

WING TAI PROPERTIES LIMITED

永泰地產有限公司

STOCK CODE 股份代號 369

INTERIM REPORT

中期報告 2021



WINGTAI ASIA
永泰亞洲

Our brands,
Wing Tai Asia and Lanson Place,
are synonymous with quality
craftsmanship, a result of
the close alignment of values
and seamless cooperation of
our committed professional teams.

We strive to deliver sophisticated
yet warm homes that turn our
customers' dreams into reality.



WE DON'T JUST BUILD,
WE CRAFT.

CONTENTS

Corporate Information	4
Financial Summary	5
Chairman's Statement	6
Management Discussion and Analysis	7
Interim Dividend	12
Report on Review of Interim Financial Information	13
Condensed Consolidated Income Statement	14
Condensed Consolidated Statement of Comprehensive Income	15
Condensed Consolidated Balance Sheet	16
Condensed Consolidated Statement of Changes in Equity	18
Condensed Consolidated Cash Flow Statement	20
Notes to the Interim Financial Information	21
General Information	41

BOARD OF DIRECTORS**Executive Directors**

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

CHENG Wai Sun, Edward *GBS 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*

YEUNG Kit Shing, Jackson

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

CHENG Hoi Chuen, Vincent *GBS OBE JP*

LAM Kin Fung, Jeffrey *GBS JP*

AUDIT COMMITTEE MEMBERS

YEUNG Kit Shing, Jackson (*Chairman*)

HONG Pak Cheung, William

Haider Hatam Tyebjee *BARMA GBS CBE ISO JP*

REMUNERATION COMMITTEE MEMBERS

Simon MURRAY *CBE* (*Chairman*)

CHENG Wai Chee, Christopher *GBS OBE 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 *GBS 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
Certified Public Accountants
Registered Public Interest Entity Auditor

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
DBS Bank Limited, Hong Kong Branch

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER AGENT**

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

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

Tricor Standard Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
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

FINANCIAL SUMMARY

The following is a summary of the results and of the assets and liabilities of the Group for each of the six months period ended 30 June 2021 and 2020, and of the five years ended 31 December 2020:

	Interim results		Annual results				
	2021 HK\$'M (Note a)	2020 HK\$'M	2020 HK\$'M	2019 HK\$'M (Note b)	2018 HK\$'M (Note c)	2017 HK\$'M	2016 HK\$'M
RESULTS							
Revenue	496.8	1,956.5	2,777.8	829.5	884.7	1,064.3	1,103.3
Profit/(loss) before taxation	245.0	(411.4)	(555.1)	374.7	1,432.3	2,101.0	1,260.4
Taxation	(25.4)	(46.5)	(60.8)	(69.7)	(52.8)	(98.6)	(111.2)
Profit/(loss) for the period/year	219.6	(457.9)	(615.9)	305.0	1,379.5	2,002.4	1,149.2
Attributable to:							
Shareholders of the Company	188.2	(485.7)	(674.4)	238.9	1,312.4	1,981.9	1,146.5
Holder of perpetual capital securities	32.7	31.5	63.8	64.9	65.7	18.4	–
Non-controlling interests	(1.3)	(3.7)	(5.3)	1.2	1.4	2.1	2.7
Profit/(loss) for the period/year	219.6	(457.9)	(615.9)	305.0	1,379.5	2,002.4	1,149.2

	At 30 June		At 31 December				
	2021 HK\$'M	2020 HK\$'M	2020 HK\$'M	2019 HK\$'M	2018 HK\$'M	2017 HK\$'M	2016 HK\$'M
ASSETS AND LIABILITIES							
Total assets	38,067.7	37,245.8	36,322.8	35,427.7	35,427.7	35,496.1	30,776.1
Total liabilities	(10,504.7)	(9,604.8)	(7,699.3)	(6,705.8)	(6,705.8)	(7,686.2)	(6,464.0)
Perpetual capital securities	(1,512.7)	(1,513.3)	(1,513.7)	(1,513.9)	(1,513.9)	(1,514.5)	–
Non-controlling interests	(0.8)	(2.1)	(7.6)	(6.7)	(6.7)	(5.5)	(3.5)
Equity attributable to shareholders of the Company	26,049.5	26,125.6	27,102.2	27,201.3	27,201.3	26,289.9	24,308.6

Notes:

- The Group adopted Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 using retrospective approach with no material impact from adoption and the opening balance of retained earnings as at 1 January 2021 and that comparative had not been restated.
- The Group adopted HKFRS 16 using the modified retrospective approach with no material impact from adoption and the opening balance of retained earnings as at 1 January 2019 and that comparative had not been restated.
- The Group adopted HKFRS 9 and HKFRS 15 using the modified retrospective approach where the cumulative impact from adoption is recognised in the opening balance of retained earnings as at 1 January 2018 and that comparatives had not been restated.

CHAIRMAN'S STATEMENT

Dear Shareholders,

Throughout the first half of 2021, the global and Hong Kong economy continued to suffer uncertainties and challenges under COVID-19 pandemic, albeit the roll-out of mass vaccination programmes. Against this backdrop, the Group reported a consolidated profit attributable to shareholders of HK\$188 million for the six months ended 30 June 2021, compared to HK\$486 million loss for the last period. Earnings per share was HK\$0.14. Excluding net fair value loss on investment properties and financial instruments, we achieved a core consolidated profit attributable to shareholders of HK\$99 million. The Board of Directors has declared an interim dividend of HK6.0 cents per share, staying at the same level as 2020.

Under a low interest rate and supply shortage environment, demand from first-time local home buyers remained the key driver for Hong Kong's residential property market. Capitalising on the solid demand, the Group continued to sell steadily the remaining units of our three "Upper Gold Coast" series. We obtained the Occupation Permit for OMA OMA in March and are working diligently to obtain the Certificate of Compliance in the fourth quarter.

In June, we won the tender for a residential site adjacent to Fanling Golf Course, which is within a 10-minute walk to Sheung Shui MTR station, and offers maximum gross floor area of 284,170 square feet. We believe this district will benefit from the Government's efforts in further developing the Northern District. Building on the success of our "Upper Gold Coast" series, we have placed a solid footing in the "Affordable Luxury" market segment and shall take on the same approach to design and develop this site.

For office leasing in Hong Kong and London, the market remained sluggish in the first half of the year given continued lockdown and corporate tenants' downsizing/relocation for cost savings. The Group suffered from a gradual decline in occupancy and rental rates, which resulted in decreasing leasing income and a downward revaluation of our office properties during the period.

In April, we completed the acquisition of a 21% interest in a Grade A office building located on Shoe Lane, the City of Central London. This marks our 7th commercial property in London, giving us the benefit of economies of scale and enhancing our recurring leasing income.

With on going global travel restrictions, our Lanson Place hotels in Hong Kong and Kuala Lumpur continued to incur operating losses in the first half given low occupancy levels and room rates.

In the face of the pandemic, the Group remained vigilant and maintained a sharp focus on our business performance and cash flow. I want to take this opportunity to thank all our loyal staff, in particular our frontline workforce, who have stayed on their duties with dedication and professionalism.

Last but not least, I would also like to express my gratitude to my fellow Board members, business partners and stakeholders as a whole for remaining supportive as we navigate through another challenging year.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 26 August 2021

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2021, the Group's revenue was HK\$497 million, compared with HK\$1,957 million in 2020. The decrease was mainly due to less revenue recognition from sales of remaining units of The Carmel, as compared to the first-time revenue recognition upon handover of all pre-sold units of The Carmel in 2020.

Consolidated profit for the six months ended 30 June 2021 was HK\$220 million, an increase of HK\$678 million compared with loss of HK\$458 million in 2020. The increase was mainly attributable to (i) HK\$472 million one-off valuation gain from distribution in specie of the unsold units of La Vetta, (ii) HK\$390 million decrease in fair value loss on investment properties and financial instruments including joint ventures (2021 loss was HK\$383 million, 2020 loss was HK\$773 million), offset by (iii) HK\$138 million decrease in profit from the property development segment due to less revenue recognition from sales of remaining units of The Carmel.

The net fair value loss on investment properties and financial instruments including joint ventures was HK\$383 million amidst a sluggish leasing market under COVID-19. The loss from investment properties, mainly Landmark East, was HK\$474 million. The gain from financial instruments, mainly interest rate swap contracts, was HK\$91 million.

Consolidated profit attributable to shareholders was HK\$188 million, an increase of HK\$674 million compared with consolidated loss of HK\$486 million in 2020.

Core consolidated profit attributable to shareholders, excluding one-off valuation gain and change in fair value on investment properties and financial instruments including joint ventures, was HK\$99 million, a decrease of HK\$188 million, mainly due to less property sales handed over to buyers, compared with HK\$287 million in 2020.

Earnings per share attributable to shareholders was HK\$0.14, compared with loss per share attributable to shareholders of HK\$0.36 in 2020.

