

WING TAI PROPERTIES LIMITED

永泰地產有限公司

STOCK CODE 股份代號 369

20

16

INTERIM REPORT  
中期報告

The background is an abstract, textured composition of various colors including teal, green, purple, and yellow, created with thick, expressive brushstrokes. The colors are layered and blended, giving it a sense of depth and movement. The overall effect is reminiscent of a modern, artistic wall painting or a digital art piece.

We don't just build,  
**we craft.**



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## CORPORATE INFORMATION

**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

NG Kar Wai, Kenneth

**Non-Executive Directors**

KWOK Ping Luen, Raymond *JP*  
(KWOK Ho Lai, Edward as his alternate)

HONG Pak Cheung, William

NG Tak Wai, Frederick

CHEN Chou Mei Mei, Vivien

**Independent Non-Executive Directors**

Simon MURRAY *CBE*

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 GROUP LEGAL COUNSEL**

CHUNG Siu Wah, Henry

**AUDITOR**

PricewaterhouseCoopers

**LEGAL ADVISERS TO THE COMPANY**

Slaughter and May (as to Hong Kong Laws)

Appleby (as to Bermuda Laws)

**PRINCIPAL BANKERS**

The Hongkong and Shanghai Banking Corporation Limited

Bank of China (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

**PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT**

Estera Management (Bermuda) Limited  
(formerly 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**

369



Dear Shareholders

I am pleased to report that the Group's consolidated net profit attributable to shareholders was HK\$300 million for the six months ended 30 June 2016 and earnings per share was HK\$0.22. The Board of Directors has recommended an interim dividend of HK4.2 cents per share.

We continued our focus on strengthening the three strategic pillars of our business of property development, property investment and management, and hospitality investment and management. The aim is to build and grow a balanced portfolio to maximise our total returns. In view of the inherently cyclical nature of the property development market, it is important for us to enhance our recurring income base leveraging our premier investment properties in Hong Kong and other key gateway cities in the region and beyond.

Our premier residential development of Homantin Hillside, which obtained its occupation permit in June and has been relaunched on site since then, has continued to receive good market interests and sales response from both end users and investors in the face of the challenging market environment. It reinforces further our pursuit for high quality development in design, construction and exclusive service offerings. Revenue from presale and June sales was recognised in June. We also captured several favourable windows of opportunity to sell the remaining units of The Warren, The Pierre, Providence Bay, Providence Peak and The Graces.

We have made great strides with our land bank. After securing a land plot in So Kwun Wat, Tuen Mun late last December, we acquired another premium residential site located at Castle Peak Road in the same neighbourhood just adjacent to our low-density Siu Sau site, through a public land sale tender in June. This will complement our residential development pipeline in Tuen Mun for better scalability and cost efficiency.

In the first half of 2016, our recurring rental income grew steadily with solid tenant demand and upward rental reversions amid a challenging global economy and a softening Hong Kong economy. Occupancy and tenant quality at our investment portfolio of quality Grade A offices in Hong Kong and Central London remained high. An average occupancy rate of 98% was achieved as at 30 June 2016. Landmark East, our flagship office towers in the centre of Kwun Tong, Hong Kong continued to benefit from the development of Kowloon East in terms of rental and capital value. In January, we acquired a 33% interest in a boutique Grade A office building in West End of Central London. A refurbishment programme for the expansion and upgrade of the property was commenced shortly after. This signifies our fifth commercial property in Central London, giving us the benefit of economies of scale and enabling us to carry out enhancement initiatives to unlock the value of the assets. In July, by capturing a favourable window of opportunity, we also divested our entire 50% in Upper Riverside, a luxury apartment building in Shanghai. The gain on the disposal was recognised in August upon completion of the deal.

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Our Lanson Place hospitality investment and management business remained solid, recording satisfactory occupancy levels and rental rates. In February, we signed a 10-year management contract to manage a 213-unit serviced apartment project at Two MacDonnell Road in Mid-Levels, Hong Kong. The management period commenced in March 2016. In July, we had our management contract for Lanson Place Jinlin Tiandi Serviced Residences in Shanghai extended for another seven years. This brings a total of five properties under the management of Lanson Place in Shanghai. In August, we signed another management contract to operate the new Lanson Place Tianfu Square Serviced Residences in Luomashi, the well-acclaimed financial centre at the heart of Chengdu. Parkside Serviced Suites by Lanson Place also had its official opening in May 2016. All these achievements represent significant steps forward in our strategy to expedite our expansion in Hong Kong and key cities in Asia.

Taking this opportunity, I would like to thank my fellow board members for their valuable insights, and express my gratitude to all colleagues for their hard work as well as to all business partners, customers and stakeholders as a whole for their continuous support. It is the concerted effort of all of them that has helped Wing Tai in building a successful and sustainable business for the long term.

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

Hong Kong, 30 August 2016

## BUSINESS REVIEW

In the first half of 2016, the Group's revenue was HK\$468 million compared with HK\$540 million in 2015. Consolidated profit attributable to equity holders was HK\$300 million, a decrease of HK\$169 million compared with HK\$469 million in 2015. The decrease was mainly attributable to a lower fair value gain on investment properties and financial instruments of HK\$162 million in the first half of 2016 compared with HK\$265 million in 2015 as well as lower property development profits.

### Property Development

The property development segment revenue was HK\$26 million in the first half of 2016 compared with HK\$115 million in 2015. Segment loss before taxation was HK\$32 million, a decrease of HK\$112 million compared with a segment profit of HK\$80 million in 2015, mainly attributable to lesser property sales from wholly-owned projects and joint ventures recognised to profit and loss account in the first half of 2016 than in 2015.

#### *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. Cumulatively, as at 30 June 2016, around 90% of the residential units were sold and all retail shops were leased.

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. Cumulatively, as at 30 June 2016, around 95% of the residential units were sold.

The site in Shau Kei Wan, a prime harbour-front residential site, has a gross floor area of approximately 46,000 square feet. Superstructure work has commenced and the project is scheduled for completion in 2018.

The site in Siu Sau, Castle Peak Road, Tuen Mun, a low-density residential site, has a gross floor area of approximately 159,000 square feet. Foundation work and site formation work have commenced and the project is scheduled for completion by 2019.

The site in So Kwun Wat Road, Tuen Mun, a medium-density residential site, has a gross floor area of approximately 264,000 square feet. Ground investigation work has commenced and the project is scheduled for completion in 2021.

#### *Majority-owned project*

In June 2016, the Group won a government tender for a medium-density residential site located at Castle Peak Road – Tai Lam, Tuen Mun with a gross floor area of approximately 294,000 square feet. The Group has a 70% interest and the site was in possession in July 2016.

#### *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 the first half of 2016, around 2%, 2% and 1% of the residential units of Providence Bay, Providence Peak and The Graces were sold, respectively. Cumulatively, as at 30 June 2016, around 87%, 94% and 96% of the residential units of Providence Bay, Providence Peak and The Graces were sold, respectively.

