Wing Tai Properties' Net Profit Grew 16% year-on-year to Reach HK$2.2 billion

***

Leveraging on the Integrated Platform, Diversified Development Portfolio and Strengthened Human Capital to Boost Sustainable Business Growth

28 March 2012, Hong Kong - **Wing Tai Properties Limited** (the "Group", SEHK stock code: 369) announced the Group's audited consolidated results for the year ended 31 December 2011.

During the year, total revenue for the Group was HK$2,734.5 million, an increase of 26% compared with HK$2,176.8 million in 2010. The Group's consolidated profit attributable to equity holders reached HK$2,212.9 million, representing a 16% increase year-on-year. The satisfactory growth was mainly due to higher aggregate sales of residential properties being recognized, a higher fair value gain and growing rental income from investment properties, which was partly offset by a gain on disposals of two investment properties in 2010.

The Board of Directors proposed to declare a final dividend of HK7.7 cents per share (2010: HK6.5 cents), together with an interim dividend of HK3.8 cents per share (2010: HK3.5 cents), making a total dividend of HK11.5 cents per share, an 15% increase from 2010.

Deputy Chairman and Chief Executive of the Group, Mr. Edward Cheng, said: "Despite the tougher operating environment in the year 2011, Wing Tai Properties delivered another year of good results due to our integrated platform, balanced development portfolio and niche hospitality concept by 'Lanson Place', as well as our success in strengthening our human capital. Our ability to create synergy across our businesses also contributed to our continued growth. "

BUSINESS REVIEW

Property Development

During the year under review, revenue and operating profit generated from property development amounted to HK$1,426.8 million and HK$540.2 million, representing significant increase of 59% and 180% respectively. The Group achieved particularly impressive results in the pre-sale market, capturing the most opportune times to swiftly launch our projects.

The occupation permit for Seymour, in which the Group has a 30% interest, was obtained in the second half of 2011 and attributable revenue of HK$887.9 million for the 69 pre-sold units was recognized in 2011; while over 90% of the pre-sold units were delivered to purchasers in the first quarter of 2012.

Forfar was successfully re-launched in March 2011 with 13 units sold, generating revenue of HK$538.9 million in 2011, only two special units remain unsold.

Over 45% of the units at the Warren, the Group's wholly-owned premier development at Tai Hang, Causeway Bay, have been pre-sold to date since its pre pre-sale in November 2011. The foundation works are expected to be completed in the second quarter of 2012, to be followed by the commencement of superstructure works. The project is scheduled for completion in 2014.

For Providence Bay, the Pak Shek Kok development at Tai Po which the Group has a 15% interest in, lot No. 186 was launched for pre-sale in November 2011, and over 38% of the units have been pre-sold to date. Meanwhile, applications for presale consent have been submitted for Lot Nos. 187 and 188. The entire development is expected to be completed in phases between 2012 and 2013.

The residential development at No. 1-2 Coronation Terrace in Mid-Levels West has been officially named the Pierre. The luxury boutique tower offers approximately 70 apartment units and has a gross floor area of approximately 40,000 square feet. The foundation works are progressing according to schedule, and the project is scheduled for completion in 2014.

In April 2011, the Group formed a 50-50 joint venture with the Nan Fung Group and acquired a premier residential development site with developable area of approximately 160,000 square feet at Ko Shan Road, Hung Hom. Wing Tai Properties Development Limited, a wholly-owned subsidiary of the Group, has been appointed as the project manager of the development, which is scheduled for completion in 2015.

In Singapore, 82% of Belle Vue Residences have been sold, of which 12% were sold in 2011.

Property Investment and Management

As at 31 December 2011, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 1.3 million square feet of industrial buildings in the Kowloon urban area, had an aggregate fair market valuation of HK$12,160 million. As for the portfolio of industrial properties, it had an aggregate fair market valuation of HK$2,390 million, and recorded an average occupancy rate of over 93% during 2011.

In 2011, the Group continued to benefit from corporations looking to decentralize. Landmark East recorded near-full occupancy, with spot rent continuing to increase as a result of the good market positioning in Kowloon East and the limited supply of quality commercial properties.

In Shanghai, the property acquired by the 50-50 joint venture with Nan Fung Group in Luijiazui, Shanghai Pudong is under construction and is scheduled for completion in 2013.

Hospitality Investment and Management

The Group's hospitality business under Lanson Place management grew solidly year-on-year, in terms of both occupancy and rental rate, in 2011. As at 31 December 2011, both Lanson Place Jinlin Tiandi Residences in Shanghai and Lanson Place Central Park Residences in Beijing had over 94% occupancy.

Lanson Place entered into 10-year management contracts for luxury serviced residences in Shanghai and Beijing in October 2011 and February 2012, respectively. Both are owned and developed by leading property developers in China, and targeted for opening by 2013. Including these two contracts, Lanson Place has a total of 10 management contracts in Hong Kong, China and Southeast Asia.

PROSPECTS

Looking ahead, the Group remains optimistic about the healthy growth of the Hong Kong property market in 2012. Healthy domestic demand, low interest and mortgage rates and the expected soft landing of China's economy will continue to fuel the stable development of local property market. The residential market will also benefit from the government's pledge to increase land supply.

In property development, the Group will continue to seize the appropriate market windows to launch the few remaining special units at Forfar and Seymour, which are expected to command premium prices. The Group will also continue to offer for sale the remaining units at the Warren and Providence Bay as well as to launch the pre-sale of the Pierre in Mid-Levels West. The steady sales offers are expected to drive income growth, generate positive cashflows and further bolster Wing Tai Properties' presence in the luxury residential sector. At the same time, the Group will be on the lookout for investment opportunities to further enhance its project pipeline.