Property Development

The property development segment revenue excluding inter-segment sales was HK\$160 million in the first half of 2021, compared with HK\$1,591 million in 2020. Segment profit before taxation (including fair value changes) was HK\$509 million, compared with HK\$87 million in 2020, due to a HK\$472 million one-off valuation gain from distribution in specie of unsold units of La Vetta was recognised during the period. Excluding fair value changes in investment properties and financial instruments including joint ventures (2021 gain was HK\$37 million; 2020 loss was HK\$51 million) and the one-off valuation gain of HK\$472 million, segment result was breakeven in 2021, compared with profit of HK\$138 million in 2020, mainly due to less property sales handed over to buyers.

Wholly-owned projects

The Carmel, a low-density residential site in Siu Sau, Tai Lam, Tuen Mun, provides a saleable area of approximately 147,000 square feet for 178 residential units of apartment and house. In the first half of 2021, around 2% (in terms of number) of the residential units, mainly house units and special units, were sold and handed over to buyers with related revenue recognised in the period. Cumulatively, as at 30 June 2021, around 99% (in terms of number) of the residential units were sold.

OMA OMA, a medium-density residential site on So Kwun Wat Road, So Kwun Wat, Tuen Mun, provides a saleable area of approximately 234,000 square feet for 466 residential apartment units. Occupation permit was obtained in March 2021. Superstructure work is underway and the project is scheduled for completion and handover to buyers in the fourth quarter of 2021. During the first half of 2021, around 1% (in terms of number) of the residential units were pre-sold. Cumulatively, as at 30 June 2021, around 87% (in terms of number) of the residential units were pre-sold. Related revenue and profit of the pre-sold units will be recognised upon handover to buyers.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has held Le Cap and La Vetta, Kau To, Shatin, low-density residential projects, for leasing after distributions of unsold units to shareholders in 2020 and 2021 respectively. The Group has approximately 36,000 square feet saleable area for 16 residential units including houses and apartments, and 22 car parking spaces, at Le Cap. As at 30 June 2021, more than 90% of the residential units (in terms of number) were leased. The Group has approximately 72,000 square feet saleable area for 34 residential units including houses and apartments, and 48 car parking spaces, at La Vetta. As at 30 June 2021, around 60% of the residential units (in terms of number) were leased.

Majority-owned project

The Group has a 70% interest in OMA by the Sea, the site adjacent to The Carmel in Siu Sau, Tai Lam, Tuen Mun. This medium-density residential site has a saleable area of approximately 252,000 square feet for 517 residential apartment units. Superstructure work has commenced and the project is scheduled for completion in 2022. During the first half of 2021, around 11% (in terms of number) of the residential units were pre-sold. Cumulatively, as at 30 June 2021, around 85% (in terms of number) of the residential units were pre-sold. Related revenue and profit of the pre-sold units will be recognised upon handover to buyers prior to the project's material date that falls in 2022.

In June 2021, the Group won a government tender for a medium-density residential site located at the junction of Fan Kam Road and Castle Peak Road – Kwu Tung, Fanling, New Territories, for a consideration of HK\$2.6 billion. The Group has a 85% interest and the site is in possession in July 2021. The site is adjacent to Fanling Golf Course and is within a 10-minute walk to Sheung Shui MTR station, with a gross floor area of approximately 284,170 square feet. The Group is the lead project manager, and lead sales and marketing manager for this project.

Joint venture projects

The Group has a 50% interest in a commercial complex site in Central, through the tender for Site C of the Gage Street/Graham Street project as put up by the Urban Renewal Authority. Advantageously located in the heart of the bustling Central financial hub, the site provides a gross floor area of up to 433,500 square feet to be developed into a Grade A office tower, a hotel, retail shops, as well as public open space with green facilities for the neighbourhood. The Group is the lead project manager and lead leasing manager for this project. The foundation work for the project is in progress.

Property Investment and Management

The property investment and management segment revenue excluding inter-segment sales reduced to HK\$284 million in the first half of 2021, compared with HK\$312 million in 2020. Segment loss before taxation (including fair value changes) was HK\$221 million, compared with loss of HK\$154 million in 2020. Excluding fair value changes in investment properties and financial instruments, including joint ventures (2021 was fair value loss of HK\$393 million; 2020 was fair value loss of HK\$363 million) and one-off items, segment profit before taxation was HK\$172 million, compared with HK\$209 million in 2020. The decrease was mainly attributable to lower leasing income due to the pandemic.

Since the second quarter of 2020, the ongoing impact of COVID-19 has slowed down office space demand that softened office leasing market in Hong Kong and London.

As at 30 June 2021, the Group's portfolio of investment properties, mostly Grade A office buildings, has a total area of approximately 1,919,000 square feet with an aggregate attributable fair market valuation of around HK\$20,000 million. The portfolio encompasses 1,525,000 square feet in Hong Kong, 328,000 square feet in London and 6,200 square metre in Beijing.

Wholly-owned properties in Hong Kong

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 2021, the property achieved an occupancy of approximately 84%.

Shui Hing Centre is an industrial building in Kowloon Bay, with a gross floor area of approximately 187,000 square feet. As at 30 June 2021, the property achieved an occupancy of approximately 85%. The building has obtained a waiver for revitalization in November 2019 and obtained the Town Planning Board approval for redevelopment in April 2021.

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.

The high-end commercial property located on 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.

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 2021, the above three wholly-owned properties achieved an average occupancy of approximately 97%.

Joint venture properties in London, the United Kingdom

The Group has a 25% interest in a commercial property located on Fleet Place, the City. The property has a net internal area of approximately 192,000 square feet of Grade A office and retail space.

The Group has a 33% interest in a commercial property located at Cavendish Square, West End. The property has a net internal area of approximately 13,000 square feet of Grade A office space.

The Group has a 50% interest in a commercial property located at 30 Gresham Street, City of London. The property has a net internal area of approximately 404,000 square feet of Grade A office, retail space and ancillary accommodation, with 48 car parking spaces.

In April 2021, the Group completed the acquisition of a 21% interest in 66 Shoe Lane, a Grade A office building in a prime business hub on the western edge of The City of London. The property has a net internal area of approximately 154,000 square feet of office and ancillary space and approximately 4,000 square feet of retail space. The office space is fully leased to a global Big Four accounting and professional services firm with tenors of 15 years (including rent-free periods) expiring on 28 September 2035.

As at 30 June 2021, the above four joint venture properties achieved an average occupancy of approximately 89%.

Wholly-owned property in Beijing, China

The Group has 33 residential units at Central Park, Beijing with a gross floor area of approximately 6,200 square metre. As at 30 June 2021, all units were leased.

Hospitality Investment and Management

The hospitality investment and management segment revenue was HK\$27 million in the first half of 2021 compared with HK\$28 million in 2020. Segment loss before taxation (including fair value changes) was HK\$20 million in the first half of 2021 compared with segment loss of HK\$195 million in 2020, mainly due to fair value changes in investment properties, including joint ventures (2021 has no fair value change; 2020 was fair value loss of HK\$171 million). Excluding fair value changes in investment properties, segment loss before taxation was HK\$20 million in 2021, compared with loss of HK\$24 million in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

The wholly-owned Lanson Place Causeway Bay hotel in Hong Kong and 50% owned Lanson Place Bukit Ceylon in Kuala Lumpur have continually suffered from the pandemic, given travel restrictions and quarantine measures are still in place, resulted in low occupancy and average room rates in the first half of 2021.

Lanson Place Waterfront Suites, our wholly-owned prime harbour-front furnished residence in Sai Wan Ho, was held for leasing. The occupancy remains stable during the pandemic.

Others

This segment represents investing activities and central management and administrative expenses. Segment revenue was HK\$27 million in the first half of 2021, compared with HK\$26 million in 2020. Segment loss before taxation (including fair value changes) was HK\$24 million in the first half of 2021 compared with a segment loss of HK\$150 million in 2020, mainly due to fair value changes in financial instruments (2021 was fair value loss of HK\$27 million; 2020 was fair value loss of HK\$188 million). Fair value loss of HK\$188 million in 2020 was mainly attributable to the fair value loss of HK\$117 million from the Group's investments in Singapore REITs, which are listed on the Singapore Exchange.

As at 30 June 2021, the Group's bank and other borrowings totalled HK\$4,734 million (31 December 2020: HK\$4,380 million). The maturity profile of the Group's bank and other borrowings is set out below:

	30 June 2021		31 December 2020	
	HK\$ million	%	HK\$ million	%
Repayable:				
Within one year	1,396	29%	726	17%
Between one and two years	2,069	44%	1,629	37%
Between two and five years	1,257	27%	2,008	46%
After five years	12	0%	17	0%
	4,734	100%	4,380	100%

Excluding fair value changes in financial instruments, segment profit before taxation was HK\$3 million in 2021, a decrease of HK\$35 million compared with HK\$38 million in 2020 due to a decrease in bank interest income during the period.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totalled HK\$27,563 million as at 30 June 2021 (31 December 2020: HK\$27,641 million). The decrease of HK\$78 million is mainly resulted from the distribution of the 2020 final dividend of HK\$285 million and distribution to holders of perpetual capital securities of HK\$33 million, offset by the profit for the period of HK\$220 million.