The Group has a 50% interest in Homantin Hillside, located at Hung Hom, which is in close proximity to the upcoming Ho Man Tin MTR station of the Kwun Tong Line Extension (scheduled to open in the last quarter of 2016) and the Shatin to Central Link. The project has a saleable area of approximately 128,000 square feet for 173 residential units. In the first half of 2016, around 9% of the residential units were sold. Cumulatively, as at 30 June 2016, around 54% of the residential units were sold. The occupation permit was obtained in June 2016 and the sold units are expected to be handed over to the buyers in the second half of 2016. The Group is the lead project manager and lead sales and marketing manager for this project.

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. Superstructure work has commenced and the projects are scheduled for completion in 2017.

### **Property Investment and Management**

The property investment and management segment revenue was HK\$366 million in the first half of 2016, an increase of HK\$24 million compared with HK\$342 million in 2015. Segment profit before taxation (including fair value changes) was HK\$415 million, a decrease of HK\$88 million compared with HK\$503 million in 2015. Excluding fair value changes in investment properties and financial instruments, segment profit before taxation was HK\$241 million in the first half of 2016, an increase of HK\$24 million compared with HK\$217 million in 2015 due to continued growth in rental rate.

#### *Wholly-owned properties in Hong Kong*

As at 30 June 2016, 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 around HK\$18,500 million.

Landmark East is the Group's flagship property located in Kowloon East. This property is a Grade A office complex comprising twin towers of 36 floors and 34 floors respectively with a total gross floor area of approximately 1,338,000 square feet and 454 car parking spaces. As at 30 June 2016, the property achieved an occupancy of approximately 98%. An average rental upward reversion of approximately 33% was achieved for the leases renewed during the period under review. Around 30% of leases will expire in the second half of 2016 and will be subject to renewal on prevailing market terms.

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 space. As at 30 June 2016, the property achieved an occupancy of approximately 96%.

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 2016, the two properties achieved an average occupancy of approximately 83%.

#### *Wholly-owned properties in London, the United Kingdom*

The commercial property located at Savile Row/Vigo Street, West End, has a net internal area of approximately 14,000 square feet of Grade A office and retail space. As at 30 June 2016, 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 30 June 2016, the property achieved full occupancy.

The commercial property located at Berkeley Square, West End, has a net internal area of approximately 7,900 square feet of Grade A office space. As at 30 June 2016, the property achieved an occupancy of approximately 74%.

#### *Joint venture properties in London, the United Kingdom*

The Group has a 25% interest in a commercial property located at Fleet Place, the City. The property has a net internal area of approximately 186,000 square feet of Grade A office and retail space. As at 30 June 2016, the property achieved full occupancy.

In January 2016, the Group acquired a 33% interest in a 6-storey commercial property located at Cavendish Square, London. The property has a net internal area of approximately 11,000 square feet of Grade A office space. The property is currently vacant under refurbishment and expansion works which are scheduled for completion in early 2018.

# MANAGEMENT DISCUSSION AND ANALYSIS

## *Joint venture property in China*

In July 2016, the Group disposed of its entire 50% interest in Upper Riverside, a luxury apartment building located at Lujiazui of Pudong, Shanghai. The disposal was completed in August 2016 with an estimated gain on disposal of approximately HK\$35 million.

## **Hospitality Investment and Management**

The hospitality investment and management segment revenue was HK\$65 million in the first half of 2016 compared with HK\$71 million in 2015. Segment profit before taxation (including fair value changes) was HK\$8 million in 2016, compared with a loss of HK\$21 million in 2015. Excluding fair value changes in investment properties and financial instruments, segment profit before taxation was HK\$2 million compared with HK\$10 million in 2015, a decrease of HK\$8 million mainly due to lesser profit from hotel operation in Hong Kong.

Lanson Place Hotel in Hong Kong recorded a stable occupancy but average rental rates were under pressure in line with the continued softening hotel market.

The Group has a 50% interest in Lanson Place Bukit Ceylon Serviced Residences in Kuala Lumpur, which recorded stable occupancy but average rental rates, however, were under pressure due to a softening hotel market.

Lanson Place Central Park Serviced Residences in Beijing ceased serviced apartment operation after the 8-year management contract expired in June 2016.

In February 2016, a 10-year management contract was signed to manage a serviced apartment project of 213 units at Two MacDonnell Road, Mid-Levels, Hong Kong. The management period commenced from 24 March 2016.

In July 2016, the contract for managing Lanson Place Jinlin Tiandi Serviced Residences in Puxi, Shanghai was renewed for another 7 years. This brings a total of 5 properties under Lanson Place management in Shanghai.

In August 2016, an 8-year management contract was signed to manage serviced residences of 162 units situated in the main financial district of Luomashi, Chengdu. The project is targeted to open in the first half of 2017.

Lanson Place Hospitality Management and the properties under the brand continue to be well recognised by travelers. Lanson Place Hotel in Hong Kong was awarded “2016 Certificate of Excellence” by TripAdvisor. Lanson Place Bukit Ceylon Serviced Residences in Kuala Lumpur won the “Gold Award” in Hotels.com Loved by Guest Awards 2016.

## **Others**

This segment represents investing activities and unallocated corporate expenses including central management and administrative function. Segment revenue was HK\$11 million in the first half of 2016, same as 2015. Segment loss before taxation (including fair value changes) was HK\$33 million in the first half of 2016, a decrease of HK\$9 million compared with HK\$42 million in 2015. Excluding fair value changes in financial instruments, segment loss before taxation was HK\$24 million in the first half of 2016, a decrease of HK\$28 million compared with HK\$52 million in 2015 due to an absorption of more corporate expenses by various business segments.

## FINANCIAL REVIEW

### Liquidity and Financial Resources

The Group's net assets was HK\$23,578 million as at 30 June 2016 (31 December 2015: HK\$23,347 million). The increase of HK\$231 million is mainly resulted from the profit for the period of HK\$300 million and a net fair value gain arising from the revaluation of available-for-sale financial assets of

HK\$72 million, offset by the distribution of the 2015 final dividend of HK\$145 million.

As at 30 June 2016, the Group's bank and other borrowings totaled HK\$3,925 million (31 December 2015: HK\$3,766 million). The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2016		31 December 2015	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	492	13%	440	12%
Between one to two years	315	8%	490	13%
Between two to five years	1,220	31%	983	26%
After five years	1,898	48%	1,853	49%
	<b>3,925</b>	<b>100%</b>	<b>3,766</b>	<b>100%</b>

As at 30 June 2016, the Group's net borrowings (total bank borrowings and fixed rate bonds less bank balances and cash) were HK\$3,253 million (31 December 2015: HK\$1,692 million), representing 13.8% of the Group's net assets (31 December 2015: 7.2%). Interest for the Group's bank borrowings is mainly on a floating rate basis while interest for the Group's bonds is on a fixed rate basis. The Group will closely monitor the exposure of interest rate fluctuation, and if appropriate, hedge by interest rate swap contracts to the extent desirable.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	30 June 2016 HK\$ million	31 December 2015 HK\$ million
Bank balances and cash	672	2,074
Unutilised revolving loan facilities	2,204	2,194
	<b>2,876</b>	<b>4,268</b>

## MANAGEMENT DISCUSSION AND ANALYSIS & INTERIM DIVIDEND

### Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has immaterial exposure to exchange rate fluctuation. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent Renminbi, UK pounds, Singapore dollars and Malaysia Ringgits. For transactions in foreign currencies, the Group will closely monitor the exposure, and if appropriate, hedge by local currency financing and other financial instruments to the extent desirable. In particular, exposure to investments in foreign operations in the United Kingdom is substantially covered by local currency financing and forward exchange contracts.