The commercial leasing market is expected to maintain its healthy momentum in 2012. The Group's investment properties will likely see positive rental reversions upon realising lease renewals. In particular, Landmark East will benefit from the government's plan to develop Kowloon East as a new central business district. With its well-planned tenant-mix strategy, the Group is confident that its investment properties will be able to sustain high occupancy rates and generate increasing recurrent revenue and cashflows.

Lanson Place will continue to pursue its expansion plan for its new properties in China and key gateway cities in Asia following its success last year. The Group expects the growing portfolio of Lanson Place to continue to deliver revenue and earnings growth in 2012. It is also set to benefit from the booming tourism and increasing inter-regional business activities in Hong Kong.

"It is our long term objective to reap the benefits of our integrated business platform to ensure a stable and sustainable growth of all our business segments. We are confident of further enhancing our market position as a premium developer in the property market in Hong Kong and beyond." Mr. Cheng concluded.

# # # # #

About Wing Tai Properties Limited

The business of Wing Tai Properties Limited (SEHK stock code: 369) (Previously known as USI Holdings Limited) spans three core areas: property development under the Wing Tai Asia brand; hospitality investment and management under its Lanson Place brand in Hong Kong, Shanghai, Beijing, Singapore and Kuala Lumpur; and the property investment arm under its listed subsidiary Winsor Properties (SEHK stock code: 1036). Wing Tai Properties was listed on the Stock Exchange of Hong Kong Limited in 1991.

For further information, please contact Hill & Knowlton Asia Ltd.

Gary Li
Tel: +852 2894 6239
E-mail: gary.li@hkstrategies.com

Linda Pui
Tel: +852 2894 6378
E-mail: linda.pui@hkstrategies.com

CONSOLIDATED INCOME STATEMENT

	Year ended 31 December	
	2011	2010
	HK$'M	HK$'M
Revenue	2,734.5	2,176.8
Cost of sales	(1,474.4)	(1,395.6)
Gross profit	1,260.1	781.2
Other gains, net	52.4	19.3
Selling and distribution costs	(193.8)	(150.4)
Administrative expenses	(328.6)	(311.8)
Change in fair value of investment properties	2,107.8	1,894.8
Gain on disposal of investment properties	-	138.3
Gain on disposal of other properties, plant and equipment	-	68.7
Gain on disposal of jointly controlled entities	-	45.8
Profit from operations	2,897.9	2,485.9
Finance costs	(92.1)	(89.0)
Finance income	7.3	2.0
Share of results of associates	57.6	85.9
Profit before taxation	2,870.7	2,484.8
Taxation	(134.8)	(48.0)
Profit for the year	2,735.9	2,436.8
Attributable to:		
Equity holders of the Company	2,212.9	1,913.1
Non-controlling interests	523.0	523.7
	2,735.9	2,436.8
Earnings per share for profit attributable to equity holders of the Company (expressed in HK dollar per share)		
– Basic	HK$1.67	HK$1.45
– Diluted	HK$1.66	HK$1.44
Dividends (expressed in HK$'M)	152.8	132.5

CONSOLIDATED BALANCE SHEET

	As at 31 December	
	2011	2010
	HK$'M	HK$'M
ASSETS AND LIABILITIES		
Non-current assets		
Land use rights	3.2	3.3
Investment properties	13,894.0	11,786.0
Other properties, plant and equipment	180.9	148.8
Interests in associates	469.5	423.7
Loans to associates	47.8	343.1
Available-for-sale financial assets	357.7	475.6
Deposits and loan receivables	306.1	246.0
Held-to-maturity investments	65.8	37.9
Deferred tax assets	9.4	16.2
Derivative financial instruments	0.2	16.0
	15,334.6	13,496.6
Current assets		
Inventories	68.8	84.8
Properties for sale	4,227.9	3,980.4
Deposits and loan receivables	175.0	-
Trade and other receivables, deposits and prepayments	871.8	205.1
Held-to-maturity investments	29.2	-
Derivative financial instruments	-	0.1
Sales proceeds held in stakeholders' accounts	146.4	199.3
Amounts due from associates	2.2	1.4
Tax recoverable	0.8	0.8
Pledged and restricted bank deposits	3.5	-
Bank balances and cash	976.6	897.6
	6,502.2	5,369.5
Current liabilities		
Trade and other payables and accruals	907.9	897.9
Derivative financial instruments	45.8	42.9
Amounts due to associates	0.3	0.4
Tax payable	90.7	55.3
Bank loans due within one year	1,704.6	1,165.5
	2,749.3	2,162.0
Net current assets	3,752.9	3,207.5
Total assets less current liabilities	19,087.5	16,704.1

CONSOLIDATED BALANCE SHEET (Continued)

	As at 31 December	
	2011	2010
	HK$'M	HK$'M
Non-current liabilities		
Bank loans due after one year	3,448.6	3,010.3
Other long-term loans	35.5	35.5
Other long-term liability	-	193.1
Derivative financial instruments	67.2	71.6
Deferred tax liabilities	153.5	122.2
	3,704.8	3,432.7
NET ASSETS	15,382.7	13,271.4
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	663.2	661.5
Reserves	12,284.5	10,266.6
	12,947.7	10,928.1
Non-controlling interests	2,435.0	2,343.3
TOTAL EQUITY	15,382.7	13,271.4