

WING TAI PROPERTIES LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code : 369)

INTERIM REPORT 2011



WINGTAI ASIA



LANSON PLACE



WINSOR PROPERTIES



Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

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

CHENG Man Piu, Francis

CHOW Wai Wai, John

AU Hing Lun, Dennis

Non-Executive Directors

KWOK Ping Luen, Raymond *JP*

YUNG Wing Chung
(also an alternate to KWOK Ping Luen, Raymond)

HONG Pak Cheung, William

LOH Soo Eng

NG Tak Wai, Frederick

Independent Non-Executive Directors

Simon MURRAY *CBE*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

AUDIT COMMITTEE MEMBERS

YEUNG Kit Shing, Jackson (Chairman)

FANG Hung, Kenneth *GBS CBE JP*

YUNG Wing Chung

HONG Pak Cheung, William

(alternate to YUNG Wing Chung)

REMUNERATION COMMITTEE MEMBERS

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

CHENG Wai Sun, Edward *SBS JP*

Simon MURRAY *CBE*

FANG Hung, Kenneth *GBS CBE JP*

YEUNG Kit Shing, Jackson

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

FUNG Ching Man, Janet

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS TO THE COMPANY

Slaughter and May (as to Hong Kong Laws)

Appleby (as to Bermuda Laws)

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited

Bank of China (Hong Kong) Limited

Standard Chartered Bank (Hong Kong) Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Appleby Management (Bermuda) Ltd.

Argyle House

41A Cedar Avenue

Hamilton 12

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Hong Kong

REGISTERED OFFICE

Canon's Court, 22 Victoria Street

Hamilton HM 12, Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

27th Floor, Two Landmark East

100 How Ming Street

Kwun Tong, Kowloon

Hong Kong

COMPANY WEBSITE

<http://www.wingtaiproperties.com>

HONG KONG STOCK EXCHANGE STOCK CODE

369

On the Cover: **Forfar** – A Low-Density Luxurious Residence in Kowloon Tong

Contents

Corporate Information	
Contents	1
Chairman's Statement	2
Condensed Consolidated Interim Financial Information (Unaudited)	
– Condensed Consolidated Income Statement	3
– Condensed Consolidated Statement of Comprehensive Income	4
– Condensed Consolidated Balance Sheet	5
– Condensed Consolidated Statement of Changes in Equity	7
– Condensed Consolidated Cash Flow Statement	9
– Notes to the Interim Financial Information	10
Interim Dividend	23
Management Discussion and Analysis	23
General Information	27

Chairman's Statement

Dear Shareholders,

I am pleased to report that the Group continued to deliver enduring growth in the first half of 2011 as reflected in a set of good financial results, a strengthened project development pipeline and a diversified investment portfolio, enabling the sustained growth of the Group for the remainder of 2011.

The Group's net profit reached HK\$1,364 million during the first six months of the year, representing a 68% increase from the first half of 2010. The strong performance was mainly attributable to excellent sales of the remaining units at "Forfar" and "Belle Vue Residences", improved rental income from Landmark East and fair value gains of the Group's investment properties.

In the first six months of 2011, against the backdrop of stable growth in the local economy, a low interest rate environment, strong demand and limited supply, property prices and leasing rates climbed steadily. This trend is particularly evident in the luxury residential market.

The Group made good progress in the development of all our luxury residential projects. All the outstanding typical units of "Forfar" were sold at prices on average 30% higher than the previous pre-sale price. Construction of "Seymour" is on schedule and we expect to obtain the occupation permit in the fourth quarter of 2011, upon which profits from the 85% of the units pre-sold can be recognised. The planning and design works for the new projects at "9 Warren Street" in Tai Hang and Coronation Terrace in Mid-levels West are progressing well. The projects, developed on such sought-after locations, will fully demonstrate our product development strength. Subject to market conditions, both "9 Warren Street" and the first phase of "Providence Bay" in Tai Po are expected to be launched for pre-sale towards the end of this year.

In order to capture the continuous demand for luxury properties in prime urban locations, the Group partnered with Nan Fung Group in April to acquire a Ko Shan Road site in Hung Hom. The acquisition has further enhanced the Group's premium property portfolio and has strengthened our market presence.

The strong local economy has also led to increased leasing activities in the Grade A office market. Our property investment and management division, held under Winsor Properties, continued to record growth in rental and occupancy rates as well as in the asset value of properties, particularly that of Landmark East and W Square. The occupancy rates of Landmark East and W Square were around 90% at the end of June. In the first six months, W Square secured over 50% renewal with satisfactory positive rental reversion while Landmark East committed new leases at increased rate for the remaining space.

The Group's portfolio of serviced residences and boutique hotel under Lanson Place delivered impressive growth in occupancy and financial performance during the period under review, especially Lanson Place Hotel in Hong Kong. In May, in line with the Group's strategy of expanding its hospitality business and diversifying Winsor Properties' investment portfolio, Winsor Properties acquired the remaining 40% interest in Lanson Place Hotel, which will further enhance the recurring earnings for the Group. To strengthen the capabilities of its management team to capture a larger share of the fast-growing hospitality market in Asia, a Lanson Place Chief Executive Officer with extensive global operation and development experience was appointed in August.

We feel confident about the future on the ground of proven solid results achieved since the transformational steps we took to reposition the Group back in 2007. The combination of our reputable brands in the premium property market and hospitality industry, a healthy balance sheet and strong recurrent income base, an expanded project development pipeline, a diversified investment portfolio and strong management execution capabilities have provided the Group a solid platform from which we will sustain the long-term growth of our business.

I would like to take this opportunity to thank all stakeholders, including shareholders, business partners, and our devoted employees for their support, which has been fundamental to the Group's continued success.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 30 August 2011

Condensed Consolidated Income Statement

For the six months ended 30 June 2011

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"), and its jointly controlled entities for the six months ended 30 June 2011.