### Contingent Liabilities

As at 30 June 2016, the Group had contingent liabilities of HK\$2,539 million (31 December 2015: HK\$3,135 million) in respect of guarantees given by the Company for banking facilities granted to certain joint ventures. The guarantees were given severally and in proportion to the Group's equity interests in the joint ventures.

### Pledge of Assets

As at 30 June 2016, the Group's advances to joint ventures was HK\$1,129 million (31 December 2015: HK\$1,693 million) were subordinated to the loan facilities of joint ventures and assigned. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

As at 30 June 2016, several of the Group's investment properties, properties for sale and other financial assets with carrying values of HK\$5,070 million, HK\$1,198 million and HK\$296 million respectively were pledged to secure credit facilities for the Group.

### PROSPECTS

The Hong Kong economy remains challenging in view of the slowing China economy, and the drop in the inbound tourism as well as the weakening of the retail sales in Hong Kong. For the global economy, the Brexit further heightened the uncertainty for both United States and Europe. The interest rates in the United States might not be lifted as much or as quickly in 2016 as they were originally expected. This should lead the property market in Hong Kong to stabilise to a certain degree in the second half of the year.

Given the above, we will be vigilant in capturing the market opportunities in selling our developed products and acquiring strategic sites and properties for long term growth prospect. Amidst a very uncertain outlook in world economy and softening economy in Hong Kong, we are encouraged by the solid performance of our investment portfolio in Hong Kong and London which forms the foundation of our balance sheet.

### EMPLOYEES

As at 30 June 2016, the Group had approximately 520 employees. The Group offers comprehensive remuneration and benefit packages to its employees, which are structured according to prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme and an occupational retirement scheme to provide retirement benefits to all employees in Hong Kong.

Employees, including directors, are eligible for the Company's share incentive scheme and share option plan where the incentive shares or share options are generally exercisable by phases 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 2016 (2015: HK4.2 cents). The interim dividend will be distributed on or around 5 October 2016 to the shareholders whose names appear on the register of members of the Company at the close of business on 15 September 2016 (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 15 September 2016.

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF WING TAI PROPERTIES LIMITED***(incorporated in Bermuda with limited liability)***INTRODUCTION**

We have reviewed the interim financial information set out on pages 12 to 31, which comprises the condensed consolidated balance sheet of Wing Tai Properties Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2016 and the related interim 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 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 fair 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, 30 August 2016

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong*  
*T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2016

**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 2016.

	NOTE	Unaudited	
		Six months ended 30 June 2016 HK\$'M	2015 HK\$'M
<b>Revenue</b>	6	468.0	539.8
Cost of sales		(92.0)	(157.4)
<b>Gross profit</b>		376.0	382.4
Other gains, net	7	10.2	2.1
Selling and distribution costs		(7.5)	(24.7)
Administrative expenses		(142.6)	(134.2)
Change in fair value of investment properties and financial instruments	8	162.1	264.5
<b>Profit from operations</b>	9	398.2	490.1
Finance costs		(44.0)	(53.9)
Finance income		10.4	8.0
Share of results of joint ventures	22	(6.9)	75.2
Share of results of associates		0.4	1.0
<b>Profit before taxation</b>		358.1	520.4
Taxation	10	(57.9)	(51.7)
<b>Profit for the period</b>		300.2	468.7
<b>Attributable to:</b>			
Equity holders of the Company		300.2	468.8
Non-controlling interests		–	(0.1)
		300.2	468.7
<b>Earnings per share attributable to equity holders of the Company</b>	11		
– Basic		HK\$0.22	HK\$0.35
– Diluted		HK\$0.22	HK\$0.35

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2016

	<b>Unaudited</b>	
	<b>Six months ended 30 June 2016 HK\$'M</b>	<b>2015 HK\$'M</b>
<b>Profit for the period</b>	300.2	468.7
<b>Other comprehensive income</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations	(36.3)	(2.9)
Net fair value gain/(loss) arising from revaluation of available-for-sale financial assets	71.8	(66.7)
Net gain on net investment hedge	1.0	3.2
Net gain/(loss) on cash flow hedge		
– Fair value gains/(losses)	32.9	(29.3)
– Release to profit or loss	–	(0.4)
<b>Other comprehensive income for the period, net of tax</b>	69.4	(96.1)
<b>Total comprehensive income for the period</b>	369.6	372.6
<b>Attributable to:</b>		
Equity holders of the Company	369.6	372.7
Non-controlling interests	–	(0.1)
<b>Total comprehensive income for the period</b>	369.6	372.6

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2016

	NOTE	Unaudited 30 June 2016 HK\$'M	Audited 31 December 2015 HK\$'M
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Investment properties	13	21,552.9	21,448.8
Other properties, plant and equipment	13	54.5	55.9
Investments in joint ventures	22	468.2	490.0
Loans to joint ventures	22	1,533.1	1,649.7
Investments in associates		5.8	5.1
Loans to associates		14.8	14.8
Deposits and loan receivables		13.8	15.1
Other financial assets		430.1	358.3
Deferred tax assets		12.5	6.5
Derivative financial instruments		9.7	3.4
		24,095.4	24,047.6
<b>Current assets</b>			
Properties for sale	14	2,435.4	1,295.6
Trade and other receivables, deposits and prepayments	15	979.0	776.3
Derivative financial instruments		52.4	11.2
Tax recoverable		0.8	1.4
Restricted bank deposits		–	14.6
Bank balances and cash		672.0	2,074.2
		4,139.6	4,173.3
Non-current assets classified as assets held for sale	25	439.2	–
		4,578.8	4,173.3
<b>Current liabilities</b>			
Trade and other payables and accruals	16	507.4	435.7
Derivative financial instruments		16.9	19.0
Tax payable		63.2	48.6
Bank and other borrowings	17	492.4	439.6
		1,079.9	942.9
<b>Non-current liabilities</b>			
Bank and other borrowings	17	3,433.0	3,326.7
Other long-term liability	4(d)	82.9	73.7
Derivative financial instruments		180.4	239.5
Deferred tax liabilities		320.4	290.8
		4,016.7	3,930.7
<b>NET ASSETS</b>		23,577.6	23,347.3
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	18	671.7	670.6
Reserves		22,904.9	22,675.7
		23,576.6	23,346.3
<b>Non-controlling interests</b>		1.0	1.0
<b>TOTAL EQUITY</b>		23,577.6	23,347.3

