exception	1 January 2016
HKFRS 10 and HKAS 28 (Amendment)	Sales or contribution of asset between an investor and its associate or joint venture	1 January 2016
HKFRS 11 (Amendment)	Acquisitions of interests in joint operations	1 January 2016
HKFRS 14	Regulatory deferral accounts	1 January 2016
HKFRS 15	Revenue from contracts with customers	1 January 2017
HKFRS 9	Financial instruments	1 January 2018
Annual improvements 2012		1 July 2014
Annual improvements 2013		1 July 2014
Annual improvements 2014		1 January 2016

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.

(c) New Hong Kong Companies Ordinance (Cap. 622) that is not yet effective in 2014

The requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Group's first financial year commencing on or after 3 March 2014 (i.e. the Group's financial year begins on 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Hong Kong Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). The adoption of the requirements will primarily only affect the presentation and the disclosure of the information in the consolidated financial statements.

3. Revenue and segment information

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

	Continuing operations	
	2014	2013
	HK\$'M	HK\$'M
Sale of properties and project management income	944.0	1,009.9
Rental and property management income	816.1	704.4
Dividend income from available-for-sale financial assets	23.4	21.9
	1,783.5	1,736.2
	1,783.5	1,736.2

3. 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 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 represent mainly investing activities and corporate activities including central management and administrative function.

Garment Manufacturing segment ceased its operations in 2013 and was presented as discontinued operations for the year ended 31 December 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	
For the year ended 31 December 2014						
REVENUE						
External sales	944.0	669.0	147.1	23.4	-	1,783.5
Inter-segment sales	-	11.5	-	-	(11.5)	-
Total	<u>944.0</u>	<u>680.5</u>	<u>147.1</u>	<u>23.4</u>	<u>(11.5)</u>	<u>1,783.5</u>
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	137.9	493.1	53.6	(75.5)	(0.6)	608.5
Change in fair value of investment properties and financial instruments	13.0	1,536.6	23.0	(33.4)	-	1,539.2
Profit/(loss) from operations	<u>150.9</u>	<u>2,029.7</u>	<u>76.6</u>	<u>(108.9)</u>	<u>(0.6)</u>	<u>2,147.7</u>
Finance costs	(3.3)	(89.6)	(17.8)	(57.8)	38.4	(130.1)
Finance income	1.4	2.1	7.1	41.1	(37.8)	13.9
Share of results of joint ventures	20.4	(12.1)	(8.9)	-	-	(0.6)
Share of results of associates	0.3	-	1.9	-	-	2.2
Profit/(loss) before taxation	<u>169.7</u>	<u>1,930.1</u>	<u>58.9</u>	<u>(125.6)</u>	<u>-</u>	<u>2,033.1</u>
Taxation						(89.5)
Profit for the year						<u>1,943.6</u>
Other items						
Depreciation and amortisation	4.4	2.0	-	4.4	-	10.8
Loss/(gain) on disposals of other properties, plant and equipment, net	3.4	0.4	-	(0.3)	-	3.5

3. Revenue and segment information (Continued)

	Continuing operations					Discontinued operations	
	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
For the year ended 31 December 2013							
REVENUE							
External sales	1,009.9	563.6	140.8	21.9	-	1,736.2	317.8
Inter-segment sales	-	14.9	-	-	(14.9)	-	-
Total	1,009.9	578.5	140.8	21.9	(14.9)	1,736.2	317.8
RESULTS							
Profit/(loss) before change in fair value of investment properties and financial instruments	124.6	437.3	49.8	(10.1)	-	601.6	6.4
Change in fair value of investment properties and financial instruments	-	1,985.9	98.2	37.0	-	2,121.1	-
Profit from operations	124.6	2,423.2	148.0	26.9	-	2,722.7	6.4
Finance costs	-	(101.7)	(17.4)	(72.7)	32.7	(159.1)	-
Finance income	0.4	1.6	7.1	37.1	(33.0)	13.2	-
Share of results of joint ventures	166.2	7.7	(10.4)	-	-	163.5	-
Share of results of associates	(1.6)	-	7.5	-	-	5.9	-
Profit/(loss) before taxation	289.6	2,330.8	134.8	(8.7)	(0.3)	2,746.2	6.4
Taxation	-	-	-	-	-	(91.4)	-
Profit for the year						2,654.8	6.4
Other items							
Depreciation and amortisation	8.1	3.7	0.1	4.0	-	15.9	4.2
(Gain)/loss on disposals of other properties, plant and equipment, net	-	(0.2)	-	0.1	-	(0.1)	1.2
Write back of trade receivables, net	-	-	-	-	-	-	(0.1)