	Note	Unaudited Six months ended 30 June	
		2011 HK\$'M	2010 HK\$'M (As restated)
Revenue	4	1,025.8	1,356.6
Cost of sales		(533.3)	(925.4)
Gross profit		492.5	431.2
Other gains/(losses), net		40.4	(10.8)
Selling and distribution costs		(83.7)	(95.5)
Administrative expenses		(157.2)	(143.8)
Change in fair value of investment properties	9	1,491.2	635.3
Gain on disposal of investment properties		–	137.8
Gain on disposal of other properties, plant and equipment		–	68.7
Profit from operations	5	1,783.2	1,022.9
Finance costs		(43.4)	(42.7)
Finance income		3.5	1.0
Share of results of associates		46.8	56.3
Profit before taxation		1,790.1	1,037.5
Taxation	6	(55.6)	(11.7)
Profit for the period		1,734.5	1,025.8
Attributable to:			
Equity holders of the Company		1,363.5	809.3
Non-controlling interests		371.0	216.5
		1,734.5	1,025.8
Earnings per share for profit attributable to equity holders of the Company (expressed in HK dollar per share)			
– Basic	7	HK\$1.03	HK\$0.61
– Diluted		HK\$1.02	HK\$0.61
Dividends (expressed in HK\$'M)	8	136.6	99.2

The notes on pages 10 to 22 are an integral part of this Interim Financial Information.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2011

	Unaudited Six months ended 30 June	
	2011 HK\$'M	2010 HK\$'M (As restated)
Profit for the period	1,734.5	1,025.8
Other comprehensive income		
Release of other property revaluation reserve upon disposal of other properties, plant and equipment	–	(24.5)
Exchange differences on translation of foreign operations	14.3	8.1
Exchange differences released upon repayment of loans from associates	(34.1)	–
Net fair value gain/(loss) arising on revaluation of available-for-sale financial assets	15.0	(1.6)
Net loss on cash flow hedge		
– Fair value losses	(23.5)	(49.5)
– Realised upon settlement	21.9	22.4
Other comprehensive income for the period, net of tax	(6.4)	(45.1)
Total comprehensive income for the period	1,728.1	980.7
Attributable to:		
Equity holders of the Company	1,359.2	772.6
Non-controlling interests	368.9	208.1
Total comprehensive income for the period	1,728.1	980.7

The notes on pages 10 to 22 are an integral part of this Interim Financial Information.

Condensed Consolidated Balance Sheet

As at 30 June 2011

	<i>Note</i>	Unaudited 30 June 2011 HK\$'M	Audited 31 December 2010 HK\$'M
ASSETS AND LIABILITIES			
Non-current assets			
Land use rights	9	3.3	3.3
Investment properties	9	13,261.4	11,786.0
Other properties, plant and equipment	9	154.4	148.8
Interests in associates		524.2	423.7
Loans to associates		101.2	343.1
Available-for-sale financial assets		487.6	475.6
Deposits, loans and receivables		482.9	246.0
Held-to-maturity investments		61.6	37.9
Deferred tax assets		6.8	16.2
Derivative financial instruments		10.0	16.0
		15,093.4	13,496.6
Current assets			
Inventories		143.5	84.8
Properties for sale	10	4,596.1	3,980.4
Trade and other receivables, deposits and prepayments	11	466.2	205.1
Derivative financial instruments		0.1	0.1
Sales proceeds held in stakeholders' accounts		61.9	199.3
Amounts due from associates		1.2	1.4
Tax recoverable		1.3	0.8
Bank balances and cash		932.3	897.6
		6,202.6	5,369.5
Current liabilities			
Trade and other payables and accruals	12	863.1	897.9
Derivative financial instruments		43.4	42.9
Amounts due to associates		0.3	0.4
Tax payable		85.6	55.3
Bank loans due within one year	13	1,378.2	1,165.5
		2,370.6	2,162.0
Net current assets		3,832.0	3,207.5
Total assets less current liabilities		18,925.4	16,704.1

Condensed Consolidated Balance Sheet

As at 30 June 2011

	<i>Note</i>	Unaudited 30 June 2011 HK\$'M	Audited 31 December 2010 HK\$'M
Non-current liabilities			
Bank loans due after one year	13	3,905.8	3,010.3
Other long-term loans	14	35.5	35.5
Other long-term liability		193.9	193.1
Derivative financial instruments		71.5	71.6
Deferred tax liabilities		133.1	122.2
		4,339.8	3,432.7
NET ASSETS		14,585.6	13,271.4
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	15	663.2	661.5
Reserves		11,598.2	10,266.6
		12,261.4	10,928.1
Non-controlling interests		2,324.2	2,343.3
TOTAL EQUITY		14,585.6	13,271.4

The notes on pages 10 to 22 are an integral part of this Interim Financial Information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Unaudited											
	Attributable to equity holders of the Company											
	Share capital HK\$'M	Share premium HK\$'M	Hedging reserve HK\$'M	Investment revaluation reserve HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M	Non-controlling interests HK\$'M	Total equity HK\$'M
At 1 January 2011	661.5	3,249.0	(91.7)	197.3	11.7	30.4	72.2	243.1	6,554.6	10,928.1	2,343.3	13,271.4
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	1,363.5	1,363.5	371.0	1,734.5
Other comprehensive income												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	12.1	-	-	12.1	2.2	14.3
Exchange differences released upon repayment of loans from associates	-	-	-	-	-	-	(27.0)	-	-	(27.0)	(7.1)	(34.1)
Net fair value gain arising on revaluation of available-for-sale financial assets	-	-	-	11.9	-	-	-	-	-	11.9	3.1	15.0
Net loss on cash flow hedge	-	-	(1.3)	-	-	-	-	-	-	(1.3)	(0.3)	(1.6)
Total comprehensive income	-	-	(1.3)	11.9	-	-	(14.9)	-	1,363.5	1,359.2	368.9	1,728.1
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	3.6	-	-	-	-	3.6	-	3.6
Incentive shares exercised	1.7	6.8	-	-	(6.8)	-	-	-	-	1.7	-	1.7
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	(325.9)	(325.9)
Gain on bargain purchase of a subsidiary and non-controlling interests	-	-	-	-	-	-	-	55.0	-	55.0	14.3	69.3
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(76.4)	(76.4)
2010 final dividend paid	-	-	-	-	-	-	-	(86.2)	-	(86.2)	-	(86.2)
Total transactions with owners	1.7	6.8	-	-	(3.2)	-	-	(31.2)	-	(25.9)	(388.0)	(413.9)
At 30 June 2011	663.2	3,255.8	(93.0)	209.2	8.5	30.4	57.3	211.9	7,918.1	12,261.4	2,324.2	14,585.6