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	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 2016	670.6	3,293.3	(103.4)	138.6	14.6	64.1	(61.3)	751.0	18,578.8	23,346.3	1.0	23,347.3
<b>Comprehensive income</b>												
Profit for the period	-	-	-	-	-	-	-	-	300.2	300.2	-	300.2
<b>Other comprehensive income</b>												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(36.3)	-	-	(36.3)	-	(36.3)
Net fair value gain arising from revaluation of available-for-sale financial assets	-	-	-	71.8	-	-	-	-	-	71.8	-	71.8
Net gain on cash flow hedge	-	-	32.9	-	-	-	-	-	-	32.9	-	32.9
Net gain on net investment hedge	-	-	1.0	-	-	-	-	-	-	1.0	-	1.0
Total comprehensive income	-	-	33.9	71.8	-	-	(36.3)	-	300.2	369.6	-	369.6
<b>Transactions with owners</b>												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	4.7	-	-	-	-	4.7	-	4.7
Incentive shares exercised	1.1	9.2	-	-	(9.2)	-	-	-	-	1.1	-	1.1
2015 final dividend paid	-	-	-	-	-	-	-	-	(145.1)	(145.1)	-	(145.1)
Total transactions with owners	1.1	9.2	-	-	(4.5)	-	-	-	(145.1)	(139.3)	-	(139.3)
At 30 June 2016	671.7	3,302.5	(69.5)	210.4	10.1	64.1	(97.6)	751.0	18,733.9	23,576.6	1.0	23,577.6

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2016

	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 2015	669.3	3,283.8	(61.3)	265.9	13.7	64.1	31.7	751.0	17,660.8	22,679.0	1.2	22,680.2
<b>Comprehensive income</b>												
Profit for the period	-	-	-	-	-	-	-	-	468.8	468.8	(0.1)	468.7
<b>Other comprehensive income</b>												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(2.9)	-	-	(2.9)	-	(2.9)
Net fair value loss arising from revaluation of available-for-sale financial assets	-	-	-	(66.7)	-	-	-	-	-	(66.7)	-	(66.7)
Net loss on cash flow hedge	-	-	(29.7)	-	-	-	-	-	-	(29.7)	-	(29.7)
Net gain on net investment hedge	-	-	3.2	-	-	-	-	-	-	3.2	-	3.2
Total comprehensive income	-	-	(26.5)	(66.7)	-	-	(2.9)	-	468.8	372.7	(0.1)	372.6
<b>Transactions with owners</b>												
Value of employee services relating to grants of incentive shares	-	-	-	-	3.9	-	-	-	-	3.9	-	3.9
Incentive shares exercised	1.3	9.5	-	-	(9.5)	-	-	-	-	1.3	-	1.3
2014 final dividend paid	-	-	-	-	-	-	-	-	(124.7)	(124.7)	-	(124.7)
Total transactions with owners	1.3	9.5	-	-	(5.6)	-	-	-	(124.7)	(119.5)	-	(119.5)
At 30 June 2015	670.6	3,293.3	(87.8)	199.2	8.1	64.1	28.8	751.0	18,004.9	22,932.2	1.1	22,933.3

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2016

	Unaudited	
	Six months ended 30 June 2016 HK\$'M	2015 HK\$'M
Net cash (used in)/generated from operating activities	(901.2)	743.6
<b>Cash flows from investing activities</b>		
Additions of investment properties	(1.5)	(3.7)
Advance of loans to joint ventures	(270.8)	(64.2)
Advance to a joint venture for repayment of bank borrowing	(222.0)	–
Other investing cash net inflow	42.3	43.5
<b>Net cash used in investing activities</b>	(452.0)	(24.4)
<b>Cash flows from financing activities</b>		
Bank and other borrowings raised	555.9	14.5
Repayment of bank and other borrowings	(407.8)	(31.9)
Dividends paid by the Company	(145.1)	(124.7)
Other financing cash net outflow	(8.9)	(7.7)
<b>Net cash used in financing activities</b>	(5.9)	(149.8)
<b>(Decrease)/increase in cash and cash equivalents</b>	(1,359.1)	569.4
Cash and cash equivalents at the beginning of the period	2,023.0	1,538.1
<b>Cash and cash equivalents at the end of the period</b>	663.9	2,107.5
<b>Cash and cash equivalents comprise:</b>		
Bank balances and cash	672.0	2,158.5
Less: Deposits with maturity of more than three months	(8.1)	(51.0)
	663.9	2,107.5

The notes on pages 18 to 31 form an integral part of this Interim Financial Information.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

## 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.

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 30 August 2016.

## 2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2016 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 2015.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The Group has applied the following accounting policy to account for non-current assets classified as assets held for sale occurred during the period:

### Non-current assets (or disposal groups) classified as assets held for sale

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Other than the above, 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 2015, 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 2016, noted below.

### (a) New standards, revised standards, amendments and improvements to standards effective for the current accounting period beginning on 1 January 2016 and relevant to the Group

Annual improvements 2014

The adoption of the new or revised standards, amendments and improvements to standards 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 that are not yet effective in 2016 and have not been early adopted by the Group

The Group has not early adopted the following new standards, revised standards, amendments and improvements to standards that have been issued but are not yet effective for the period.

		<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 7	Statement of cash flows	1 January 2017
Amendments to HKAS 12	Income taxes	1 January 2017
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019

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

### 4. 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 statement as at 31 December 2015.

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 2016

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

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

The following tables present the Group's assets and liabilities that are measured at fair value at 30 June 2016 and 31 December 2015.

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
<b>At 30 June 2016</b>				
<b>Assets</b>				
Other financial assets				
Available-for-sale financial assets				
– listed securities	430.1	–	–	430.1
Derivative financial instruments				
– cross currency swap contracts	–	10.2	–	10.2
– forward exchange contracts	–	51.9	–	51.9
	430.1	62.1	–	492.2
<b>Liabilities</b>				
Derivative financial instruments				
– interest rate swap contracts	–	36.9	–	36.9
– cross currency swap contracts	–	160.4	–	160.4
Other long-term liability	–	–	82.9	82.9
	–	197.3	82.9	280.2
<b>At 31 December 2015</b>				
<b>Assets</b>				
Other financial assets				
Available-for-sale financial assets				
– listed securities	358.3	–	–	358.3
Derivative financial instruments				
– cross currency swap contracts	–	3.6	–	3.6
– forward exchange contracts	–	11.0	–	11.0
	358.3	14.6	–	372.9
<b>Liabilities</b>				
Derivative financial instruments				
– interest rate swap contracts	–	9.0	–	9.0
– cross currency swap contracts	–	249.5	–	249.5
Other long-term liability	–	–	73.7	73.7
	–	258.5	73.7	332.2

During the six-month period ended 30 June 2016, there were no transfer 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 cross currency swap contracts, forward foreign exchange contracts and interest rate swap contracts. The fair values are calculated as the present values of the estimated future cash flows based on forward exchanges rates that are quoted in an active market and/or forward interest rates extracted from observable yield curves.

##### (d) Fair value measurements using significant unobservable inputs (Level 3)

The following table presents the changes in Level 3 instruments for the six months ended 30 June 2016 and 2015.