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

3. Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2014 and 2013 and additions to non-current assets for the years then ended are as follows:

	Continuing operations				Discontinued operations		
	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Sub-total HK\$'M	Garment manufacturing HK\$'M	Total HK\$'M
At 31 December 2014							
ASSETS							
Segment assets (Note a)	2,267.5	19,344.5	2,212.3	1,148.0	24,972.3	-	24,972.3
Investments in joint ventures and loans to joint ventures	1,852.8	432.9	102.4	-	2,388.1	-	2,388.1
Investments in associates and loans to associates	10.9	14.4	96.5	-	121.8	-	121.8
	4,131.2	19,791.8	2,411.2	1,148.0	27,482.2	-	27,482.2
Other assets					45.6	-	45.6
Consolidated total assets					27,527.8	-	27,527.8
LIABILITIES							
Segment liabilities (Note b)	(134.0)	(206.1)	(26.8)	(129.0)	(495.9)	-	(495.9)
Other liabilities					(4,351.7)	-	(4,351.7)
Consolidated total liabilities					(4,847.6)	-	(4,847.6)
Additions to non-current assets (Note c)	-	2.5	3.6	3.8	9.9	-	9.9
At 31 December 2013							
ASSETS							
Segment assets (Note a)	3,411.8	17,311.8	2,201.4	1,258.6	24,183.6	116.2	24,299.8
Investments in joint ventures and loans to joint ventures	1,722.1	405.6	110.5	-	2,238.2	-	2,238.2
Investments in associates and loans to associates	11.1	17.3	96.8	-	125.2	-	125.2
	5,145.0	17,734.7	2,408.7	1,258.6	26,547.0	116.2	26,663.2
Other assets					41.9	-	41.9
Consolidated total assets					26,588.9	116.2	26,705.1
LIABILITIES							
Segment liabilities (Note b)	(376.6)	(204.8)	(35.6)	(94.4)	(711.4)	(32.5)	(743.9)
Other liabilities					(5,066.0)	-	(5,066.0)
Consolidated total liabilities					(5,777.4)	(32.5)	(5,809.9)
Additions to non-current assets (Note c)	1.6	494.2	25.8	4.0	525.6	0.5	526.1

Notes:

- (a) Segment assets consist primarily of investment properties, other properties, plant and equipment, other financial assets, deposits and loan receivables, properties for sale, trade and other receivables, deposits and prepayments, sales proceeds held in stakeholders' accounts, restricted bank deposits and bank balances and cash. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.

3. Revenue and segment information (Continued)

Notes (Continued):

- (b) Segment liabilities comprise operating liabilities. Other liabilities include tax payable, borrowings, deferred tax liabilities and derivative financial instruments.
- (c) Additions to non-current assets comprise additions to investment properties and other properties, plant and equipment.

The Group's operations are principally located in Hong Kong, the People's Republic of China other than Hong Kong (the "PRC") and the United Kingdom.

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

	Year ended 31 December	
	2014	2013
	HK\$'M	HK\$'M
Hong Kong	1,702.7	1,664.9
The PRC	31.4	32.6
United Kingdom	21.4	12.9
Singapore	25.1	24.2
Others	2.9	1.6
	<u>1,783.5</u>	<u>1,736.2</u>

The followings are analysis of the Group's total assets, non-current assets other than financial instruments (including investments in joint ventures and associates, loans to joint ventures and associates, deposits and loan receivables, other financial assets and derivative financial instruments) and deferred tax assets, and additions to non-current assets by geographical areas in which the assets are located.