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2011

	Unaudited											
	Attributable to equity holders of the Company											Total equity HK\$'M
	Share capital HK\$'M	Share premium HK\$'M	Hedging reserve HK\$'M	Investment revaluation reserve HK\$'M	Employee share-based compensation reserve HK\$'M	Other property revaluation reserve HK\$'M	Translation reserve HK\$'M	Contributed surplus HK\$'M	Retained profits HK\$'M	Total HK\$'M	Non-controlling interests HK\$'M	
At 1 January 2010												
- as previously reported	659.6	3,239.2	(76.4)	114.5	13.4	42.4	27.1	342.3	3,765.5	8,127.6	1,566.5	9,694.1
- adjustments for adoptions of amendments to HKAS 12	-	-	-	-	-	1.7	(0.1)	-	876.0	877.6	261.4	1,139.0
- as restated	659.6	3,239.2	(76.4)	114.5	13.4	44.1	27.0	342.3	4,641.5	9,005.2	1,827.9	10,833.1
Comprehensive income												
Profit for the period, as restated	-	-	-	-	-	-	-	-	809.3	809.3	216.5	1,025.8
Other comprehensive income												
Release of other property revaluation reserves upon disposal of other properties, plant and equipment	-	-	-	-	-	(22.2)	-	-	-	(22.2)	(2.3)	(24.5)
Exchange differences on translation of foreign operations	-	-	-	-	-	-	8.1	-	-	8.1	-	8.1
Net fair value loss arising on revaluation of available-for-sale financial assets	-	-	-	(1.3)	-	-	-	-	-	(1.3)	(0.3)	(1.6)
Net loss on cash flow hedge	-	-	(21.3)	-	-	-	-	-	-	(21.3)	(5.8)	(27.1)
Total comprehensive income, as restated	-	-	(21.3)	(1.3)	-	(22.2)	8.1	-	809.3	772.6	208.1	980.7
Transactions with owners												
Value of employee services relating to grants of share options and incentive shares	-	-	-	-	2.6	-	-	-	-	2.6	-	2.6
Incentive shares exercised	1.8	9.6	-	-	(9.6)	-	-	-	-	1.8	-	1.8
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(20.5)	(20.5)
2009 final dividend paid	-	-	-	-	-	-	-	(52.9)	-	(52.9)	-	(52.9)
Total transactions with owners	1.8	9.6	-	-	(7.0)	-	-	(52.9)	-	(48.5)	(20.5)	(69.0)
At 30 June 2010, as restated	661.4	3,248.8	(97.7)	113.2	6.4	21.9	35.1	289.4	5,450.8	9,729.3	2,015.5	11,744.8

The notes on pages 10 to 22 are an integral part of this Interim Financial Information.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2011

	Note	Unaudited Six months ended 30 June	
		2011 HK\$'M	2010 HK\$'M
Net cash used in operating activities		(626.3)	(201.3)
Net cash (used in)/generated from investing activities		(112.9)	106.0
Cash flows from financing activities			
Acquisition of a subsidiary and non-controlling interests	18	(229.1)	–
Other financing cash flows		942.0	(2.2)
Net cash generated from/(used in) financing activities		712.9	(2.2)
Effect of foreign exchange rate changes		1.0	(1.6)
Decrease in cash and cash equivalents		(25.3)	(99.1)
Cash and cash equivalents at the beginning of the period		897.6	700.2
Cash and cash equivalents at the end of the period		872.3	601.1
Analysis of balances of cash and cash equivalents			
Bank balances and cash		932.3	601.1
Non-pledged time deposits with original maturity of more than three months when acquired		(60.0)	–
		872.3	601.1

The notes on pages 10 to 22 are an integral part of this Interim Financial Information.

Notes to the Interim Financial Information

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

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

The Group’s jointly controlled entities and associates are principally engaged in property investment and property development.

This Interim Financial Information is presented in million of Hong Kong dollars (HK\$’M), unless otherwise stated. It has been approved for issue by the Board of Directors on 30 August 2011.

2. BASIS OF PREPARATION

This Interim Financial Information for the six months ended 30 June 2011 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 2010.

The Interim Financial Information for the six months ended 30 June 2011 is unaudited, but reviewed by PricewaterhouseCoopers, the Company’s independent auditor in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. The Interim Financial Information has also been reviewed by the Company’s Audit Committee.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Company’s annual financial statements for the year ended 31 December 2010, except for the adoption of revised standards, amendments and improvements to standards and interpretations of Hong Kong Financial Reporting Standards (“HKFRS”) as of 1 January 2011, noted below.

Notes to the Interim Financial Information

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- (i) Revised standards, amendments and improvements to standards and interpretations of HKFRS effective for the current accounting period beginning on 1 January 2011 and relevant to the Group

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 24 (Revised)	Related party disclosures
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 34 (Amendment)	Interim financial reporting
HKFRS 3 (Amendment)	Business combinations
HKFRS 7 (Amendment)	Financial instruments: disclosures
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instrument

Amendment to HKAS 34 “Interim financial reporting” is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The adoption of this amendment does not result in additional disclosures to this Interim Financial Information.

The adoption of other revised standards, amendments and improvements to standards and interpretations of HKFRS stated above did not have any significant impact to the Group’s Interim Financial Information in current and prior periods.

- (ii) Revised standard early adopted by the Group in 2010 and restatement of comparatives

HKAS 12 (Amendment) “Deferred tax: Recovery of underlying assets” is effective from 1 January 2012. As discussed in the 2010 annual report, the Group early adopted HKAS 12 (Amendment) and amended its accounting policy for measurement of deferred tax for the year ended 31 December 2010. The adoption of this revised standard had the following impact on the Interim Financial Information for the six months ended 30 June 2010.

- (a) *On the condensed consolidated income statement for the six months ended 30 June 2010*

	HK\$'M
Increase in gain on disposal of other properties, plant and equipment	1.7
Decrease in taxation charge	19.1
<hr/>	
Increase in profit for the period	20.8
<hr/>	
Attributable to:	
Increase in equity holders of the Company	15.0
Increase in non-controlling interests	5.8
<hr/>	
	20.8
<hr/>	
Increase in basic earnings per share	HK\$0.01
<hr/>	
Increase in diluted earnings per share	HK\$0.01
<hr/>	

Notes to the Interim Financial Information

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(ii) Revised standard early adopted by the Group in 2010 and restatement of comparatives (cont'd)

(b) *On the condensed consolidated statement of comprehensive income for the six months ended 30 June 2010*

	HK\$'M
Increase in profit for the period	20.8
Other comprehensive income	
Increase in release of other property revaluation reserve upon disposal of other properties, plant and equipment	(1.7)
Decrease in other comprehensive income for the period, net of tax	(1.7)
Increase in total comprehensive income for the period	19.1
Attributable to:	
Increase in equity holders of the Company	13.3
Increase in non-controlling interests	5.8
	19.1

(iii) New standards, revised standards and amendments that are not yet effective in 2011 and have not been early adopted by the Group

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

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Investments in associates and joint ventures	1 January 2013
HKFRS 7 (Amendment)	Disclosures - transfer of financial assets	1 July 2011
HKFRS 9	Financial instruments	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interest in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013

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

Notes to the Interim Financial Information

4. REVENUE AND SEGMENT INFORMATION

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

Segment information reported to the Group's management for the purposes of resources allocation and assessment of performance are analysed on the basis of the Group's operating divisions (i.e. property development, property investment and management, hospitality investment and management, garment manufacturing, branded products distribution, investing activities and corporate).