As at 30 June 2021, the Group's net borrowings (total bank and other borrowings less bank balances and cash) were HK\$3,195 million (31 December 2020: HK\$3,190 million), representing 11.6% of the Group's net assets (31 December 2020: 11.5%). Interest for the Group's bank borrowings

is mainly on a floating rate basis while interest for the Group's bonds is on a fixed rate basis. The Group will closely monitor the exposure to interest rate fluctuations 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 2021 HK\$ million	31 December 2020 HK\$ million
Bank balances and cash	1,539	1,190
Unutilised revolving loan facilities	2,461	2,561
	4,000	3,751

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has immaterial exposure to exchange rate fluctuations. The Group conducts its business mainly in Hong Kong dollars, and to a lesser extent in 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 2021, the Group had contingent liabilities of HK\$5,343 million (31 December 2020: HK\$5,415 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 2021, the Group's advances to joint ventures of HK\$3,007 million (31 December 2020: HK\$2,892 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 2021, several of the Group's investment properties, properties for sales and other properties, plant and equipment with carrying values of HK\$3,495 million, HK\$1,977 million and HK\$34 million, respectively, were pledged to secure credit facilities for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS & INTERIM DIVIDEND

PROSPECTS

Stepping into the second half of 2021, uncertainties from the new wave of pandemic variants spread and continued Sino-US tensions have dragged the pace of economic recovery in the PRC and Hong Kong.

We believe the strong demand from first-time local home buyers amid a low interest rate environment and supply shortage will continue to support our sales of the remaining units of the “Upper Gold Coast” series. We target to handover all pre-sold units of OMA OMA to buyers right after the issuance of the Certificate of Compliance, estimated to start in the fourth quarter. Related revenue and profit will be recognised upon completion of such handover.

We will continue our focus to recover occupancy rate and rental income of our commercial and hospitality properties, which we have already seen some signs of recovery in leasing activities and occupancy levels in the third quarter, albeit at a slow pace. However, the uncertain business outlook in the near term may still affect the valuation of our investment properties towards the end of 2021.

The Group is comfortably backed with a healthy balance sheet, a diversified asset portfolio offering balanced sources of income and solid relationships with various banks. This would allow us to stay focused on our long term business strategic goals, riding the wave of market volatility while maximising our investment opportunities when they arise.

EMPLOYEES

As at 30 June 2021, the Group had approximately 460 employees. The Group offers comprehensive remuneration and benefit packages to our 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 option plan where the shares options are generally exercisable by phases within ten years.

INTERIM DIVIDEND

The Directors declared the payment of an interim dividend of HK6.0 cents per share for the year ending 31 December 2021 (2020: HK6.0 cents). The interim dividend will be distributed on or around 5 October 2021 to the shareholders whose names appear on the register of members of the Company at the close of business on 15 September 2021 (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, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on 15 September 2021.

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 14 to 40, which comprises the condensed consolidated balance sheet of Wing Tai Properties Limited (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2021 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated cash flow statement 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 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 of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers*Certified Public Accountants*

Hong Kong, 26 August 2021

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CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2021

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 2021.

	Note	Unaudited	
		Six months ended 30 June	
		2021 HK\$'M	2020 HK\$'M
Revenue	7	496.8	1,956.5
Cost of sales		(162.7)	(1,333.7)
Gross profit		334.1	622.8
Other gains, net	8	476.2	4.1
Selling and distribution costs		(25.9)	(109.6)
Administrative expenses		(159.4)	(169.0)
Change in fair value of			
– investment properties	14	(494.5)	(434.3)
– financial instruments	9	18.4	(248.4)
		(476.1)	(682.7)
Profit/(loss) from operations	10	148.9	(334.4)
Finance costs		(59.1)	(46.4)
Finance income		7.7	27.7
Share of results of joint ventures	15	146.7	(60.6)
Share of results of associates		0.8	2.3
Profit/(loss) before taxation		245.0	(411.4)
Taxation	11	(25.4)	(46.5)
Profit/(loss) for the period		219.6	(457.9)
Profit/(loss) for the period attributable to:			
Shareholders of the Company		188.2	(485.7)
Holders of perpetual capital securities		32.7	31.5
Non-controlling interests		(1.3)	(3.7)
		219.6	(457.9)
Earnings/(loss) per share attributable to shareholders of the Company	12		
– Basic		HK\$0.14	(HK\$0.36)
– Diluted		HK\$0.14	(HK\$0.36)

The notes on pages 21 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Unaudited	
	Six months ended 30 June	
	2021 HK\$'M	2020 HK\$'M
Profit/(loss) for the period	219.6	(457.9)
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss:		
Release of other reserve upon disposal of a subsidiary	–	1.9
Items that have been/may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	21.5	(82.7)
Net (loss)/gain on net investment hedge		
– Fair value (loss)/gain	(20.4)	75.3
– Realised upon settlement	14.4	–
Net loss on cash flow hedge	(2.2)	(9.3)
Release of translation reserve upon disposal of a subsidiary	–	0.6
Share of other comprehensive income/(loss) of a joint venture	0.6	(0.2)
	13.9	(16.3)
Other comprehensive income/(loss) for the period, net of tax	13.9	(14.4)
Total comprehensive income/(loss) for the period	233.5	(472.3)
Total comprehensive income/(loss) for the period attributable to:		
Shareholders of the Company	202.1	(500.1)
Holders of perpetual capital securities	32.7	31.5
Non-controlling interests	(1.3)	(3.7)
Total comprehensive income/(loss) for the period	233.5	(472.3)

The notes on pages 21 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2021

	Note	Unaudited 30 June 2021 HK\$'M	Audited 31 December 2020 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Investment properties	14	21,816.8	20,375.6
Other properties, plant and equipment	14	72.4	82.3
Investments in joint ventures	15	1,459.6	1,365.3
Loans to joint ventures	15	4,098.3	3,868.3
Investments in associates		24.3	23.3
Loans to associates		22.4	22.4
Financial investments at amortised cost	16	508.6	293.3
Financial investments at fair value through profit or loss	17	586.0	537.8
Other non-current assets	18	972.8	1,500.7
Deferred tax assets		35.6	31.3
Derivative financial instruments		58.5	63.1
		29,655.3	28,163.4
Current assets			
Properties for sale		4,551.0	4,243.8
Trade and other receivables, deposits and prepayments	20	386.4	1,711.6
Financial investments at amortised cost	16	237.1	475.5
Financial investments at fair value through profit or loss	17	6.1	75.3
Other current assets	18	690.1	5.3
Derivative financial instruments		1.7	0.7
Sales proceeds held in stakeholders' accounts		1,000.8	1,375.1
Tax recoverable		0.4	5.0
Bank balances and cash		1,538.8	1,190.1
		8,412.4	9,082.4
Current liabilities			
Trade and other payables and accruals	21	5,194.6	4,655.5
Derivative financial instruments		25.9	32.6
Tax payable		30.6	11.9
Bank and other borrowings	22	1,395.5	725.9
		6,646.6	5,425.9

	Note	Unaudited 30 June 2021 HK\$'M	Audited 31 December 2020 HK\$'M
Non-current liabilities			
Bank and other borrowings	22	3,338.0	3,653.7
Other long-term liability	5(e)	30.3	48.4
Derivative financial instruments		116.2	110.2
Deferred tax liabilities		373.6	366.6
		3,858.1	4,178.9
NET ASSETS		27,563.0	27,641.0
EQUITY			
Shareholders' funds			
Share capital	23	677.4	677.3
Reserves		25,372.1	25,448.3
		26,049.5	26,125.6
Perpetual capital securities	24	1,512.7	1,513.3
Non-controlling interests		0.8	2.1
TOTAL EQUITY		27,563.0	27,641.0