	Total assets		Non-current assets other than financial instruments and deferred tax assets		Additions to non-current assets (Note c)	
	At 31 December		At 31 December		Year ended 31 December	
	2014	2013	2014	2013	2014	2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Hong Kong	25,011.3	24,296.3	19,403.1	17,870.1	9.6	36.7
The PRC	1,073.9	1,063.9	501.1	490.9	0.3	0.6
United Kingdom	780.4	740.8	740.3	709.7	-	488.8
Singapore	537.5	464.8	-	-	-	-
North America	-	10.9	-	-	-	-
Others	124.7	128.4	-	-	-	-
	<u>27,527.8</u>	<u>26,705.1</u>	<u>20,644.5</u>	<u>19,070.7</u>	<u>9.9</u>	<u>526.1</u>

4. Change in fair value of investment properties and financial instruments

	2014 HK\$'M	2013 HK\$'M
Change in fair value of investment properties	1,593.0	2,084.4
Net change in fair value of financial instruments		
- net fair value (loss)/gain on derivative financial instruments	(20.4)	21.7
- (loss)/gain on financial liabilities at fair value through profit or loss classified under other long-term liability	(33.4)	15.0
	<u>(53.8)</u>	<u>36.7</u>
	<u>1,539.2</u>	<u>2,121.1</u>

5. Profit from operations

	Continuing operations	
	2014 HK\$'M	2013 HK\$'M
Profit from operations has been arrived at after charging/(crediting) the following:		
Staff costs including directors' remuneration	200.4	192.6
Retirement benefits costs, net of negligible forfeited contributions	8.2	6.8
Total staff costs (Note)	<u>208.6</u>	<u>199.4</u>
Share-based compensation expenses (Note)	10.1	11.4
Auditor's remuneration	4.4	5.9
Amortisation of trademark	-	0.1
Amortisation of land use rights	-	0.1
Cost of sales of properties included in cost of sales	680.1	762.0
Depreciation of other properties, plant and equipment	10.8	15.7
Direct operating expenses arising from investment properties generating rental income	147.1	128.6
Gain on disposal of available-for-sale financial assets	-	(1.2)
Gain on return of investment of an available-for-sale financial asset	-	(59.4)
Gain on disposal of an associate	-	(29.5)
Loss/(gain) on disposals of other properties, plant and equipment, net	<u>3.5</u>	<u>(0.1)</u>

Note:

Share-based compensation expenses recognised in the consolidated income statement in respect of incentive shares granted to certain directors and employees are not included in the total staff costs above.

6. Taxation

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

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

	2014 HK\$'M	2013 HK\$'M
Current taxation		
- Hong Kong profits tax	51.2	60.8
- Over-provision in prior years	(26.4)	(1.2)
- Taxation in other jurisdictions	0.1	-
	<u>24.9</u>	<u>59.6</u>
Deferred taxation		
- Change in fair value of investment properties	11.0	12.2
- Temporary differences on tax depreciation	23.7	(17.0)
- Utilisation of tax losses	29.7	35.8
- Withholding tax	0.2	0.8
	<u>64.6</u>	<u>31.8</u>
Income tax expenses	<u>89.5</u>	<u>91.4</u>

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2014	2013
Profit attributable to equity holders of the Company (expressed in HK\$'M)		
- From continuing operations	1,943.6	2,654.6
- From discontinued operations	-	6.4
	<u>1,943.6</u>	<u>2,661.0</u>
Weighted average number of ordinary shares in issue	<u>1,337,922,241</u>	<u>1,335,139,269</u>
Basic earnings per share		
- From continuing operations	HK\$1.45	HK\$1.99
- From discontinued operations	-	-
	<u>HK\$1.45</u>	<u>HK\$1.99</u>

7. Earnings per share (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has incentive shares outstanding during the year which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding incentive shares.