	Other long-term liability	
	2016	2015
	HK\$'M	HK\$'M
At 1 January	73.7	91.5
Fair value loss/(gain) recognised in profit or loss (Note 8)	9.2	(10.1)
At 30 June	82.9	81.4
Total unrealised loss/(gain) for the period included in profit or loss for liabilities held at the end of the reporting period	9.2	(10.1)

Other long-term liability represents provisions of liabilities in relation to indemnifying a third party against the cost of winding up the pension scheme of a disposed business in 2012. Assumptions like investment rate of return, forecast price inflation rate, pension increase rate and numerous demographic assumptions have been used in the fair value estimates.

#### 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 2015.

#### 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	
	2016	2015
	HK\$'M	HK\$'M
Sale of properties and project management income	26.4	115.3
Rental income and property management income	430.5	413.3
Dividend income from available-for-sale financial assets	11.1	11.2
	468.0	539.8

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

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

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
<b>For the six months ended 30 June 2016</b>						
<b>REVENUE</b>						
External sales	26.4	365.7	64.8	11.1	–	468.0
Inter-segment sales	–	4.3	0.1	–	(4.4)	–
Total	26.4	370.0	64.9	11.1	(4.4)	468.0
<b>RESULTS</b>						
Profit/(loss) before change in fair value of investment properties and financial instruments	(25.6)	271.3	10.9	(20.5)	–	236.1
Change in fair value of investment properties and financial instruments	(9.5)	183.8	(3.0)	(9.2)	–	162.1
Profit/(loss) from operations	(35.1)	455.1	7.9	(29.7)	–	398.2
Finance costs	–	(26.8)	(8.5)	(26.7)	18.0	(44.0)
Finance income	–	1.9	3.0	23.5	(18.0)	10.4
Share of results of joint ventures	3.1	(15.5)	5.5	–	–	(6.9)
Share of results of associates	0.4	–	–	–	–	0.4
Profit/(loss) before taxation	(31.6)	414.7	7.9	(32.9)	–	358.1
Taxation						(57.9)
Profit for the period						300.2
<b>OTHER ITEMS</b>						
Depreciation and amortisation	–	0.9	–	1.2	–	2.1

## 6. REVENUE AND SEGMENT INFORMATION (Continued)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Others HK\$'M	Elimination HK\$'M	Total HK\$'M
<b>For the six months ended 30 June 2015</b>						
<b>REVENUE</b>						
External sales	115.3	342.1	71.2	11.2	–	539.8
Inter-segment sales	–	3.9	0.4	–	(4.3)	–
<b>Total</b>	<b>115.3</b>	<b>346.0</b>	<b>71.6</b>	<b>11.2</b>	<b>(4.3)</b>	<b>539.8</b>
<b>RESULTS</b>						
Profit/(loss) before change in fair value of investment properties and financial instruments	(1.8)	245.6	20.0	(38.2)	–	225.6
Change in fair value of investment properties and financial instruments	–	285.6	(30.8)	9.7	–	264.5
Profit/(loss) from operations	(1.8)	531.2	(10.8)	(28.5)	–	490.1
Finance costs	–	(28.5)	(9.5)	(33.9)	18.0	(53.9)
Finance income	–	2.8	3.1	20.1	(18.0)	8.0
Share of results of joint ventures	82.2	(2.7)	(4.3)	–	–	75.2
Share of results of associates	–	–	1.0	–	–	1.0
Profit/(loss) before taxation	80.4	502.8	(20.5)	(42.3)	–	520.4
Taxation						(51.7)
Profit for the period						468.7
<b>OTHER ITEMS</b>						
Depreciation and amortisation	–	1.0	–	1.5	–	2.5
Gain on disposal of other properties, plant and equipment, net	–	(0.1)	–	–	–	(0.1)

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:

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Hong Kong	425.6	497.7
United Kingdom	15.5	10.9
The PRC	13.4	17.6
Singapore	12.1	12.2
Others	1.4	1.4
	468.0	539.8

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

## 7. OTHER GAINS, NET

	Six months ended 30 June	
	2016	2015
	HK\$'M	HK\$'M
Amortisation of interest income on held-to-maturity investments	–	0.4
Exchange losses, net	(1.4)	(0.4)
Right of light compensation income	8.9	–
Others	2.7	2.1
	10.2	2.1

## 8. CHANGE IN FAIR VALUE OF INVESTMENT PROPERTIES AND FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2016	2015
	HK\$'M	HK\$'M
Change in fair value of investment properties (Note 13)	201.4	245.2
Net change in fair value of financial instruments		
– Net fair value (loss)/gain on derivative financial instruments	(30.1)	9.2
– (Loss)/gain on financial liabilities at fair value through profit or loss classified under other long-term liability	(9.2)	10.1
	(39.3)	19.3
	162.1	264.5

## 9. PROFIT FROM OPERATIONS

	Six months ended 30 June	
	2016	2015
	HK\$'M	HK\$'M
Profit from operations has been arrived at after charging/(crediting) the following:		
Share-based compensation expenses	5.8	5.2
Staff costs including directors' remuneration	125.8	114.2
Amortisation of interest income on held-to-maturity investments	–	(0.4)
Depreciation of other properties, plant and equipment	2.1	2.5
Direct operating expenses arising from investment properties generating rental income	78.6	76.3
Gain on disposal of other properties, plant and equipment	–	(0.1)
Operating lease rental expenses in respect of land and buildings	0.3	0.5

## 10. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2015: 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 represents:

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Current taxation		
– Current tax on profits for the period	33.5	23.3
– Over-provision in prior years	(0.3)	(1.2)
	33.2	22.1
Deferred taxation		
– Change in fair value of investment properties	23.4	9.2
– Temporary differences on tax depreciation	8.3	8.7
– (Recognition)/utilisation of tax losses	(7.0)	11.6
– Withholding tax	–	0.1
	24.7	29.6
Income tax expenses	57.9	51.7

## 11. 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</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Profit attributable to equity holders of the Company	300.2	468.8

  

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
Weighted average number of ordinary shares in issue	1,342,198,731	1,340,077,043
Effect of dilutive potential shares issuable under the Company's share option plan and share incentive scheme	6,507,910	4,114,755
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,348,706,641	1,344,191,798

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

## 12. INTERIM DIVIDEND

	<b>Six months ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
	<b>HK\$'M</b>	<b>HK\$'M</b>
Interim dividend of HK4.2 cents (2015: HK4.2 cents) per ordinary share	56.4	56.3

On 30 August 2016, the board of directors has resolved to declare an interim dividend of HK4.2 cents (2015: HK4.2 cents) per ordinary share. This interim dividend, amounting to HK\$56.4M (2015: HK\$56.3M), has not been recognised as a liability in this Interim Financial Information. It will be recognised in shareholders' equity in the year ending 31 December 2016.