The notes on pages 21 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2021

	Unaudited											
	Attributable to shareholders of the Company											
	Share capital HK\$'M	Share premium HK\$'M	Hedging 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	Perpetual capital securities HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
At 1 January 2021	677.3	3,335.8	(15.6)	29.7	36.0	(34.9)	751.0	21,346.3	26,125.6	1,513.3	2.1	27,641.0
Comprehensive income/(loss)												
Profit for the period	-	-	-	-	-	-	-	188.2	188.2	32.7	(1.3)	219.6
Other comprehensive income/(loss)												
Exchange differences on translation of foreign operations	-	-	-	-	-	21.5	-	-	21.5	-	-	21.5
Net loss on net investment hedge	-	-	-	-	-	(6.0)	-	-	(6.0)	-	-	(6.0)
Net loss on cash flow hedge	-	-	(2.2)	-	-	-	-	-	(2.2)	-	-	(2.2)
Share of other comprehensive income of a joint venture	-	-	0.6	-	-	-	-	-	0.6	-	-	0.6
Total comprehensive income/(loss)	-	-	(1.6)	-	-	15.5	-	188.2	202.1	32.7	(1.3)	233.5
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	6.3	-	-	-	-	6.3	-	-	6.3
Incentive shares exercised	0.1	0.7	-	(0.8)	-	-	-	-	-	-	-	-
2020 final dividend paid	-	-	-	-	-	-	-	(284.5)	(284.5)	-	-	(284.5)
Distribution paid on perpetual capital securities	-	-	-	-	-	-	-	-	-	(33.3)	-	(33.3)
Total transactions with owners	0.1	0.7	-	5.5	-	-	-	(284.5)	(278.2)	(33.3)	-	(311.5)
At 30 June 2021	677.4	3,336.5	(17.2)	35.2	36.0	(19.4)	751.0	21,250.0	26,049.5	1,512.7	0.8	27,563.0

Unaudited												
Attributable to shareholders of the Company												
	Share capital HK\$'M	Share premium HK\$'M	Hedging 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	Perpetual capital securities HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
At 1 January 2020	676.3	3,329.6	(11.8)	22.6	41.7	(86.1)	751.0	22,378.9	27,102.2	1,513.7	7.6	28,623.5
Comprehensive income/(loss)												
Loss for the period	-	-	-	-	-	-	-	(485.7)	(485.7)	31.5	(3.7)	(457.9)
Other comprehensive income/(loss)												
Exchange differences on translation of foreign operations	-	-	-	-	-	(82.7)	-	-	(82.7)	-	-	(82.7)
Net gain on net investment hedge	-	-	-	-	-	75.3	-	-	75.3	-	-	75.3
Net loss on cash flow hedge	-	-	(9.3)	-	-	-	-	-	(9.3)	-	-	(9.3)
Release of other reserve upon disposal of a subsidiary	-	-	-	-	1.9	0.6	-	-	2.5	-	-	2.5
Share of other comprehensive loss of a joint venture	-	-	(0.2)	-	-	-	-	-	(0.2)	-	-	(0.2)
Total comprehensive income/(loss)	-	-	(9.5)	-	1.9	(6.8)	-	(485.7)	(500.1)	31.5	(3.7)	(472.3)
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	7.2	-	-	-	-	7.2	-	-	7.2
Incentive shares exercised	0.2	1.0	-	(1.2)	-	-	-	-	-	-	-	-
Share options exercised	0.8	5.2	-	(6.0)	-	-	-	-	-	-	-	-
2019 final dividend provided for/paid	-	-	-	-	-	-	-	(284.4)	(284.4)	-	-	(284.4)
Distribution paid on perpetual capital securities	-	-	-	-	-	-	-	-	-	(32.5)	-	(32.5)
Transfer	-	-	-	-	(7.6)	-	-	7.6	-	-	-	-
Total transactions with owners	1.0	6.2	-	-	(7.6)	-	-	(276.8)	(277.2)	(32.5)	-	(309.7)
At 30 June 2020	677.3	3,335.8	(21.3)	22.6	36.0	(92.9)	751.0	21,616.4	26,324.9	1,512.7	3.9	27,841.5

The notes on pages 21 to 40 form an integral part of this Interim Financial Information.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2021

	Note	Unaudited	
		Six months ended 30 June	
		2021 HK\$'M	2020 HK\$'M
Net cash generated from operating activities		689.5	801.0
Cash flows from investing activities			
Additions of investment properties	14	(1.9)	(1.3)
Purchase of other properties, plant and equipment	14	(0.1)	(8.0)
Purchase of financial investments at amortised cost		(368.4)	(370.0)
Purchase of financial investments at fair value through profit or loss		(163.4)	(223.5)
Additions of mortgage loan receivables		(199.6)	(721.8)
Proceeds from disposal of financial investments at amortised cost		15.6	110.1
Proceeds from disposal of financial investments at fair value through profit or loss		64.3	31.3
Proceeds from disposal of other properties, plant and equipment		–	0.5
Proceeds on maturity of financial investments at amortised cost		372.3	443.8
Proceeds on maturity of financial investments at fair value through profit or loss		115.8	–
Advance of loans to joint ventures		(337.0)	(30.5)
Repayments of loans to joint ventures		98.5	124.4
Repayments of mortgage loan receivables		43.7	24.6
Release/(placement) of deposits with banks with original maturity of more than three months		50.0	(198.7)
Net proceeds from disposal of a subsidiary	19	–	14.2
Net cash used in investing activities		(310.2)	(804.9)
Cash flows from financing activities			
Bank and other borrowings raised		820.9	890.8
Repayment of bank and other borrowings		(469.4)	(432.4)
Dividends paid by the Company		(284.5)	(20.5)
Distribution paid on perpetual capital securities		(33.3)	(32.5)
Cash (settlement)/received on derivative financial instruments		(14.3)	8.9
Net cash generated from financing activities		19.4	414.3
Increase in cash and cash equivalents		398.7	410.4
Cash and cash equivalents at the beginning of the period		940.1	1,121.8
Cash and cash equivalents at the end of the period		1,338.8	1,532.2
Cash and cash equivalents comprise:			
Bank balances and cash		1,538.8	2,349.1
Less: Deposits with maturity of more than three months		(200.0)	(816.9)
		1,338.8	1,532.2

The notes on pages 21 to 40 form an integral part of this Interim Financial Information.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

1. GENERAL INFORMATION

Wing Tai Properties Limited (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 Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, 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 26 August 2021.

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2021 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 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Group’s annual financial statements for the year ended 31 December 2020, except for the amendments to standards of Hong Kong Financial Reporting Standards (“HKFRS”) as of 1 January 2021, noted below.

(a) Amendments to standards effective for the current accounting period beginning on 1 January 2021 and relevant to the Group

Amendments to HKFRS 16	COVID-19 – Related rent concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest rate benchmark reform – Phase 2

The adoption of the above amendments to standards of HKFRS did not have any significant impact to the Group’s Interim Financial Information in the current and prior periods. The impact from adoption of amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 is disclosed in note 4 below.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) New standard, amendments and improvements to standards relevant to the Group that are not yet effective in 2021 and have not been early adopted by the Group

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

		Effective for accounting periods beginning on or after
Amendments to HKFRS 16	COVID-19 – Related rent concessions beyond 30 June 2021	1 April 2021
Amendments to HKAS 16	Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts – Cost of fulfilling a contract	1 January 2022
Amendments to HKFRS 3	Reference to Conceptual Framework	1 January 2022
Annual improvements HKFRS 17	Annual improvements 2018–2020 cycle	1 January 2022
Amendments to HKAS 1	Insurance contracts and the related amendments	1 January 2023
Amendments to HKAS 8	Classification of liabilities as current or non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Definition of accounting estimate	1 January 2023
Amendments to HKAS 12	Disclosure of accounting policies	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is in the process of making an assessment of the impact of these new standard, 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. CHANGES IN ACCOUNTING POLICIES

This note discloses the accounting policies that have been applied from adoption of Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 ("Interest rate benchmark reform – Phase 2 Amendments") from 1 January 2021.

The Group adopted it using retrospective approach. There was no impact on the current period opening reserves amounts on adoption and the Group has not restated comparatives for the 2020 reporting period, as permitted under the transitional provisions in the Interest rate benchmark reform – Phase 2 Amendments. The adoption did not have any significant impact to the Group's Interim Financial Information in the current period.

The Group has used the following practical expedients permitted by the Interest rate benchmark reform – Phase 2 Amendments:

For financial instruments measured using amortised cost measurement, changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. These expedients are only applicable to changes that are required by interest rate benchmark reform, which is the case if, and only if, the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

4. CHANGES IN ACCOUNTING POLICIES (Continued)

Where some or all of a change in the basis for determining the contractual cash flows of a financial asset and liability does not meet the above criteria, the above practical expedient is first applied to the changes required by interest rate benchmark reform, including updating the instrument's effective interest rate. Any additional changes assessed for modification or derecognition, with the resulting modification gain or loss recognised immediately in profit or loss where the instrument is not derecognised.

The following table contains details of the financial instruments that the Group held at 30 June 2021 which reference Great Britain Pound London Interbank Offered Rate ("GBP LIBOR") and have not yet transitioned to Sterling Overnight Index Average ("SONIA"):

	Carrying amount at 30 June 2021 HK\$'M	Of which: Have yet to transition to SONIA at 30 June 2021 HK\$'M
Liabilities exposed to GBP LIBOR measured at amortised cost		
Bank borrowings	268.1	268.1

For the Group's bank borrowings of HK\$268.1M (equivalent to £24.9M) linked to GBP LIBOR, discussions are underway with the counterparties to include fallback clauses and expected to be completed by the end of this year.