	2014	2013
Profit attributable to equity holders of the Company (expressed in HK\$'M)		
- From continuing operations	1,943.6	2,654.6
- From discontinued operations	-	6.4
	<u>1,943.6</u>	<u>2,661.0</u>
Weighted average number of ordinary shares in issue	1,337,922,241	1,335,139,269
Effect of dilutive potential shares issuable under the Company's share incentive scheme	<u>4,776,819</u>	<u>5,612,191</u>
Weighted average number of shares for the purpose of calculating diluted earnings per share	<u>1,342,699,060</u>	<u>1,340,751,460</u>
Diluted earnings per share		
- From continuing operations	HK\$1.45	HK\$1.98
- From discontinued operations	-	-
	<u>HK\$1.45</u>	<u>HK\$1.98</u>

8. Dividends

	2014 HK\$'M	2013 HK\$'M
Interim dividend paid on 3 October 2014 of HK4.2 cents (2013: HK4.2 cents) per ordinary share	56.2	56.1
Proposed final dividend of HK9.3 cents (2013: HK9.3 cents) per ordinary share	<u>124.5</u>	<u>124.5</u>
	<u>180.7</u>	<u>180.6</u>

The final dividends is not accounted for as a dividend payable in these financial statements until it has been approved at the forthcoming annual general meeting of the Company.

9. Properties for sale

	2014 HK\$'M	2013 HK\$'M
Properties under development held for sale	1,056.7	1,131.6
Completed properties	265.5	293.4
	<u>1,322.2</u>	<u>1,425.0</u>

10. Trade and other receivables, deposits and prepayments

	2014 HK\$'M	2013 HK\$'M
Trade receivables	99.4	793.4
Deferred rent receivables	12.5	10.3
Amounts due from and loans to joint ventures	589.9	996.3
Amounts due from and loans to associates	1.2	6.2
Other receivables, deposits and prepayments	74.0	79.7
	<u>777.0</u>	<u>1,885.9</u>

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the due dates:

	2014 HK\$'M	2013 HK\$'M
Not yet due	87.7	779.4
1 - 30 days	3.1	5.6
31 - 90 days	5.8	6.2
Over 90 days	2.8	2.2
	<u>99.4</u>	<u>793.4</u>

11. Trade and other payables and accruals

	2014 HK\$'M	2013 HK\$'M
Trade payables	5.7	35.3
Properties sale deposits received	6.2	173.0
Rental deposits received	162.2	150.5
Construction costs payable	64.6	116.8
Amounts due to joint ventures	1.2	12.1
Amounts due to associates	0.2	0.4
Provision for other costs arising from disposal of subsidiaries	6.0	10.0
Other creditors and accruals	158.3	186.8
	<u>404.4</u>	<u>684.9</u>

The ageing analysis of the Group's trade payables at 31 December is as follows:

	2014 HK\$'M	2013 HK\$'M
0 - 30 days	4.7	33.6
31 - 90 days	0.4	1.1
Over 90 days	0.6	0.6
	<u>5.7</u>	<u>35.3</u>

12. Comparative Figures

Certain comparative figures have been reclassified to conform with current year's presentation as a result of changes in presentation of the consolidated income statement.

13. Scope of work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2014 have been agreed by the Group auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2014. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the announcement.

FINAL DIVIDEND AND RECORD DATE

The Directors recommend the payment of a final dividend of HK9.3 cents (2013: HK9.3 cents) per share for the year ended 31 December 2014. Including the interim dividend of HK4.2 cents (2013: HK4.2 cents) per share distributed on 3 October 2014, the total dividend payout for the year ended 31 December 2014 shall be HK13.5 cents (2013: HK13.5 cents) per share. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be distributed on or around 11 June 2015 to shareholders whose names appear on the register of members of the Company at the close of business on 27 May 2015 (the Record Date).