## 13. CAPITAL EXPENDITURE

	<b>Investment properties HK\$'M</b>	<b>Other properties, plant and equipment HK\$'M</b>
Opening net book value at 1 January 2016	21,448.8	55.9
Exchange differences	(98.8)	–
Net gain arising from change in fair value	201.4	–
Additions	1.5	0.7
Depreciation and amortisation	–	(2.1)
Closing net book value at 30 June 2016	21,552.9	54.5
Opening net book value at 1 January 2015	20,586.1	58.4
Exchange differences	8.6	–
Net gain arising from change in fair value	245.2	–
Additions	3.7	1.8
Depreciation and amortisation	–	(2.5)
Closing net book value at 30 June 2015	20,843.6	57.7

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2016 on an open market value basis. The Group engaged Savills Valuation and Professional Services Limited, Jones Lang LaSalle Limited and Cushman & Wakefield to value its investment properties. The values have been made with reference to comparable current prices in an active market and/or income capitalisation approach from current leases and assumptions about lease from future leases in light of current market conditions and reversionary income potential.

## 14. PROPERTIES FOR SALE

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
Properties under development held for sale	2,274.9	1,134.0
Completed properties	160.5	161.6
	2,435.4	1,295.6

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

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
Trade receivables	15.0	14.1
Deferred rent receivables	7.9	12.2
Amounts due from and loans to joint ventures	850.7	637.2
Other receivables, deposits and prepayments	80.4	87.8
Deposit paid for acquisition of land	25.0	25.0
	<b>979.0</b>	<b>776.3</b>

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

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
0 – 30 days	10.8	8.3
31 – 90 days	1.4	5.1
Over 90 days	2.8	0.7
	<b>15.0</b>	<b>14.1</b>

**16. TRADE AND OTHER PAYABLES AND ACCRUALS**

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
Trade payables	14.7	8.2
Properties sale deposits received	4.4	3.5
Rental deposits received	184.9	175.4
Construction costs payables	67.0	64.1
Amounts due to joint ventures	92.5	40.0
Other creditors and accruals	143.9	144.5
	<b>507.4</b>	<b>435.7</b>

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

## 16. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

The ageing analysis of the Group's trade payables based on invoice date at the balance sheet date is as follows:

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
0 – 30 days	14.0	7.0
31 – 90 days	0.2	1.1
Over 90 days	0.5	0.1
	14.7	8.2

## 17. BANK AND OTHER BORROWINGS

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
Bank borrowings	2,077.8	1,967.9
Fixed rate bonds	1,847.6	1,798.4
	3,925.4	3,766.3

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

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
Within one year	492.4	439.6
Between one and two years	314.9	490.5
Between two and five years	1,220.5	983.5
After five years	1,897.6	1,852.7
	3,925.4	3,766.3
Less: Amounts due within one year shown under current liabilities	(492.4)	(439.6)
Amounts due after one year	3,433.0	3,326.7
Analysed as		
secured	2,077.8	1,967.9
unsecured	1,847.6	1,798.4
	3,925.4	3,766.3

## 18. SHARE CAPITAL

	Number of ordinary shares of HK\$0.50 each	Amount HK\$'M
Authorised:		
At 1 January 2015, 31 December 2015 and 30 June 2016	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2015	1,338,605,529	669.3
Issue of shares on exercise of incentive shares	2,699,500	1.3
At 31 December 2015	1,341,305,029	670.6
At 1 January 2016	1,341,305,029	670.6
Issue of shares on exercise of incentive shares	2,171,250	1.1
At 30 June 2016	1,343,476,279	671.7

## 19. COMMITMENTS

	30 June 2016 HK\$'M	31 December 2015 HK\$'M
Expenditure in respect of investment properties		
– contracted but not provided for	10.3	3.9
Capital injection to joint ventures		
– contracted but not provided for	714.9	777.1
	725.2	781.0

## 20. CONTINGENT LIABILITIES

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

	30 June 2016 HK\$'M	31 December 2015 HK\$'M
Guarantees given to banks in respect of banking facilities extend to joint ventures	2,538.7	3,135.1

At 30 June 2016, bank loans of HK\$1,505.9M (31 December 2015: HK\$1,898.6M) being guaranteed by the Group to joint ventures have been drawn down.

# NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2016

## 21. 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 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
Investment properties	5,070.0	5,151.2
Properties for sale	1,198.2	1,134.0
Other financial assets	296.4	246.9
	<b>6,564.6</b>	<b>6,532.1</b>

The facilities were utilised to the extent of HK\$2,077.8M (31 December 2015: HK\$1,967.9M).

## 22. INVESTMENTS IN JOINT VENTURES

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

	<b>30 June 2016 HK\$'M</b>	<b>31 December 2015 HK\$'M</b>
<b>Assets</b>		
– Investment properties	833.6	1,602.8
– Properties for sale	2,932.1	3,345.4
– Bank balances and cash	193.4	169.0
– Other assets	738.1	516.5
<b>Liabilities</b>		
– Bank and other borrowings	(1,505.9)	(2,176.3)
– Loans from shareholders	(1,533.1)	(1,649.7)
– Amounts due to shareholders	(850.7)	(637.2)
– Other liabilities	(339.3)	(680.5)
<b>Net assets</b>	<b>468.2</b>	<b>490.0</b>
	<b>Six months ended 30 June 2016 HK\$'M</b>	<b>2015 HK\$'M</b>
<b>Revenue</b>	<b>788.4</b>	<b>455.5</b>
<b>Profit from operations</b>	<b>10.4</b>	<b>95.0</b>
Finance costs	(22.0)	(5.7)
Finance income	0.3	2.1
<b>Profit before taxation</b>	<b>(11.3)</b>	<b>91.4</b>
Taxation	4.4	(16.2)
<b>(Loss)/profit for the period</b>	<b>(6.9)</b>	<b>75.2</b>

## 23. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2016	2015
	HK\$'M	HK\$'M
Key management compensation (Note)		
Salaries and other benefits	(14.8)	(13.6)
Retirement benefits costs	(0.6)	(0.5)
Value of share options and incentive shares	(3.5)	(2.9)
	(18.9)	(17.0)
Interest income from loans to joint ventures	8.5	2.9
Sales and marketing service fee income from a joint venture	18.3	–
Serviced apartment management and license fee income from a joint venture	0.8	0.7
Serviced apartment management fee income from an associate	–	1.1
Serviced apartment management and license fee income from a substantial shareholder of the Company	1.5	1.8
Project management fee income from joint ventures	3.0	2.7
Property rental income from a joint venture	4.0	4.7
Property rental income from a substantial shareholder of the Company	2.5	3.0

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 2016	31 December 2015
	HK\$'M	HK\$'M
Non-current loans to joint ventures	1,533.1	1,649.7
Amounts due from and current loans to joint ventures	850.7	637.2
Amounts due to joint ventures	92.5	40.0
Non-current loans to associates	14.8	14.8

## 24. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

- (a) In July 2016, the Group entered into a sale and purchase agreement with a third party to dispose of its entire 50% interests in a joint venture of Upper Riverside in Shanghai. The total consideration receivable by the Group under the sale and purchase agreement is approximately HK\$458M and the estimated gain on disposal is approximately HK\$35M.
- (b) Subsequent to the balance sheet date, the Group acquired a site at Tuen Mun Town Lot No. 523 at Castle Peak Road – Tai Lam, Tuen Mun from the Government of the Hong Kong Special Administrative Region with a maximum floor area of approximately 294,000 square feet for residential development. Land premium is approximately HK\$982M. The Group owns 70% equity interest in the project.