5. 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 rate risk and price risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2020.

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 2021

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

The following tables present the Group's financial investments and other financial assets and liabilities that are measured at fair value at 30 June 2021 and 31 December 2020.

	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
At 30 June 2021				
Assets				
Financial investments at fair value through profit or loss				
– listed securities	367.8	–	–	367.8
– listed debt investments	218.2	–	–	218.2
– unlisted fund investments	–	6.1	–	6.1
Derivative financial instruments				
– interest rate swap contracts	–	44.1	–	44.1
– cross currency swap contracts	–	12.7	–	12.7
– forward exchange contracts	–	3.4	–	3.4
Mortgage loan receivables at fair value through profit or loss	–	–	1,508.7	1,508.7
	586.0	66.3	1,508.7	2,161.0
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	26.3	–	26.3
– cross currency swap contracts	–	111.9	–	111.9
– forward exchange contracts	–	3.9	–	3.9
Other long-term liability	–	–	30.3	30.3
	–	142.1	30.3	172.4
At 31 December 2020				
Assets				
Financial investments at fair value through profit or loss				
– listed securities	373.2	–	–	373.2
– listed debt investments	164.6	–	–	164.6
– unlisted fund investments	–	75.3	–	75.3
Derivative financial instruments				
– interest rate swap contracts	–	9.7	–	9.7
– cross currency swap contracts	–	52.0	–	52.0
– forward exchange contracts	–	2.1	–	2.1
Mortgage loan receivables at fair value through profit or loss	–	–	1,323.1	1,323.1
	537.8	139.1	1,323.1	2,000.0
Liabilities				
Derivative financial instruments				
– interest rate swap contracts	–	36.4	–	36.4
– cross currency swap contracts	–	93.8	–	93.8
– forward exchange contracts	–	12.6	–	12.6
Other long-term liability	–	–	48.4	48.4
	–	142.8	48.4	191.2

5. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

(b) Fair value estimation (Continued)

During the six months ended 30 June 2021, there were no transfers between the different levels of fair value measurements hierarchy of financial instruments.

There were no other changes in valuation techniques during the period.

(c) Financial instruments in Level 1

Listed securities and debt investments are stated at market prices. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period. They are included in Level 1.

(d) Valuation techniques used to derive Level 2 fair values

Unlisted fund investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available.

Level 2 financial instruments also comprise cross currency swap contracts, forward 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 exchange rates that are quoted in an active market and/or forward interest rates extracted from observable yield curves.

(e) 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 2021 and 2020.

	Mortgage loan receivables at fair value through profit or loss (Note 18)		Other long-term liability	
	2021 HK\$'M	2020 HK\$'M	2021 HK\$'M	2020 HK\$'M
At 1 January	1,323.1	5.2	(48.4)	(41.9)
Group's contributions	–	–	0.8	0.9
Additions	184.6	721.8	–	–
Fair value gain/(loss) recognised in profit or loss (Note 9)	1.0	(38.8)	17.3	(9.4)
At 30 June	1,508.7	688.2	(30.3)	(50.4)

The fair value of mortgage loans receivables are determined based on the discounted cash flow projections with reference to the market inputs.

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.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

6. 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 2020.

7. REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Sales of properties and project management income	127.0	1,581.9
Rental income and property management income	320.0	340.2
Interest income from financial investments	17.0	17.0
Interest income from mortgage loan receivables	22.7	8.7
Dividend income from financial investments	10.1	8.7
	496.8	1,956.5

7. 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 mainly represent 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
For the six months ended 30 June 2021						
REVENUE						
External sales						
Revenue						
– Recognised at a point in time	117.8	–	–	–	–	117.8
– Recognised over time	9.1	6.5	5.2	–	–	20.8
Revenue from other sources						
– Rental income	9.9	277.2	21.3	–	–	308.4
– Interest income from financial investments	22.7	–	–	17.0	–	39.7
– Dividend income	–	–	–	10.1	–	10.1
Inter-segment sales	1.2	7.5	–	–	(8.7)	–
Total	160.7	291.2	26.5	27.1	(8.7)	496.8
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	465.0	161.2	(12.8)	11.6	–	625.0
Change in fair value of						
– investment properties	–	(501.0)	6.5	–	–	(494.5)
– financial instruments	33.9	11.5	–	(27.0)	–	18.4
Profit/(loss) from operations	498.9	(328.3)	(6.3)	(15.4)	–	148.9
Finance costs	(26.0)	(14.5)	(4.9)	(19.1)	5.4	(59.1)
Finance income	0.9	1.4	0.1	10.7	(5.4)	7.7
Share of results of joint ventures	35.5	119.7	(8.5)	–	–	146.7
Share of results of associates	–	0.8	–	–	–	0.8
Profit/(loss) before taxation	509.3	(220.9)	(19.6)	(23.8)	–	245.0
Taxation						(25.4)
Profit for the period						219.6
OTHER ITEM						
Depreciation and amortisation	5.2	1.0	0.2	3.8	–	10.2

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

7. 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
For the six months ended 30 June 2020						
REVENUE						
External sales						
Revenue						
– Recognised at a point in time	1,573.8	–	–	–	–	1,573.8
– Recognised over time	8.1	6.8	5.5	–	–	20.4
Revenue from other sources						
– Rental income	0.3	304.7	22.9	–	–	327.9
– Interest income from financial investments	8.7	–	–	17.0	–	25.7
– Dividend income	–	–	–	8.7	–	8.7
Inter-segment sales	0.7	8.2	–	–	(8.9)	–
Total	1,591.6	319.7	28.4	25.7	(8.9)	1,956.5
RESULTS						
Profit/(loss) before change in fair value of investment properties and financial instruments	142.4	209.1	(11.3)	8.1	–	348.3
Change in fair value of						
– investment properties	(3.9)	(264.2)	(166.2)	–	–	(434.3)
– financial instruments	(47.9)	(12.4)	–	(188.1)	–	(248.4)
Profit/(loss) from operations	90.6	(67.5)	(177.5)	(180.0)	–	(334.4)
Finance costs	(16.9)	(25.6)	(12.3)	(8.3)	16.7	(46.4)
Finance income	4.3	1.5	0.1	38.5	(16.7)	27.7
Share of results of joint ventures	8.8	(64.3)	(5.1)	–	–	(60.6)
Share of results of associates	–	2.3	–	–	–	2.3
Profit/(loss) before taxation	86.8	(153.6)	(194.8)	(149.8)	–	(411.4)
Taxation						(46.5)
Loss for the period						(457.9)
OTHER ITEMS						
Depreciation and amortisation	5.0	0.7	–	4.2	–	9.9
Gain on disposal of other properties, plant and equipment	–	–	–	(0.5)	–	(0.5)

7. REVENUE AND SEGMENT INFORMATION (Continued)

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

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Hong Kong	440.9	1,902.2
United Kingdom	14.8	14.5
The People's Republic of China	12.6	12.2
Singapore	11.0	9.8
Others	17.5	17.8
	496.8	1,956.5

8. OTHER GAINS, NET

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Compensation income arising from early termination of tenancy agreements	–	2.4
Exchange losses, net	(2.2)	(6.4)
Forfeited deposits received from sales of properties	4.2	4.4
Gain on disposal of other properties, plant and equipment	–	0.5
Gain on distribution in specie of a joint venture (Note)	472.2	–
Loss on disposal of a subsidiary (Note 19)	–	(2.5)
Provision for doubtful debts	(4.0)	(0.7)
Others	6.0	6.4
	476.2	4.1

Note:

In May 2021, all unsold residential units of a joint venture project, La Vetta, were distributed to shareholders. The units are held for leasing and classified as investment properties. On the date of distribution, the Group's attributable residential units were distributed at fair value of HK\$1,922.9M (Note 14). Therefore, it resulted in a fair value gain of HK\$472.2M, net of tax, which was recorded during the period.

9. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Net fair value gain/(loss) on derivative financial instruments	6.0	(77.7)
Gain/(loss) on financial liabilities at fair value through profit or loss classified under other long-term liability	17.3	(9.4)
Loss on financial investments at fair value through profit or loss	(5.9)	(122.5)
Gain/(loss) on mortgage loan receivables at fair value through profit or loss	1.0	(38.8)
	18.4	(248.4)

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

10. PROFIT/(LOSS) FROM OPERATIONS

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Profit/(loss) from operations has been arrived at after charging the following:		
Share-based compensation expenses	6.3	7.2
Staff costs including directors' remuneration	134.2	140.6
Cost of properties included in cost of sales	77.2	1,244.5
Depreciation of other properties, plant and equipment	10.0	9.9
Direct operating expenses arising from investment properties generating rental income	74.4	67.5
Operating lease rental expenses in respect of land and buildings	0.3	0.3

11. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2020: 16.5%) on the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

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

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Current taxation		
– Current tax on profits for the period	23.5	32.5
– Under/(over)-provision in prior periods	0.2	(0.2)
	23.7	32.3
Deferred taxation		
– Change in fair value of investment properties	1.9	–
– Temporary differences on tax depreciation	10.2	4.9
– (Recognition)/utilisation of tax losses	(9.3)	11.1
– Other temporary differences	(1.1)	(1.8)
	1.7	14.2
Taxation	25.4	46.5

12. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share for profit/(loss) attributable to shareholders of the Company is based on the following financial information:

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Profit/(loss) attributable to shareholders of the Company	188.2	(485.7)
	Six months ended 30 June	
	2021	2020
Weighted average number of ordinary shares in issue	1,354,718,854	1,354,390,301
Effect of dilutive potential shares issuable under the Company's share option plan and share incentive scheme	24,597	248,692
Weighted average number of shares for the purpose of calculating diluted earnings/(loss) per share	1,354,743,451	1,354,638,993

13. INTERIM DIVIDEND

	Six months ended 30 June	
	2021	2020
	HK\$'M	HK\$'M
Interim dividend of HK6.0 cents (2020: HK6.0 cents) per ordinary share	81.3	81.3

On 26 August 2021, the Board of Directors has resolved to declare an interim dividend of HK6.0 cents (2020: HK6.0 cents) per ordinary share. This interim dividend, amounting to HK\$81.3M (2020: HK\$81.3M), 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 2021.

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

14. CAPITAL EXPENDITURE

	Investment properties HK\$'M	Other properties, plant and equipment HK\$'M
Opening net book value at 1 January 2021	20,375.6	82.3
Exchange differences	18.4	–
Net loss arising from change in fair value	(494.5)	–
Additions	1.9	0.1
Distribution in specie from a joint venture (Note 8)	1,922.9	–
Finalisation of construction costs upon completion	(7.5)	–
Depreciation and amortisation	–	(10.0)
Closing net book value at 30 June 2021	21,816.8	72.4
Opening net book value at 1 January 2020	20,427.3	74.7
Exchange differences	(65.4)	–
Net loss arising from change in fair value	(434.3)	–
Additions	1.3	8.0
Finalisation of construction costs upon completion	(13.1)	–
Depreciation and amortisation	–	(9.9)
Closing net book value at 30 June 2020	19,915.8	72.8

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2021 on an open market value basis. The Group engaged Savills Valuation and Professional Services Limited, Jones Lang LaSalle Limited, Cushman & Wakefield and Knight Frank Petty Limited to value its investment properties. The fair values have been determined with reference to comparable current prices in an active market, and/or income capitalisation approach from current leases and assumptions about future leases in light of current market conditions and reversionary income potential, and/or discounted cash flow analysis on periodic net cash flows to be forecasted over the life of the investment property and discounted by an appropriate rate.

The outbreak of COVID-19 which has caused high volatility to hospitality industry and uncertainties to the property market. This disruption has led to material valuation uncertainty to an investment property. Consequently, less certainty and higher degree of caution should be attached to the valuation than would normally be the case.

15. INVESTMENTS IN JOINT VENTURES

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Share of net assets	1,459.6	1,365.3
Non-current loans to joint ventures		
– Interest-free	3,819.3	3,539.7
– Interest-bearing	279.0	328.6
	4,098.3	3,868.3
	5,557.9	5,233.6
	Six months ended 30 June 2021 HK\$'M	2020 HK\$'M
Revenue	162.8	201.5
Profit before change in fair value of investment properties and financial instruments	95.2	81.9
Change in fair value of		
– investment properties	29.2	(4.0)
– financial instruments	72.5	(86.1)
	101.7	(90.1)
Profit/(loss) from operations	196.9	(8.2)
Finance costs	(30.4)	(48.7)
Finance income	0.5	1.6
Profit/(loss) before taxation	167.0	(55.3)
Taxation	(20.3)	(5.3)
Profit/(loss) for the period	146.7	(60.6)

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

16. FINANCIAL INVESTMENTS AT AMORTISED COST

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Corporate bonds	745.7	613.5
Certificate of deposits	–	155.3
	745.7	768.8
Analysed as		
Non-current	508.6	293.3
Current	237.1	475.5
	745.7	768.8

17. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
REIT investments listed overseas (Note a)	367.4	372.8
Listed debt securities (Note a)	218.2	164.6
Unlisted fund investments	6.1	75.3
Others	0.4	0.4
	592.1	613.1
Analysed as		
Non-current	586.0	537.8
Current	6.1	75.3
	592.1	613.1

Notes:

- (a) The market value was determined by reference to published price quotations in an active market. They are classified as Level 1 in the fair value hierarchy.
- (b) The Group classifies the following financial investments at FVPL:
- Debt investments that do not qualify for measurement at either amortised cost (Note 16) or FVOCI,
 - Equity investments that are held for trading, and
 - Equity investments for which the Group has not elected to recognise fair value gains and losses through OCI.

18. OTHER NON-CURRENT ASSETS/OTHER CURRENT ASSETS

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Mortgage loan receivables		
– at fair value through profit or loss	1,508.7	1,323.1
– at amortised cost	154.2	182.9
	1,662.9	1,506.0
Analysed as		
Non-current	972.8	1,500.7
Current	690.1	5.3
	1,662.9	1,506.0

Mortgage loan receivables are advances to purchasers of development properties of the Group and are secured by first mortgages on the related properties. The Group has not provided any impairment loss for its mortgage loan receivables during the period (2020: Nil).

19. LOSS ON DISPOSAL OF A SUBSIDIARY

In 2019, an agreement was entered into by Global Best Development Limited, a subsidiary of the Group in respect of the disposal of its wholly-owned subsidiary, which holds the entire interest of an industrial complex situated at Ruyuan County, Guangdong Province, PRC. The disposal was completed in April 2020. Disposal loss was arrived as follows:

	30 June 2020 HK\$'M
Net proceeds from disposal of a subsidiary	14.2
Less: Net asset value of a subsidiary	(16.1)
Transaction cost	(0.6)
Loss on disposal of a subsidiary	(2.5)

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

20. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Trade receivables (Note a)	14.6	14.8
Deferred rent receivables	17.8	13.6
Amounts due from joint ventures	5.2	7.4
Loans to joint ventures	34.1	1,409.0
Contract assets (Note b)	197.1	178.3
Other receivables, deposits and prepayments	117.6	88.5
	386.4	1,711.6

Notes:

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

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
0 – 30 days	9.9	9.1
31 – 90 days	0.8	2.6
Over 90 days	3.9	3.1
	14.6	14.8

- (b) It mainly represents sales commissions incurred for obtaining property sales contracts.

21. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Trade payables (Note a)	8.2	8.8
Contract liabilities (Note b)	4,352.9	3,817.7
Rental deposits received	166.5	161.3
Construction costs payable	150.2	211.4
Amounts due to joint ventures	173.7	70.3
Other creditors and accruals	343.1	386.0
	5,194.6	4,655.5

21. TRADE AND OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

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

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
0 – 30 days	7.7	7.2
31 – 90 days	0.5	1.2
Over 90 days	–	0.4
	8.2	8.8

(b) It represents sales deposits received from property sales.

22. BANK AND OTHER BORROWINGS

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Bank borrowings	2,573.9	2,245.9
Fixed rate bonds	1,865.6	1,878.6
Loans from non-controlling interests	294.0	255.1
	4,733.5	4,379.6

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

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Within one year	1,395.5	725.9
Between one and two years	2,068.5	1,629.0
Between two and five years	1,257.3	2,008.3
After five years	12.2	16.4
	4,733.5	4,379.6
Less: Amounts due within one year shown under current liabilities	(1,395.5)	(725.9)
Amounts due after one year	3,338.0	3,653.7
Analysed as		
Secured	1,726.0	2,096.3
Unsecured	3,007.5	2,283.3
	4,733.5	4,379.6

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

23. SHARE CAPITAL

	Number of ordinary shares of HK\$0.50 each	Amount HK\$'M
Authorised:		
At 1 January 2020, 31 December 2020 and 30 June 2021	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2021	1,354,530,279	677.3
Issue of shares on exercise of incentive shares	212,000	0.1
At 30 June 2021	1,354,742,279	677.4
At 1 January 2020	1,352,619,279	676.3
Issue of shares on exercise of share options and incentive shares	1,911,000	1.0
At 31 December 2020	1,354,530,279	677.3

24. PERPETUAL CAPITAL SECURITIES

Under the US\$1 billion Medium Term Note Programme, Wing Tai Properties (Finance) Limited, a wholly-owned subsidiary of the Group, issued S\$260 million 4.35% unrated senior guaranteed perpetual capital securities (the "Securities") which are listed on Singapore Exchange Securities Trading Limited in 2017. The Group accounted for the Securities as equity instruments pursuant to HKFRS issued by the HKICPA for the purposes of the Group's consolidated financial statements.