In order to qualify for the entitlement of the final 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 27 May 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining shareholders' entitlement to attend and vote at the coming annual general meeting, the register of members of the Company will be closed from 20 May 2015 to 21 May 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, 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 19 May 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2014, the Group's revenue was HK\$1,784 million compared with HK\$1,736 million in 2013. Consolidated profit attributable to equity holders was HK\$1,944 million, a decrease of HK\$717 million compared with HK\$2,661 million in 2013. The decrease was mainly attributable to (a) lower fair value gain on investment properties and financial instruments of HK\$1,539 million in 2014 compared with HK\$2,121 million in 2013; (b) one-off disposal gain on investments of HK\$90 million in 2013; and (c) lower development profits offset by gain on upward rental reversion of our commercial and hospitality investment properties.

Property Development

Property development segment revenue was HK\$944 million in 2014 compared with HK\$1,010 million in 2013. Segment profit before taxation was HK\$170 million, a decrease of HK\$120 million compared with HK\$290 million in 2013, mainly attributable to fewer sales from joint venture projects in 2014 than 2013.

Wholly-owned projects

The Warren, located at 9 Warren Street, Causeway Bay, is a residential and commercial project with a saleable area of approximately 53,000 square feet for 103 residential units and 2 retail shops on the ground floor. In 2014, around 6% of the residential units were sold in 2014. Around 83% of the residential units were sold as at 31 December 2014 and nearly all of the sold units were handed over to the purchasers.

The Pierre, located at 1 Coronation Terrace, Mid-Levels West, is a residential project with a saleable area of approximately 29,000 square feet for 77 units. Over 97% of the residential units were pre-sold in September 2012. The Occupation Permit was obtained in May 2014. Around 92% of the residential units have been handed over to the purchasers.

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

In April 2014, the Group acquired a prime harbour-front residential site located at Shau Kei Wan, with a gross floor area of approximately 46,000 square feet. Design and planning work is completed and the project is scheduled for completion in 2018.

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 2014, around 4%, 1% and 35% of the residential units of Providence Bay, Providence Peak and The Graces were sold respectively. As at 31 December 2014, around 64%, 81% and 83% of the residential units of Providence Bay, Providence Peak and The Graces were sold respectively.

The Group has a 30% interest in Seymour, located at Mid-levels. Around 98% of the residential units were sold.

The Group has a 50% interest in Homantin Hillside, located at Hung Hom, which is in close proximity to the future Ho Man Tin MTR station of Kwun Tong Line Extension and Shatin to Central Link. The project has a saleable area of approximately 128,000 square feet for 173 residential units. 4% of residential units were pre-sold during an initial launch in November 2014. The Group is the lead project manager and lead sales and marketing manager for this project. Superstructure work is in progress and the project is scheduled for completion in 2016.

The Group has two low-density residential projects in Kau To, Shatin. 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. Foundation work is in progress and the projects are scheduled for completion in 2017.

Property Investment and Management

Property investment and management segment revenue was HK\$669 million in 2014, an increase of HK\$105 million or 19% compared with HK\$564 million in 2013. Segment profit before taxation (including fair value changes) was HK\$1,930 million, a decrease of HK\$401 million compared with HK\$2,331 million in 2013. Excluding fair value changes in investment properties and financial instruments and a one-off disposal gain on investment in an associated company, segment profit before taxation was HK\$393 million in 2014, an increase of HK\$78 million or 25% compared with HK\$315 million in 2013. The increase reflects continued growth in rental revenue and rate of the investment properties.

Wholly-owned properties in Hong Kong

As at 31 December 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\$17,560 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 and 454 car parking spaces. As at 31 December 2014, the property achieved an occupancy of approximately 96%. At the date of this report, the occupancy rate has further improved to 98%. In 2014, around 22% of leases expired and were renewed with an average rental upward reversion of approximately 32%. Around 24% of leases will expire in 2015 and will be subject to renewal on market terms prevailing at the relevant time.

Located at Hennessy Road in the heart of Wan Chai, W Square offers a gross floor area of approximately 129,000 square feet of office and retail spaces. As at 31 December 2014, the property achieved an occupancy of approximately 84%. At the date of this report, the occupancy rate has further improved to 92%. In 2014, around 34% of leases expired and were renewed with an average rental upward reversion of approximately 13%. Around 32% of the leases will expire in 2015 and will be subject to renewal on market terms prevailing at the relevant time.