## 25. NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE

As stated in Note 24(a) to the Interim Financial Information, the Group entered into a sale and purchase agreement, subsequent to the balance sheet date, to sell its entire interest in a joint venture.

Non-current assets classified as assets held for sale at 30 June 2016 include investment in a joint venture, loan to a joint venture and amount due from a joint venture amounting to HK\$439.2M.

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

As at 30 June 2016, 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 f)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests				
Cheng Wai Chee, Christopher	10,889,816	-	-	462,488,185 (Note b)		1,958,750	475,336,751	35.38%
Cheng Wai Sun, Edward	8,822,481	-	-	462,488,185 (Note b)		1,958,750	473,269,416	35.23%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)		-	462,488,185	34.42%
Chow Wai Wai, John	448,252	-	-	-		384,750	833,002	0.06%
Ng Kar Wai, Kenneth	-	-	-	-		1,328,000	1,328,000	0.10%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note d)		-	9,224,566	0.69%
Kwok Ho Lai, Edward (Alternate Director to Kwok Ping Luen, Raymond)	-	-	-	9,736,566 (Note c)		-	9,736,566	0.72%
Ng Tak Wai, Frederick	278,391	1,016,000	-	313,666 (Note e)		-	1,608,057	0.12%

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*Notes:*

- (a) The total number of issued shares in the capital of the Company (the “Shares”) as at 30 June 2016 was 1,343,476,279.
- (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 Ho Lai, Edward was deemed to be interested in 9,736,566 Shares by virtue of being a beneficiary of certain discretionary trusts for the purpose of Part XV of the SFO.
- (d) Kwok Ping Luen, Raymond was deemed to be interested in 9,224,566 Shares by virtue of being a beneficiary of a trust for the purpose of Part XV of the SFO. As this trust is one of the discretionary trusts, referred to in Note (c) above, these 9,224,566 Shares represented the same interests and were therefore duplicated between Kwok Ping Luen, Raymond and Kwok Ho Lai, Edward.
- (e) 313,666 Shares were held by Ng Tak Wai, Frederick jointly with his spouse.
- (f) These interests represented the interests in underlying shares in respect of the share options and incentive shares granted by the Company to these director. Details of which are set out in the sections below headed Share Option Plan and Share Incentive Scheme.

# GENERAL INFORMATION

## SHARE OPTION PLAN

Under the Share Option Plan of the Company adopted by the shareholders of the Company on 27 October 2015 (“Share Option Plan”), the Board of Directors of the Company or a duly authorised committee thereof may, in its absolute discretion, grant options to directors, employees, officers, consultants, former directors, former employees, former officers or former consultants of any members of the Group (the “Eligible Persons”) to subscribe for shares of the Company (the “Shares”). The purpose of the Share Option Plan is to enable the Company to grant share options to incentivise and retain such Eligible Persons.

### (i) Outstanding Share Options

Details of the share options granted and summary of movements of the outstanding share options for the period ended 30 June 2016 under the Share Option Plan are as follows:

	Date of grant	Exercise price per share option (HK\$)	Closing price of Shares immediately before the date of grant (HK\$)	Exercise period	Number of share options				As at 30.6.2016	Weighted average closing price of the Shares immediately before the dates on which the options were exercised (HK\$)
					As at 1.1.2016	Granted during the period	Exercised during the period	Cancelled/lapsed during the period		
<b>Director</b>										
Cheng Wai Chee, Christopher	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	-	247,250	-	-	247,250	N/A
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	-	247,250	-	-	247,250	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	-	494,500	-	-	494,500	N/A
Cheng Wai Sun, Edward	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	-	247,250	-	-	247,250	N/A
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	-	247,250	-	-	247,250	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	-	494,500	-	-	494,500	N/A
Chow Wai Wai, John	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	-	46,250	-	-	46,250	N/A
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	-	46,250	-	-	46,250	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	-	92,500	-	-	92,500	N/A
Ng Kar Wai, Kenneth	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	-	14,000	-	-	14,000	N/A
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	-	14,000	-	-	14,000	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	-	28,000	-	-	28,000	N/A
<b>Employees</b>										
Employees in aggregate	18.3.2016	4.48	4.35	25.1.2017 to 17.3.2026	-	227,750	-	-	227,750	N/A
	18.3.2016	4.48	4.35	25.1.2018 to 17.3.2026	-	227,750	-	-	227,750	N/A
	18.3.2016	4.48	4.35	25.1.2019 to 17.3.2026	-	455,500	-	-	455,500	N/A
					-	3,130,000	-	-	3,130,000	

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**(ii) Valuation of Share Options**

The fair value of share options granted during the period ended 30 June 2016 are determined by using the Binominal Model (the “Model”). Key assumptions of the Model are as follows:

Risk-free rate	1.27%
Expected dividend yield	3.35%
Expected volatility of the market price of the Company’s shares	33.43%
Expected life	10 years from the date of grant
Estimated fair value per share option	HK\$1.28

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 share options.

**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.

The Share Incentive Scheme expired on 16 June 2015, no further incentive shares can be granted under the Share Incentive Scheme but the provisions of the Share Incentive Scheme remain in full force and effect in all other respects in relation to the incentive shares granted. All outstanding incentive shares granted and yet to be vested or exercised shall remain valid.

# GENERAL INFORMATION

Details of the incentive shares granted and summary of the movements of the outstanding incentive shares for the period ended 30 June 2016 under the Share Incentive Scheme are as follows:

Date of award	Number of incentive shares					As at 30.6.2016	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
	As at 1.1.2016	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
<b>Director</b>									
Cheng Wai Chee, Christopher	6.5.2013	321,500	-	321,500	-	-	N/A	N/A	34,000
	28.5.2014	196,500	-	196,500	-	-	N/A	N/A	16,000
	28.5.2014	393,000	-	-	-	393,000	13.1.2017	13.1.2017 to 28.5.2024	287,000
	28.5.2015	192,250	-	192,250	-	-	N/A	N/A	36,000
	28.5.2015	192,250	-	-	-	192,250	10.1.2017	10.1.2017 to 28.5.2025	253,000
	28.5.2015	384,500	-	-	-	384,500	10.1.2018	10.1.2018 to 28.5.2025	314,000
Cheng Wai Sun, Edward	6.5.2013	321,500	-	321,500	-	-	N/A	N/A	34,000
	28.5.2014	196,500	-	196,500	-	-	N/A	N/A	16,000
	28.5.2014	393,000	-	-	-	393,000	13.1.2017	13.1.2017 to 28.5.2024	287,000
	28.5.2015	192,250	-	192,250	-	-	N/A	N/A	36,000
	28.5.2015	192,250	-	-	-	192,250	10.1.2017	10.1.2017 to 28.5.2025	253,000
	28.5.2015	384,500	-	-	-	384,500	10.1.2018	10.1.2018 to 28.5.2025	314,000