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Garment manufacturing HK\$'M	Branded products distribution HK\$'M	Investing activities HK\$'M	Corporate HK\$'M	Elimination HK\$'M	Consolidated HK\$'M
For the six months ended 30 June 2011									
REVENUE									
External sales	486.1	227.6	66.5	132.8	104.3	8.5	-	-	1,025.8
Inter-segment sales	-	7.4	-	-	-	-	-	(7.4)	-
Total	486.1	235.0	66.5	132.8	104.3	8.5	-	(7.4)	1,025.8
RESULTS									
Segment results									
before change in fair value of investment properties	196.4	141.5	34.3	(17.1)	(24.9)	12.9	(46.3)	-	296.8
Change in fair value of investment properties	-	1,442.6	46.7	1.9	-	-	-	-	1,491.2
Reportable segment results	196.4	1,584.1	81.0	(15.2)	(24.9)	12.9	(46.3)	-	1,788.0
<i>Reconciliation:</i>									
Fair value gain/(loss) on derivative financial instruments	-	1.2	-	-	-	(6.0)	-	-	(4.8)
Profit/(loss) from operations	196.4	1,585.3	81.0	(15.2)	(24.9)	6.9	(46.3)	-	1,783.2
Finance costs	-	(36.5)	(5.0)	-	-	(0.1)	(1.8)	-	(43.4)
Finance income	0.3	2.7	0.3	-	0.1	0.1	-	-	3.5
Share of results of associates	40.8	(0.8)	6.8	-	-	-	-	-	46.8
Profit/(loss) before taxation	237.5	1,550.7	83.1	(15.2)	(24.8)	6.9	(48.1)	-	1,790.1
Taxation	-	-	-	-	-	-	-	-	(55.6)
Profit for the period									1,734.5
Other items									
Depreciation and amortisation	0.6	1.9	-	2.2	4.8	-	1.4	-	10.9
Loss/(gain) on disposal of other properties, plant and equipment	0.7	-	-	-	-	-	(0.3)	-	0.4

Notes to the Interim Financial Information

4. REVENUE AND SEGMENT INFORMATION (cont'd)

	Property development HK\$'M	Property investment and management HK\$'M	Hospitality investment and management HK\$'M	Garment manufacturing HK\$'M	Branded products distribution HK\$'M	Investing activities HK\$'M	Corporate HK\$'M	Elimination HK\$'M	Consolidated HK\$'M (As restated)
For the six months ended 30 June 2010									
REVENUE									
External sales	881.6	173.2	53.3	137.9	101.0	9.6	-	-	1,356.6
Inter-segment sales	-	9.8	-	-	-	-	-	(9.8)	-
Total	881.6	183.0	53.3	137.9	101.0	9.6	-	(9.8)	1,356.6
RESULTS									
Segment results									
before change in fair value of investment properties, impairment loss on available-for-sale financial assets and gain on disposals of investment properties and other properties, plant and equipment	146.4	94.1	21.9	(16.0)	(17.6)	12.5	(40.5)	-	200.8
Change in fair value of investment properties	-	629.1	5.6	0.6	-	-	-	-	635.3
Impairment loss of available-for-sale financial assets	-	(13.8)	-	-	-	(4.3)	(0.1)	-	(18.2)
Gain on disposal of investment properties	-	137.8	-	-	-	-	-	-	137.8
Gain on disposal of other properties, plant and equipment	-	68.7	-	-	-	-	-	-	68.7
Reportable segment results	146.4	915.9	27.5	(15.4)	(17.6)	8.2	(40.6)	-	1,024.4
<i>Reconciliation:</i>									
Fair value loss on derivative financial instruments	-	(1.5)	-	-	-	-	-	-	(1.5)
Profit/(loss) from operations	146.4	914.4	27.5	(15.4)	(17.6)	8.2	(40.6)	-	1,022.9
Finance costs	(0.8)	(36.0)	(5.0)	-	(0.7)	-	(0.9)	0.7	(42.7)
Finance income	-	-	1.0	0.7	-	-	-	(0.7)	1.0
Share of results of associates	60.4	-	3.6	-	-	(7.7)	-	-	56.3
Profit/(loss) before taxation	206.0	878.4	27.1	(14.7)	(18.3)	0.5	(41.5)	-	1,037.5
Taxation	-	-	-	-	-	-	-	-	(11.7)
Profit for the period									1,025.8
Other items									
Depreciation and amortisation	3.8	2.4	0.1	2.4	3.6	-	1.2	-	13.5
Loss on disposal/write off of other properties, plant and equipment	8.2	-	-	-	0.1	-	-	-	8.3
Provision for trade receivables, net	-	-	-	0.2	-	-	-	-	0.2

Notes to the Interim Financial Information

4. REVENUE AND SEGMENT INFORMATION (cont'd)

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

	Revenue by geographical market Six months ended 30 June	
	2011 HK\$'M	2010 HK\$'M
Hong Kong	785.2	1,098.2
North America	94.8	105.0
United Kingdom	95.1	95.3
Others	50.7	58.1
	1,025.8	1,356.6

5. PROFIT FROM OPERATIONS

	Six months ended 30 June	
	2011 HK\$'M	2010 HK\$'M
Profit from operations has been arrived at after charging/(crediting) the following:		
Amortisation of interest income on held-to-maturity investments	(4.5)	(3.7)
Amortisation of trademark	–	0.1
Depreciation of other properties, plant and equipment	10.9	13.4
Net fair value loss on derivative financial instruments	4.8	1.5
Share-based compensation expenses	5.3	4.4
Impairment loss on available-for-sale financial assets	0.5	18.2
Provision for diminution in value of inventories	–	2.8
Loss on disposal/write off of other properties, plant and equipment	0.4	8.3
Provision for trade receivables, net	–	0.2