25. COMMITMENTS

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Expenditure in respect of investment properties		
– contracted but not provided for	4.9	5.0
– authorised but not contracted for	17.3	–
Expenditure in respect of investment properties through joint ventures		
– contracted but not provided for	–	0.5
Capital injection to joint ventures		
– contracted but not provided for	641.1	284.7
	663.3	290.2

26. CONTINGENT LIABILITIES AND FINANCIAL GUARANTEES

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

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Guarantees given to banks in respect of bank facilities extended to joint ventures	5,343.1	5,414.9

At 30 June 2021, bank loans of HK\$4,264.6M (31 December 2020: HK\$4,287.5M) being guaranteed by the Group to joint ventures have been drawn down.

27. PLEDGE OF ASSETS

As at 30 June 2021, the Group's advances to joint ventures of HK\$3,007.3M (31 December 2020: HK\$2,891.9M) were subordinated to the loan facilities of joint ventures and assigned. The joint ventures are engaged in property development and property investment and management. The shares in these joint ventures beneficially owned by the Group are pledged to the financial institutions.

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

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Investment properties	3,494.8	4,434.5
Other properties, plant and equipment	34.2	34.3
Properties for sale	1,976.5	1,684.7
	5,505.5	6,153.5

The credit facilities were utilised to the extent of HK\$1,726.0M (31 December 2020: HK\$2,096.3M).

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2021

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June 2021 HK\$'M	2020 HK\$'M
Key management compensation (Note)		
Salaries and other benefits	(18.6)	(18.2)
Retirement benefits costs	(0.8)	(0.8)
Value of share options and incentive shares	(4.6)	(5.3)
	(24.0)	(24.3)
Interest income from loans to and amounts due from joint ventures	4.7	6.6
Interest expenses for loans from non-controlling interests	(2.9)	(2.6)
Management income from joint ventures	0.6	–
Project management fee income from a joint venture	6.4	7.7
Property rental income from a substantial shareholder of the Company	2.6	2.7
Sales and marketing service fee income from joint ventures	2.2	–
Serviced apartment management and license fee income from a joint venture	0.2	0.5
Serviced apartment management and license fee income from a substantial shareholder of the Company	0.9	1.1

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 related parties at the reporting dates are:

	30 June 2021 HK\$'M	31 December 2020 HK\$'M
Non-current loans to joint ventures (Note 15)	4,098.3	3,868.3
Current loans to joint ventures (Note 20)	34.1	1,409.0
Amounts due from joint ventures (Note 20)	5.2	7.4
Amounts due to joint ventures (Note 21)	173.7	70.3
Non-current loans to associates	22.4	22.4

29. EVENT SUBSEQUENT TO PERIOD END

In June 2021, the Group won a tender of a residential site in Kwu Tung, Fanling from the Government of the Hong Kong Special Administrative Region with a total consideration of HK\$2,616.8M. The transaction was completed in July 2021.

In August 2021, the Company entered into an agreement with two companies to dispose of a 15% interest in the above site at a consideration of HK\$392.5M. The transaction was completed in August 2021.

GENERAL INFORMATION

DIRECTORS' AND THE CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2021, the interests of the directors and the Chief Executive of the Company in shares and underlying shares of the Company as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 to 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/underlying 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	14,066,066	-	-	462,488,185 (Note b)		4,165,500	480,719,751	35.48%
Cheng Wai Sun, Edward	11,998,731	-	-	462,488,185 (Note b)		4,165,500	478,652,416	35.33%
Cheng Man Piu, Francis	-	-	-	462,488,185 (Note b)		-	462,488,185	34.14%
Chow Wai Wai, John	1,056,002	-	-	-		770,000	1,826,002	0.13%
Ng Kar Wai, Kenneth	1,391,250	-	-	-		1,338,750	2,730,000	0.20%
Kwok Ping Luen, Raymond	-	-	-	9,224,566 (Note c)		-	9,224,566	0.68%
Kwok Ho Lai, Edward (Alternate Director to Kwok Ping Luen, Raymond)	-	-	-	9,736,566 (Note d)		-	9,736,566	0.72%
Ng Tak Wai, Frederick	278,391	1,016,000	-	313,666 (Note e)		-	1,608,057	0.12%

GENERAL INFORMATION

Notes:

- (a) The total number of issued shares in the capital of the Company (the “Shares”) as at 30 June 2021 was 1,354,742,279.
- (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 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 (d) below, these 9,224,566 Shares represented the same interests and were therefore duplicated between Kwok Ping Luen, Raymond and Kwok Ho Lai, Edward for the purpose of Part XV of the SFO.
- (d) 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.
- (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 directors. Details of which are set out in the sections below headed Share Option Plan and Share Incentive Scheme.

Save as disclosed herein, as at 30 June 2021, none of the directors or the Chief Executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company 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 pursuant to the Model Code.

EQUITY-LINKED AGREEMENTS

Details of the equity-linked agreements entered into during the six months ended, or subsisting as at, 30 June 2021 are set out below:

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 (the “Board”) 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 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 during the six months ended 30 June 2021 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 30.6.2021	Weighted average closing price of the Shares immediately before the date on which the options were exercised (HK\$)
					As at 1.1.2021	Granted during the six months ended 30.6.2021	Exercised during the six months ended 30.6.2021	Cancelled/lapsed during the six months ended 30.6.2021		
Director										
Cheng Wai Chee, Christopher	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	222,500	-	-	-	222,500	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	445,000	-	-	-	445,000	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029	250,000	-	-	-	250,000	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029	250,000	-	-	-	250,000	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029	500,000	-	-	-	500,000	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030	269,250	-	-	-	269,250	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030	269,250	-	-	-	269,250	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030	538,500	-	-	-	538,500	N/A
	19.1.2021	3.69	3.67	19.1.2022 to 18.1.2031	-	355,250	-	-	355,250	N/A
	19.1.2021	3.69	3.67	19.1.2023 to 18.1.2031	-	355,250	-	-	355,250	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031	-	710,500	-	-	710,500	N/A

GENERAL INFORMATION

	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 30.6.2021	Weighted average closing price of the Shares immediately before the date on which the options were exercised (HK\$)	
					As at 1.1.2021	Granted during the six months ended 30.6.2021	Exercised during the six months ended 30.6.2021			Cancelled/ lapsed during the six months ended 30.6.2021
Cheng Wai Sun, Edward	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	222,500	-	-	-	222,500	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	445,000	-	-	-	445,000	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029	250,000	-	-	-	250,000	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029	250,000	-	-	-	250,000	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029	500,000	-	-	-	500,000	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030	269,250	-	-	-	269,250	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030	269,250	-	-	-	269,250	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030	538,500	-	-	-	538,500	N/A
	19.1.2021	3.69	3.67	19.1.2022 to 18.1.2031	-	355,250	-	-	355,250	N/A
	19.1.2021	3.69	3.67	19.1.2023 to 18.1.2031	-	355,250	-	-	355,250	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031	-	710,500	-	-	710,500	N/A
Chow Wai Wai, John	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	40,000	-	-	-	40,000	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	80,000	-	-	-	80,000	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029	44,250	-	-	-	44,250	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029	44,250	-	-	-	44,250	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029	88,500	-	-	-	88,500	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030	51,500	-	-	-	51,500	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030	51,500	-	-	-	51,500	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030	103,000	-	-	-	103,000	N/A
	19.1.2021	3.69	3.67	19.1.2022 to 18.1.2031	-	66,750	-	-	66,750	N/A
	19.1.2021	3.69	3.67	19.1.2023 to 18.1.2031	-	66,750	-	-	66,750	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031	-	133,500	-	-	133,500	N/A