Director	Date of award	Number of incentive shares				As at 30.6.2016	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2016	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period				
Chow Wai Wai, John	6.5.2013	64,500	-	64,500	-	N/A	N/A	7,000	
	28.5.2014	39,500	-	39,500	-	N/A	N/A	3,000	
	28.5.2014	79,000	-	-	-	79,000	13.1.2017	13.1.2017 to 28.5.2024	58,000
	28.5.2015	40,250	-	40,250	-	N/A	N/A	8,000	
	28.5.2015	40,250	-	-	-	40,250	10.1.2017	10.1.2017 to 28.5.2025	53,000
	28.5.2015	80,500	-	-	-	80,500	10.1.2018	10.1.2018 to 28.5.2025	65,000
Ng Kar Wai, Kenneth	15.6.2015	106,000	-	-	-	106,000	21.1.2017	21.1.2017 to 15.6.2025	130,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2018	21.1.2018 to 15.6.2025	80,000
	15.6.2015	212,000	-	-	-	212,000	21.1.2019	21.1.2019 to 15.6.2025	115,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2018	21.1.2018 to 15.6.2025	77,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2019	21.1.2019 to 15.6.2025	55,000
	15.6.2015	212,000	-	-	-	212,000	21.1.2020	21.1.2020 to 15.6.2025	87,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2019	21.1.2019 to 15.6.2025	53,000
	15.6.2015	106,000	-	-	-	106,000	21.1.2020	21.1.2020 to 15.6.2025	42,000
	15.6.2015	212,000	-	-	-	212,000	21.1.2021	21.2.2021 to 15.6.2025	69,000

# GENERAL INFORMATION

Date of award	Number of incentive shares					As at 30.6.2016	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
	As at 1.1.2016	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
<b>Employees</b>									
Employees in aggregate	6.5.2013	252,000	-	252,000	-	-	N/A	N/A	26,000
	28.5.2014	10,750	-	10,750	-	-	N/A	N/A	Nil
	28.5.2014	158,000	-	158,000	-	-	N/A	N/A	13,000
	28.5.2014	316,000	-	-	-	316,000	13.1.2017	13.1.2017 to 28.5.2024	230,000
	28.5.2015	185,750	-	185,750	-	-	N/A	N/A	35,000
	28.5.2015	185,750	-	-	-	185,750	10.1.2017	10.1.2017 to 28.5.2025	244,000
	28.5.2015	371,500	-	-	-	371,500	10.1.2018	10.1.2018 to 28.5.2025	302,000
		6,455,750	-	2,171,250	-	4,284,500			

*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.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30 June 2016, 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	10.55%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.13%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes 2(a) & 3)	34.42%
4. Deutsche Bank International Trust Co. Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.42%
5. Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 (Notes 2(b) & 4)	34.42%
6. Wing Tai Corporation Limited	Interest of controlled corporation	182,560,826 (Note 5)	13.59%
7. Renowned Development Limited	Interest of controlled corporation	182,560,826 (Notes 2(c) & 5)	13.59%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	199,884,783 (Notes 2(c) & 6)	14.88%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 (Note 7)	13.67%
10. Gala Land Investment Company Limited	Beneficial owner	101,579,467	7.56%
11. Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes 2(d) & 8)	7.56%
12. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Notes 2(d) & 9)	13.40%
13. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Notes 2(d) & 10)	11.23%

# GENERAL INFORMATION

## Notes:

- 1 The total number of issued Shares as at 30 June 2016 was 1,343,476,279.
- 2 The interests disclosed duplicated in the following manners and to the following extent:
  - (a) the interests of parties 1 and 2 were included in the interests of party 3.
  - (b) the interests of party 3 duplicated with the interests of parties 4 and 5 entirely.
  - (c) the interests of party 6 duplicated with the interests of party 7 entirely and were included in the interests of party 8.
  - (d) the interests of party 10 duplicated with the interests of party 11 entirely and were included in the interests of parties 12 and 13.
- 3 Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 50,282,667 Shares.
- 4 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 28.47% 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 9.32% 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.
- 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 111,928,210 Shares.

Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited ("Soundworld"), Units Key Limited ("Units Key") and Triple Surge Limited ("Triple Surge"). Soundworld, Units Key and Triple Surge were the beneficial owners of 20,869,323, 5,673,333 and 37,680,000 Shares respectively.

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 Farnham Group Limited ("Farnham") beneficially owned 100% of the issued share capital of Gala Land Investment Company Limited ("Gala Land"), therefore, Farnham was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of its corporate interest therein.

9 Chow Chung Kai and his wife, Chow Yu Yue Chen, held 48,532,744 and 700,566 Shares respectively.

The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 29,212,047 Shares.

Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Chung Kai was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of his corporate interest therein.

The estate of the late Chou Wen Hsien, of which Chow Chung Kai was the executor, was interested in 50% of the issued share capital of Farnham.

10 Chow Yu Yue Chen and her husband, Chow Chung Kai, held 700,566 and 48,532,744 Shares respectively.

Chow Chung Kai beneficially owned 50% of the issued share capital of Farnham and, therefore, Chow Yu Yue Chen was deemed to be interested in the 101,579,467 Shares held by Gala Land by virtue of Chow Chung Kai's corporate interest therein.

Save as disclosed above, as at 30 June 2016, 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 2016, 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.

#### DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

At 30 June 2016, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$5,643 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 2016 are presented below:

	<b>Pro-forma combined balance sheet (HK\$'M)</b>	<b>Group's attributable interest (HK\$'M)</b>
Non-current assets	5,273.1	1,927.5
Current assets	11,267.3	3,572.3
Current liabilities	(1,242.5)	(369.2)
Non-current liabilities	(5,507.4)	(1,898.4)
Amounts and loans due from shareholders	613.9	92.5
Amounts and loans due to shareholders	(6,945.7)	(2,849.2)
Net assets	3,458.7	475.5

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# GENERAL INFORMATION

## **AUDIT COMMITTEE**

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

## **CORPORATE GOVERNANCE**

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Listing Rules. The Company has 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 2016.

## **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.

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 2016.

## **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.

The director's fee for each of the non-executive directors of the Company (namely, Kwok Ping Luen, Raymond, Hong Pak Cheung, William, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien) was increased from HK\$60,000 to HK\$70,000 for the year ending 31 December 2016.

The fee for the chairman of Audit Committee (namely Yeung Kit Shing, Jackson) was increased from HK\$100,000 to HK\$120,000 for the the year ending 31 December 2016.

Mr. Simon Murray, an independent non-executive director of the Company, was re-designated from a non-executive director to an independent non-executive director of IRC Limited with effect from 16 March 2016.

Mr. Cheng Hoi Chuen, Vincent, an independent non-executive director of the Company, ceased to be a member of the council of The Chinese University of Hong Kong with effect from May 2016.

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

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

**WING TAI PROPERTIES LIMITED**

Incorporated in Bermuda with limited liability

**永泰地產有限公司**

於百慕達註冊成立之有限公司



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