Notes to the Interim Financial Information

6. TAXATION

Hong Kong profits tax has been calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

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

	Six months ended 30 June	
	2011 HK\$'M	2010 HK\$'M (As restated)
Current taxation		
– Hong Kong profits tax	35.1	31.3
– Taxation in other jurisdictions	0.8	0.1
	35.9	31.4
Deferred taxation		
– Change in fair value of investment properties	5.8	4.1
– Reversal upon disposals of investment properties and other properties, plant and equipment	–	(17.4)
– Other temporary differences	13.9	(6.4)
	19.7	(19.7)
	55.6	11.7

7. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2011	2010 (As restated)
Profit attributable to equity holders of the Company for the purpose of calculating basic and diluted earnings per share (expressed in HK\$'M)	1,363.5	809.3
Weighted average number of ordinary shares in issue	1,324,843,565	1,320,550,438
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	8,002,474	6,621,351
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,332,846,039	1,327,171,789

Notes to the Interim Financial Information

8. DIVIDENDS

	Six months ended 30 June	
	2011 HK\$'M	2010 HK\$'M
2010 final dividend paid on 10 June 2011 of HK6.5 cents (2010: 2009 final dividend of HK4.0 cents) per ordinary share approved at annual general meeting held on 24 May 2011	86.2	52.9
Interim dividend of HK3.8 cents (2010: HK3.5 cents) per ordinary share	50.4	46.3
	136.6	99.2

9. CAPITAL EXPENDITURE

	Land use rights HK\$'M	Investment properties HK\$'M	Other properties, plant and equipment HK\$'M
Opening net book value at 1 January 2011	3.3	11,786.0	148.8
Exchange differences	–	3.7	2.2
Gain arising from change in fair value	–	1,491.2	–
Over-provision of project costs	–	(8.0)	–
Additions	–	3.5	15.4
Disposals	–	(15.0)	(1.1)
Depreciation and amortisation	–	–	(10.9)
Closing net book value at 30 June 2011	3.3	13,261.4	154.4
Opening net book value at 1 January 2010	3.4	10,532.0	227.6
Exchange differences	–	4.7	(3.8)
Gain arising from change in fair value	–	635.3	–
Additions	–	2.2	12.2
Disposals	–	(705.0)	(69.2)
Depreciation and amortisation	–	–	(13.4)
Closing net book value at 30 June 2010	3.4	10,469.2	153.4

The Group's investment properties are stated at revalued amounts based on professional valuations at 30 June 2011 on an open market value basis.

Notes to the Interim Financial Information

10. PROPERTIES FOR SALE

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Properties under development held for sale	4,468.0	3,572.9
Completed properties	128.1	407.5
	4,596.1	3,980.4

11. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Trade receivables	355.4	64.0
Less: provision for impairment	(8.2)	(9.8)
Trade receivables (net of provision)	347.2	54.2
Other receivables, deposits and prepayments	101.9	132.3
Deferred rent receivables	17.1	18.6
	466.2	205.1

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

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Not yet due	327.6	6.3
1 – 30 days	12.0	25.4
31 – 90 days	2.7	19.2
Over 90 days	4.9	3.3
	347.2	54.2

Notes to the Interim Financial Information

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Trade payables	55.8	72.4
Other payables and accruals	597.7	615.9
Properties sale deposits received	209.6	209.6
	863.1	897.9

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

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
0 – 30 days	40.2	62.7
31 – 90 days	12.7	8.2
Over 90 days	2.9	1.5
	55.8	72.4

13. BANK LOANS

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

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Within one year	1,378.2	1,165.5
Between one to two years	1,726.9	926.2
Between two to five years	2,007.4	1,974.3
After five years	171.5	109.8
	5,284.0	4,175.8
Less: Amounts due within one year shown under current liabilities	(1,378.2)	(1,165.5)
Amounts due after one year	3,905.8	3,010.3

Notes to the Interim Financial Information

13. BANK LOANS (cont'd)

Bank loans are secured by the Group's assets as follows:

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Investment properties	13,035.4	11,559.6
Other properties, plant and equipment	76.3	75.3
Available-for-sale financial assets	275.3	265.4
Properties for sale	3,704.7	2,829.4
Deposits, loans and receivables	197.4	197.4
	<hr/> 17,289.1	<hr/> 14,927.1

14. OTHER LONG-TERM LOANS

The loans are from non-controlling shareholders of certain subsidiaries. They are unsecured and expected not to be repaid within one year, and are therefore shown in the condensed consolidated balance sheet as non-current liabilities.

15. SHARE CAPITAL

	Number of shares	Amount HK\$'M
Ordinary shares of HK\$0.50 each		
Authorised:		
At 1 January 2010, 31 December 2010 and 30 June 2011	2,000,000,000	1,000.0
Issued and fully paid:		
At 1 January 2010	1,319,253,224	659.6
Issue of shares on exercise of incentive shares	3,683,239	1.9
At 31 December 2010	1,322,936,463	661.5
Issue of shares on exercise of incentive shares	3,426,637	1.7
At 30 June 2011	1,326,363,100	663.2

Notes to the Interim Financial Information

16. COMMITMENTS

	30 June 2011 HK\$'M	31 December 2010 HK\$'M
Expenditure in respect of acquisition of other properties, plant and equipment		
– contracted but not provided for	10.2	0.6
– authorised but not contracted for	1.4	–
Expenditure in respect of investments in jointly controlled entities		
– contracted but not provided for	613.9	852.5
	625.5	853.1

17. CONTINGENT ASSETS AND LIABILITIES

On 16 September 2010, a wholly owned subsidiary of the Company disposed of its entire 40% interest in a jointly controlled entity to one of its joint venture partners (the “Purchaser”) at a consideration of approximately United States \$79.5 million. Apart from the cash settlement, under the share sale agreement of the disposal, the Company is also entitled to receive (1) any repayments from the other joint venture partner in respect of interest receivables in future, subject to a maximum of approximately United States \$6.2 million and (2) 80% of the excess amount if the Purchaser’s IRR return exceeds 12.9% at the projects’ completion date, subject to a maximum of Renminbi 450.0 million. The contingent assets in respect of (1) and (2) above will be recognised as income only when the realisation of the income is virtually certain. As of 30 June 2011 and 31 December 2010, no contingent asset has been recognised in the financial statements.