	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 30.6.2021	Weighted average closing price of the Shares immediately before the date on which the options were exercised (HK\$)
					As at 1.1.2021	Granted during the six months ended 30.6.2021	Exercised during the six months ended 30.6.2021	Cancelled/lapsed during the six months ended 30.6.2021		
Ng Kar Wai, Kenneth	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	10,250	-	-	-	10,250	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	20,500	-	-	-	20,500	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029	95,500	-	-	-	95,500	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029	95,500	-	-	-	95,500	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029	191,000	-	-	-	191,000	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030	97,500	-	-	-	97,500	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030	97,500	-	-	-	97,500	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030	195,000	-	-	-	195,000	N/A
	19.1.2021	3.69	3.67	19.1.2022 to 18.1.2031	-	134,000	-	-	134,000	N/A
	19.1.2021	3.69	3.67	19.1.2023 to 18.1.2031	-	134,000	-	-	134,000	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031	-	268,000	-	-	268,000	N/A
Employees										
Employees in aggregate	27.3.2018	6.10	6.10	22.1.2020 to 26.3.2028	201,000	-	-	-	201,000	N/A
	27.3.2018	6.10	6.10	22.1.2021 to 26.3.2028	402,000	-	-	-	402,000	N/A
	23.1.2019	5.766	5.78	23.1.2020 to 22.1.2029	233,750	-	-	-	233,750	N/A
	23.1.2019	5.766	5.78	23.1.2021 to 22.1.2029	233,750	-	-	-	233,750	N/A
	23.1.2019	5.766	5.78	23.1.2022 to 22.1.2029	467,500	-	-	-	467,500	N/A
	17.1.2020	5.17	5.17	17.1.2021 to 16.1.2030	230,500	-	-	-	230,500	N/A
	17.1.2020	5.17	5.17	17.1.2022 to 16.1.2030	230,500	-	-	-	230,500	N/A
	17.1.2020	5.17	5.17	17.1.2023 to 16.1.2030	461,000	-	-	-	461,000	N/A
	19.1.2021	3.69	3.67	19.1.2022 to 18.1.2031	-	317,750	-	-	317,750	N/A
	19.1.2021	3.69	3.67	19.1.2023 to 18.1.2031	-	317,750	-	-	317,750	N/A
	19.1.2021	3.69	3.67	19.1.2024 to 18.1.2031	-	635,500	-	-	635,500	N/A
					9,254,750	4,916,000	-	-	14,170,750	

Note: The Company will provide subscription money to the share option holders in the event that they exercise their share options when the market price of the Shares is equal to or higher than the exercise price of share options concerned.

GENERAL INFORMATION

(ii) Valuation of Share Options

The fair value of share options granted during the period ended 30 June 2021 are determined by using the Binominal Model (the “Model”). Key assumptions of the Model are as follows:

Risk-free rate	0.78%
Expected dividend yield	7.32%
Expected volatility of the market price of the Shares	22.29%
Expected life	10 years from the date of grant
Estimated fair value per share option	HK\$0.24

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, the existing model does not, in the Company’s directors’ opinion, necessarily provide a reliable single measure of the fair value of share options.

SHARE INCENTIVE SCHEME

Under the Share Incentive Scheme approved by shareholders of the Company on 17 June 2005 (“Share Incentive Scheme”), the Board 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 the Shares.

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 which are yet to be vested or exercised shall remain valid.

Outstanding Incentive Shares

Details of the incentive shares granted, and summary of the movements of the outstanding incentive shares, during the six months ended 30 June 2021 under the Share Incentive Scheme are as follows:

Director	Date of award	Number of incentive shares				As at 30.6.2021	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2021	Awards made during the six months ended 30.6.2021	Vested and exercised during the six months ended 30.6.2021	Cancelled/ lapsed during the six months ended 30.6.2021				
Ng Kar Wai, Kenneth	15.6.2015	212,000	-	212,000	-	-	N/A	N/A	8,000
		212,000	-	212,000	-	-			

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 2021, the following persons (other than the directors and the Chief Executive of the Company) had interests in the Shares as recorded in the register kept by the Company under section 336 of the SFO or as otherwise notified to the Company:

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital (Note 1)
1. Brave Dragon Limited	Beneficial owner	141,794,482	10.47%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	19.96%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 (Notes 2(a) & 3)	34.14%
4. Butterfield Fiduciary Services (Guernsey) Limited (formerly Deutsche Bank International Trust Co. Limited)	Trustee	462,488,185 (Notes 2(b) & 4)	34.14%
5. Butterfield Fiduciary Services (Cayman) Limited (formerly Deutsche Bank International Trust Co. (Cayman) Limited)	Trustee	462,488,185 (Notes 2(b) & 4)	34.14%
6. Wing Tai Corporation Limited	Interest of controlled corporation	182,560,826 (Note 5)	13.48%
7. Renowned Development Limited	Interest of controlled corporation	182,560,826 (Notes 2(c) & 5)	13.48%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	199,884,783 (Notes 2(c) & 6)	14.75%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	183,612,533 (Note 7)	13.55%
10. HSBC Trustee (C.I.) Limited	Trustee	183,612,533 (Notes 2(d) & 8)	13.55%
11. Gala Land Investment Co. Limited	Beneficial owner	101,579,467	7.50%
12. Farnham Group Limited	Interest of controlled corporation	101,579,467 (Notes 2(e) & 9)	7.50%
13. WHCWTF Limited	Interest of controlled corporation	101,579,467 (Notes 2(e) & 10)	7.50%
14. Chow Chung Kai	Beneficial owner and interest of controlled corporation	150,430,211 (Notes 2(e) & 11)	11.10%

GENERAL INFORMATION

Notes:

- 1 The total number of issued Shares as at 30 June 2021 was 1,354,742,279.
- 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 9 duplicated with the interests of party 10 entirely.
 - (e) The interests of party 11 duplicated with the interests of party 12 and party 13 entirely and were included in the interests of party 14.

3 Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 50,282,667 Shares.

4 The Company was notified that Deutsche Bank International Trust Co. Limited changed its name to Butterfield Fiduciary Services (Guernsey) Limited (“Butterfield Guernsey”) with effect from 3 April 2018. Butterfield Guernsey 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”).

The Company was notified that Deutsche Bank International Trust Co. (Cayman) Limited changed its name to Butterfield Fiduciary Services (Cayman) Limited (“Butterfield Cayman”) with effect from 6 April 2018. Butterfield Cayman was the trustee of the Unit Trust and was deemed to be interested in 462,488,185 Shares (Such deemed interest arose by virtue of the fact that Butterfield Cayman was interested indirectly through subsidiaries in more than one-third of the issued share capital of Wing Tai Holdings Limited which was interested in 462,488,185 Shares).

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”), Mondale Holdings Limited (“Mondale”), Victory Zone Holdings Limited (“Victory Zone”) and Country World Limited (“Country World”). Wesmore was the beneficial owner of 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.

Mondale beneficially owned 100% of the issued share capital of Junwall Holdings Ltd. (“Junwall”), which in turn beneficially owned 100% of the issued share capital of Techglory Ltd. (“Techglory”). Techglory was the beneficial owner of 192,000 Shares.

Victory Zone beneficially owned 100% of the issued share capital of Charmview International Ltd. (“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 interests of Wesmore, Soundworld, Units Key, Triple Surge, Techglory, Charmview and Erax Strong in the Shares.

- 8 HSBC Trustee (C.I.) Limited, as the trustee of certain discretionary trusts, was deemed to be interested in more than one-third of the issued share capital of SHKP. By virtue of its deemed interest in SHKP, it was deemed to be interested in 183,612,533 Shares.
- 9 Farnham Group Limited (“Farnham”) beneficially owned 100% of the issued share capital of Gala Land Investment Co. Limited (“Gala”) and, therefore, Farnham was deemed to be interested in 101,579,467 Shares held by Gala by virtue of its corporate interest therein.
- 10 WHCWTF Limited (“WHCWTF”) beneficially owned 50% of the issued share capital of Farnham and, therefore, WHCWTF was deemed to be interested in 101,579,467 Shares held by Gala by virtue of its corporate interest therein.
- 11 According to the information available to the Company, Chow Chung Kai (“Mr. Chow”) passed away on 19 September 2020. Mr. Chow beneficially owned 48,850,744 Shares.

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

Save as disclosed above, as at 30 June 2021, the Company had not been notified of any interests or short positions held by any substantial shareholder in the Share or underlying Share 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 2021, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the Share or underlying Share, 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 2021, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$9,503 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

An unaudited combined balance sheet of these affiliated companies and the Group’s attributable interest in these affiliated companies as at 30 June 2021 are presented below:

	Combined balance sheet	Group’s attributable interest
	<i>(HK\$’M)</i>	<i>(HK\$’M)</i>
Non-current assets	11,748.0	4,165.3
Current assets	13,693.3	6,340.8
Current liabilities	(2,467.0)	(739.9)
Non-current liabilities	(9,598.9)	(4,296.0)
Amounts and loans due from shareholders	726.7	173.7
Amounts and loans due to shareholders	(10,266.6)	(4,160.0)
Net assets	3,835.5	1,483.9

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 applied the principles and 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 2021.

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.

The Company has made specific enquiry of all Directors regarding non-compliance with the Model Code during the six months ended 30 June 2021, and received confirmations from all the Directors that they had fully complied with the required standard set out in the Model Code throughout the six months ended 30 June 2021.

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.

Mrs. Chen Chou Mei Mei, Vivien, a non-executive director of the Company, resigned as an independent director of New Silkroutes Group Limited (listed on the Singapore Exchange) with effect from 31 March 2021.

Mr. Lam Kin Fung, Jeffrey, an independent non-executive director of the Company, was appointed as an executive director of Hong Kong Aerospace Technology Group Limited (a company listed on the Hong Kong Stock Exchange) on 16 July 2021.

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

During the six months ended 30 June 2021, 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