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 31 December 2014, the two properties achieved nearly full occupancy. In 2014, around 19% of leases were renewed with an average rental upward reversion of approximately 25%. Around 42% of the leases will expire in 2015 and will be subject to renewal on market terms prevailing at the relevant time.

Wholly-owned properties in London

The newly refurbished commercial property at Savile Row/ Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade-A office and retail space. As at 31 December 2014, the property achieved full occupancy.

The high-end commercial property located at Brook Street, West End, offers easy access to the upcoming Bond Street Station of London Crossrail and has a net internal area of approximately 19,000 square feet of Grade-A office and retail space. As at 31 December 2014, the property achieved an occupancy 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 for 97 units. The Group is the lead project manager and lead sales and marketing manager. Interior fitting out works are in progress, and the project is scheduled for completion in 2015.

Hospitality Investment and Management

Hospitality investment and management segment revenue was HK\$147 million in 2014 compared with HK\$141 million in 2013. Segment profit before taxation was HK\$59 million in 2014, compared with HK\$135 million in 2013. Excluding fair value changes in investment properties and financial instruments, segment profit before taxation was HK\$35 million in 2014, compared with HK\$29 million in 2013.

Lanson Place Bukit Ceylon Serviced Residences, our 50:50 joint venture property in Kuala Lumpur, Malaysia had its full opening in December 2014. The residence 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 in 2014 after completion of refurbishment.

Lanson Place Central Park Residences in Beijing continued to achieve an occupancy of over 90% with a steady growth in average rental rate.

In November 2014, a new 10-year management contract was signed for a luxury residential property in Huangpu District, Puxi, Shanghai located near Xintiandi. This denotes the 4th property in Shanghai under Lanson Place Management. The project offers 186 units of one to two-bedroom suites and is targeted to open in early 2016.

Lanson Place properties continue to be well-recognised by travellers. The Lanson Place Hotel was awarded the "2014 Certificate of Excellence" by TripAdvisor, "Expedia Insiders' Select 2014" by

Expedia.com as well as a-5 Stars award at the 2014-2015 International Hotel Awards in the category of Hotel Renovation/Refurbishment for Hong Kong in the Asia Pacific region. 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. Lanson Place Jinlin Tiandi Serviced Residences was awarded “Best Park View” and “Best Location” by City Weekend – Best Homes of China 2014.

Others

The others segment represents investing activities and corporate expenses including central management and administrative function. Segment revenue was HK\$23 million in 2014 compared with HK\$22 million in 2013. Segment loss before taxation was HK\$126 million in 2014 compared with loss before taxation of HK\$9 million in 2013. Excluding fair value change in financial instruments and a one-off return of investment in an available-for-sale financial assets, segment loss before taxation was HK\$92 million in 2014, compared with HK\$105 million in 2013.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group’s net assets totaled HK\$22,680 million as at 31 December 2014 (31 December 2013: HK\$20,895 million). The increase by HK\$1,785 million is mainly resulted from the profit for the year of HK\$1,944 million, offset by the distribution of the 2013 final dividend and 2014 interim dividend of HK\$181 million.

As at 31 December 2014, the Group’s bank and other borrowings totaled HK\$3,879 million (31 December 2013: HK\$4,687 million). The maturity profile of the Group’s bank and other borrowings is set out below:

	31 December 2014		31 December 2013	
	HK\$ million		HK\$ million	
Repayable:				
Within one year	64	2%	1,740	37%
Between one to two years	459	12%	32	1%
Between two to five years	1,427	37%	1,236	26%
After five years	1,929	49%	1,679	36%
	<u>3,879</u>	<u>100%</u>	<u>4,687</u>	<u>100%</u>

The maturity profile was lengthened, in particular for the bank and other borrowings repayable between two to five years and repayable after five years rose to 37% from 26% and to 49% from 36% respectively. The percentage increase for the bank and other borrowings repayable between two to five years is due to refinancing of several bank loans in 2014 while the percentage increase for the bank and other borrowings repayable after five years is due to the issuance of the HK\$200 million 7-year unrated fixed rate bonds and HK\$100 million 10-year unrated fixed rate bonds in 2014.