As at 30 June 2011, the Group did not have any significant contingent liabilities.

Notes to the Interim Financial Information

18. ACQUISITION OF A SUBSIDIARY AND NON-CONTROLLING INTERESTS

On 30 June 2011, the Group through its listed subsidiary, Winsor Properties Holdings Limited, acquired the entire issued share capital of Dragon Eye Holding Limited (“Dragon Eye”) at a cash consideration of HK\$229.1 million. Dragon Eye holds directly 40% of the entire issued share capital of Fore Prosper Limited (“Fore Prosper”) and the remaining 60% is held indirectly by the Group. The acquisition increases the Group’s ownership in Fore Prosper to 91.7%.

	HK\$'M
Shareholders’ loan of Dragon Eye assumed by the Group	(27.5)
Fair value of additional interest of Fore Prosper acquired from a non-controlling shareholder	325.9
	298.4
Purchase consideration settled by cash	229.1
Gain on bargain purchase, gross	69.3
Share of non-controlling interests	(14.3)
Gain on bargain purchase attributable to equity holders of the Company recognised in equity, net of tax	55.0

The gain on bargain purchase was mainly attributable to the investment property owned by Fore Prosper.

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2011 HK\$'M	2010 HK\$'M
Key management compensation		
Salaries and other benefits	(9.5)	(9.1)
Retirement benefits costs	(2.5)	(0.4)
Value of share options and incentive shares	(0.4)	(2.7)
	(12.4)	(12.2)
Interest income from loans to associates	2.5	5.9
Project management fee income from associates	1.3	1.1
Project management fee income from a substantial shareholder of the Company	2.0	2.1
Property rental income from a substantial shareholder of the Company	0.9	1.6
Property rental income from associates	–	1.0
Purchases of garment products from a subsidiary of a substantial shareholder of the Company	(14.3)	(14.2)
Net (repayment of)/advance to loans by associates	(194.0)	7.1

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

Interim Dividend & Management Discussion and Analysis

INTERIM DIVIDEND

The Directors declared the payment of an interim dividend of HK3.8 cents per share for the year ending 31 December 2011 (2010: HK3.5 cents). The interim dividend will be distributed on or around 3 October 2011 to the shareholders whose names appear on the register of members of the Company at the close of business on 19 September 2011 (the Record Date).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2011, the Group reported consolidated profit attributable to equity holders of HK\$1,363.5 million, compared with HK\$809.3 million in 2010. The 68% increase in profit was mainly due to higher fair value gain and growing rental income from the investment properties, which was partly offset by gain on disposals of certain investment properties in 2010. Revenue for the Group was HK\$1,025.8 million, compared with HK\$1,356.6 million in 2010.

Property

The Group's property division, which includes property development, property investment and management, and hospitality investment and management, recorded a segment profit of HK\$1,861.5 million in the first half of 2011, compared with HK\$1,089.8 million in 2010.

Property Development

Forfar was successfully relaunched in the first half of 2011. 12 units were sold generating HK\$486.1 million revenue. There are only two special units remain unsold.

Superstructure works at Seymour is in progress according to schedule and the development is expected to be completed in the second half of 2011. 85% of the units, in which the Group has a 30% interest, have been successfully pre-sold since November 2009, generating approximately HK\$3.0 billion revenue which will be recognised by the Group upon the granting of the occupation permit expected in the second half of 2011.

Providence Bay, the Pak Shek Kok development at Tai Po Town Lot Nos. 186, 187 and 188, in which the Group has a 15% interest, has submitted the application for presale consent and the development is expected to be completed in phases in 2012.

The residential development at No. 3-11 Warren Street and No. 1-11 Jones Street in Tai Hang, Causeway Bay, has been officially named 9 Warren Street. Overlooking Victoria Park and Victoria Harbour, this luxury residence offers a unique lifestyle combining tranquility from the neighborhood and vibrancy from Causeway Bay. The development offers over 100 apartment units with a gross floor area of approximately 68,000 square feet. Foundation works has been commenced in the second quarter of 2011 and the project is scheduled for completion between 2013 and 2014.

Foundation works at No. 1-2 Coronation Terrace in Mid-Levels West has been commenced in second quarter of 2011. This site, located at Hong Kong's traditionally sought-after Mid-Levels address, will be developed into a luxury boutique tower with a gross floor area of approximately 40,000 square feet. This project is also scheduled for completion between 2013 and 2014.

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

Management Discussion and Analysis

The Group's subsidiary, Winsor Properties Holdings Limited ("Winsor Properties"), has a 30% interest in Belle Vue Residences, a luxury residential development in Singapore. 78% of the units have been sold, of which 8% were sold in the first half of 2011.

The 50/50 joint venture with the Nan Fung Group formed in December 2010 acquired a property in Lujiazui, Shanghai Pudong's financial and commercial district fronting the Bund. The property is under construction and is scheduled for completion in 2013.

Property Investment and Management

Winsor Properties is the Group's investment holding arm of Hong Kong commercial, industrial and retail properties. As at 30 June 2011, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 1.3 million square feet of industrial buildings in the urban areas of Kowloon, had an aggregate fair market valuation of HK\$11,639.0 million.

Landmark East, the Group's Grade-A twin-tower office development, continued to maintain a stable committed leasing rate of 92% with spot rent continuing to increase as a result of the positive market sentiment and the reducing supply of quality commercial properties. Furthermore, over 50% of the leases at W Square, another office and retail building, were successfully renewed in the first half of 2011 with good rental reversion.

As at 30 June 2011, the Group's portfolio of industrial properties had an aggregate fair market valuation of HK\$2,247.0 million. The average occupancy rate of these industrial properties was approximately 92% during the first half of 2011.

Hospitality Investment and Management

The Group's hospitality business under Lanson Place management recorded a solid growth in terms of both occupancy and rental rate in the first half of 2011 as compared to 2010. As at 30 June 2011, both Lanson Place Jinlin Tiandi Residences in Shanghai and Lanson Place Central Park Residences in Beijing achieved over 95% occupancy. The Lanson Place Hotel, the luxury boutique hotel in Hong Kong, continues to be well-recognised by travellers, winning various awards including the TripAdvisor "2011 Travellers' Choice Award", Asia Pacific Hotel Awards 2011 "Highly Commended Hotel" and the Travel & Leisure Magazine "2010 Best Design Hotel".

Apparel

The Group's apparel operation, which comprises garment manufacturing and branded products distribution, generated an aggregate revenue of HK\$237.1 million in the first half of 2011, compared with HK\$238.9 million in 2010. The segment loss for the period was HK\$40.1 million, compared with HK\$33.0 million loss in 2010.

The segment loss of manufacturing business for the period was mainly due to the seasonality of sweater business. The branded products distribution business continued to suffer an operating loss due to slow recovery of high-end retail market in the United Kingdom, where it operates.

Investing Activities

The Group's investing activities reported a segment profit of HK\$12.9 million in the first half of 2011, compared with HK\$8.2 million in 2010. The profit represents mainly dividend income from the Group's investments held through Winsor Properties.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK\$14,585.6 million as at 30 June 2011 (31 December 2010: HK\$13,271.4 million). The increase was mainly resulted from the profit for the period of HK\$1,734.5 million, offset by the distribution of the 2010 final dividend of HK\$86.2 million, dividend paid to non-controlling shareholders of HK\$76.4 million and change in equity in relation to the acquisition of the non-controlling interest of Lanson Place Hotel of HK\$256.6 million in the first half of 2011.

As at 30 June 2011, the Group's net borrowings (total bank loans and other long-term loans less bank balances and cash) was HK\$4,387.2 million (31 December 2010: HK\$3,313.7 million), representing 30% of the Group's net assets (31 December 2010: 25%). The increase in net borrowings and gearing ratio were mainly due to an increase in bank loans on property development projects in the first half of 2011. Interest for the Group's bank borrowings was mainly on a floating rate basis. Around 74% of the Group's bank borrowings was repayable in periods beyond one year. In addition to the term loan facilities, the Group has unutilised banking facilities in excess of HK\$1,690.0 million as at 30 June 2011 (31 December 2010: HK\$2,280.5 million).

Foreign Currencies

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

Contingent Liabilities

At 30 June 2011, the Group did not have any contingent liabilities.

Pledge of Assets

At 30 June 2011, the Group's advances to associates/jointly controlled entities of HK\$1,713.7 million (31 December 2010: HK\$1,587.4 million) were subordinated to the loan facilities of associates/jointly controlled entities. The Group's advances to the associates/jointly controlled entities include amounts of HK\$1,713.7 million (31 December 2010: HK\$1,587.4 million) which are assigned, and the shares in these associates/jointly controlled entities beneficially owned by the Group are pledged to the financial institutions.

At 30 June 2011, certain of the Group's investment properties, other properties, plant and equipment, available-for-sale financial assets, properties for sale and deposits, loans and receivables with carrying values of HK\$13,035.4 million, HK\$76.3 million, HK\$275.3 million, HK\$3,704.7 million and HK\$197.4 million respectively were pledged to secure credit facilities for the Group.

PROSPECTS

Due to the weakening US and European economies, the global economy will likely remain volatile, with the possibility of a marked slowdown for the rest of 2011. However, given Hong Kong's still solid economic fundamentals and as Hong Kong continues to benefit from China's support and steady-but-slower growth, we remain cautiously optimistic about the prospects for Hong Kong's property market in the second half of the year. The combination of rising inflationary expectations, a low interest rate environment, continued demand from mainland buyers, and the government's pledge to increase land supply will likely result in the healthy and sustained growth of the local property market, particularly at the luxury end of the spectrum.

Management Discussion and Analysis

We will closely monitor the market in the next six months in order to seize the right windows to launch the pre-sales of “9 Warren Street” in Tai Hang, Coronation Terrace in Mid-Levels West and Providence Bay in Tai Po, as well as to sell the remaining units of our other luxury residential projects. At the same time, we will actively explore opportunities for acquisition and redevelopment in order to replenish our land bank and to sustain our growth momentum.

The Group’s investment property portfolio is expected to perform well given strong demand and higher rents for quality commercial space in Hong Kong. The Group expects to benefit from positive rental reversions when its tenants at W Square and other properties renew or sign new leases in the second half of the year. Our strong and diversified investment portfolio, which includes hospitality assets, will continue to contribute to the Group’s recurring revenue and cash flow.

As for the China market, apart from the development of our luxurious river-view project in Lujiazui, Shanghai, the Group will also keep a close eye on suitable development projects in first tier cities.

With its strong brand reputation and outstanding management team, Lanson Place will continue to benefit from the strong demand for premium serviced residences and hospitality services in the region. We are confident that Lanson Place will secure further growth in operating performance and market presence.

All in all, despite the fundamental strength of Hong Kong’s economy, we will remain vigilant against any near term global market volatility. We shall maintain our focus on developing projects in our pipeline in order to accelerate our growth while prudently exploring new opportunities that would generate stable returns for our shareholders.

EMPLOYEES

As at 30 June 2011, the Group had about 1,800 staff and workers. The Group offers comprehensive remuneration and benefit packages to its employees, which are structured according to the prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme to provide retirement benefits for all of its employees in Hong Kong. In addition, there is a defined contribution top-up scheme for qualifying employees of certain Hong Kong subsidiaries of the Group. The Group also operates a funded defined benefit pension scheme for certain overseas employees engaged prior to May 2001.

Employees, including directors, are eligible under the Company’s share option scheme and share incentive scheme in which the share options and incentive shares are generally exercisable in stages within a period of ten years.

General Information

■ Directors' and Chief Executive's Interests in Shares and Underlying Shares and Debentures of the Company or any Associated Corporation

As at 30 June 2011, the interests of the Directors and the Chief Executive of the Company in shares and underlying shares of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

1. Interests in the Company

Director	Number of shares held				Number of underlying shares held under equity derivatives (Note d)	Aggregate interests	Approx. percentage of the issued share capital (Note a)
	Personal interests	Family interests	Corporate interests	Other interests			
Cheng Wai Chee, Christopher	6,139,313	–	–	462,488,185 (Note b)	2,422,253	471,049,751	35.51%
Cheng Wai Sun, Edward	6,037,981	–	–	462,488,185 (Note b)	2,422,253	470,948,419	35.51%
Cheng Man Piu, Francis	–	–	–	462,488,185 (Note b)	–	462,488,185	34.87%
Chow Wai Wai, John	200,002	–	–	–	–	200,002	0.02%
Au Hing Lun, Dennis	1,755,073	–	–	–	1,108,924	2,863,997	0.22%
Kwok Ping Luen, Raymond	–	–	–	9,224,566 (Note c)	–	9,224,566	0.70%
Ng Tak Wai, Frederick	395,943	1,016,000	–	–	96,114	1,508,057	0.11%
Simon Murray	–	–	–	–	1,094,737	1,094,737	0.08%

Notes:

- (a) The total number of issued shares in the capital of the Company (the "Shares") as at 30 June 2011 was 1,326,363,100.
- (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.