As at 31 December 2014, the Group's net borrowings (total bank borrowings and fixed rate bonds less bank balances and cash) was HK\$2,286 million (31 December 2013: HK\$3,445 million), representing 10.1% 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:-

	31 December 2014	31 December 2013
	HK\$ million	HK\$ million
Bank balances and cash	1,593	1,242
Unutilised revolving loan facilities	2,210	1,679
	<u>3,803</u>	<u>2,921</u>

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 31 December 2014, the Group had contingent liabilities of HK\$2,858 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.

Pledge of Assets

As at 31 December 2014, the Group's advances to associates/ joint ventures of HK\$1,531 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 the financial institutions.

As at 31 December 2014, several of the Group's investment properties, other financial assets and properties for sale with carrying values of HK\$4,995 million, HK\$374 million and HK\$1,057 million respectively were pledged to secure credit facilities for the Group.

PROSPECTS

The Hong Kong residential property market is expected to remain challenging in 2015 given the government's further cooling measures which will curb the momentum in the recent recovery of the primary property market, and the expected rise in interest rate. It takes time for the market to absorb the adverse impact from these measures, but we believe the residential property market will remain resilient in view of strong pent-up domestic household demand, and low mortgage rates, supported by low unemployment rate and inflation. While we remain cautious on the local residential market, we are confident that our prime investment properties will continue to generate sustainable and growing recurring rental income.

With the government expediting and increasing the land supply in various sizes and locations, and a slowdown in the rise of construction costs, we will continue to proactively replenish our land bank through land tenders to enhance our development pipeline. We focus to consistently craft high quality products and create lifestyle living environment for our customers through efficient and effective project execution. In 2015, we will closely monitor the residential market development to capture the right window to launch/re-launch our new projects and remaining units of completed projects, including Homantin Hillside in Hong Kong and Upper Riverside in Shanghai.

We expect our diversified investment portfolio in commercial and hospitality properties to generate sustainable growing recurring income in 2015, supported by stable high occupancy and rising rental rates. In particular, we expect our flagship Grade A office towers, Landmark East, to continue to enjoy upward rental reversion for its expiring leases and to capture quality tenants including major multi-national corporations, reinforcing its leading market positioning in the growing Kowloon East district. We will continue to acquire yield-enhancing investment properties in Hong Kong and key gateway cities to grow our portfolio and recurring leasing income.

The revenue base and presence of our Lanson Place hospitality brand will be further strengthened with the full opening of Lanson Place Bukit Ceylon Serviced Residences in Kuala Lumpur last December and the opening of Aroma Garden Serviced Suites by Lanson Place, our 3rd residence in Shanghai in the second quarter of 2015. We are committed to expanding our hospitality management business in both existing and new markets in the region through long-term third party management contracts.

While we remain vigilant to any near-term market volatility and stay disciplined through prudent financial management, we are confident that we will grow our presence in the luxury residential, prime commercial and hospitality property sectors, backed by our balanced asset portfolio, a strong and healthy balance sheet, and diversified and robust capital structure.

EMPLOYEES

As at 31 December 2014, the Group had approximately 580 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 and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong.

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

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 year 31 December 2014.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2014, including the accounting principles and practices adopted by the Group.

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

During the year ended 31 December 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

ANNUAL REPORT

The 2014 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.wingtaiproperties.com and copies will be dispatched to shareholders of the Company on or about 13 April 2015.

By Order of the Board
WING TAI PROPERTIES LIMITED
Fung Ching Man, Janet
Company Secretary & Chief Financial Officer

Hong Kong, 17 March 2015

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Ng Kar Wai, Kenneth

Non-Executive Directors:

Kwok Ping Luen, Raymond (Yung Wing Chung as his alternate), Hong Pak Cheung, William, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien

Independent Non-Executive Directors:

Simon Murray, Fang Hung, Kenneth, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma and Cheng Hoi Chuen, Vincent