General Information

- (c) Kwok Ping Luen, Raymond was a beneficiary of a trust the assets of which included interests in 9,224,566 Shares.
- (d) These interests represented the interests in underlying shares in respect of the share options or incentive shares granted by the Company to these directors as beneficial owners. Details of which are set out in the section below headed Share Option Scheme or Share Incentive Scheme.

2. Interests in associated corporation, Winsor Properties Holdings Limited (“Winsor”)

Director	Number of shares held				Aggregate interests	Approx. percentage of the issued share capital of Winsor (Note a)
	Personal interests	Family interests	Corporate interests	Other interests		
Cheng Wai Chee, Christopher	–	27,000	–	205,835,845 (Note b)	205,862,845	79.27%
Cheng Wai Sun, Edward	–	–	–	205,835,845 (Note b)	205,835,845	79.26%
Cheng Man Piu, Francis	–	–	–	205,835,845 (Note b)	205,835,845	79.26%
Chow Wai Wai, John	2,713,000	–	–	–	2,713,000	1.04%
Kwok Ping Luen, Raymond	500	–	–	–	500	0.0002%

Notes:

- (a) The total number of issued shares in the capital of Winsor as at 30 June 2011 was 259,685,288 (“Winsor Shares”).
- (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 (i) 191,935,845 Winsor Shares beneficially owned by Twin Dragon Investments Limited (42,991,387 Winsor Shares) and the Company (148,944,458 Winsor Shares) and (ii) 13,900,000 Winsor Shares which are subject to a put option granted by the Company to Standard Chartered Bank, Singapore Branch. These interests represented the same interests and were therefore duplicated amongst these three directors.

Save as disclosed herein, as at 30 June 2011, 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 or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

General Information

Share Option Scheme

Under the Share Option Scheme of the Company adopted on 10 June 2003 (“Share Option Scheme”), the Board of the Company may, in its absolute discretion, grant options to directors and employees of the Group to subscribe for shares of the Company. The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives for their contributions to the Group.

Details of the share options granted and summary of the movements of the outstanding share options for the period ended 30 June 2011 under the Share Option Scheme are as follows:

Director	Date of grant	Exercise price per ordinary share	Number of share options					Exercisable period	Fair value of share options amortised (HK\$)
			As at 1.1.2011	Grant during the period	Exercised during the period	Cancelled/ Lapsed during the period	As at 30.6.2011		
Simon Murray	19.4.2005	HK\$1.941	1,094,737	–	–	–	1,094,737	19.4.2006 to 18.4.2012	100,000

General Information

Share Incentive Scheme

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

Details of the incentive shares granted and summary of the movements of the outstanding incentive shares for the period ended 30 June 2011 under the Share Incentive Scheme are as follows:

Directors/ Employees	Date of award	Number of incentive shares					As at 30.6.2011	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2011	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Cheng Wai Chee, Christopher	8.7.2008	206,358	-	206,358	-	-	N/A	N/A	9,000	
	15.6.2009	426,126	-	426,126	-	-	N/A	N/A	11,000	
	15.6.2009	852,253	-	-	-	852,253	20.1.2012	20.1.2012 to 15.6.2019	271,000	
	25.6.2010	266,000	-	266,000	-	-	N/A	N/A	20,000	
	25.6.2010	266,000	-	-	-	266,000	19.1.2012	19.1.2012 to 25.6.2020	149,000	
	25.6.2010	532,000	-	-	-	532,000	19.1.2013	19.1.2013 to 25.6.2020	182,000	
	31.3.2011	-	193,000	-	-	193,000	20.1.2012	20.1.2012 to 31.3.2021	152,000	
	31.3.2011	-	193,000	-	-	193,000	20.1.2013	20.1.2013 to 31.3.2021	68,000	
	31.3.2011	-	386,000	-	-	386,000	20.1.2014	20.1.2014 to 31.3.2021	87,000	

General Information

Directors/ Employees	Date of award	Number of incentive shares					As at 30.6.2011	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2011	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Cheng Wai Sun, Edward	8.7.2008	206,358	-	206,358	-	-	N/A	N/A	9,000	
	15.6.2009	426,126	-	426,126	-	-	N/A	N/A	11,000	
	15.6.2009	852,253	-	-	-	852,253	20.1.2012	20.1.2012 to 15.6.2019	271,000	
	25.6.2010	266,000	-	266,000	-	-	N/A	N/A	20,000	
	25.6.2010	266,000	-	-	-	266,000	19.1.2012	19.1.2012 to 25.6.2020	149,000	
	25.6.2010	532,000	-	-	-	532,000	19.1.2013	19.1.2013 to 25.6.2020	182,000	
	31.3.2011	-	193,000	-	-	193,000	20.1.2012	20.1.2012 to 31.3.2021	152,000	
	31.3.2011	-	193,000	-	-	193,000	20.1.2013	20.1.2013 to 31.3.2021	68,000	
	31.3.2011	-	386,000	-	-	386,000	20.1.2014	20.1.2014 to 31.3.2021	87,000	

General Information

Directors/ Employees	Date of award	Number of incentive shares					As at 30.6.2011	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2011	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period					
Au Hing Lun, Dennis	8.7.2008	99,074	-	99,074	-	-	N/A	N/A	5,000	
	15.6.2009	200,337	-	200,337	-	-	N/A	N/A	5,000	
	15.6.2009	400,674	-	-	-	400,674	20.1.2012	20.1.2012 to 15.6.2019	128,000	
	25.6.2010	127,750	-	127,750	-	-	N/A	N/A	10,000	
	25.6.2010	127,750	-	-	-	127,750	19.1.2012	19.1.2012 to 25.6.2020	72,000	
	25.6.2010	255,500	-	-	-	255,500	19.1.2013	19.1.2013 to 25.6.2020	88,000	
	31.3.2011	-	81,250	-	-	81,250	20.1.2012	20.1.2012 to 31.3.2021	64,000	
	31.3.2011	-	81,250	-	-	81,250	20.1.2013	20.1.2013 to 31.3.2021	29,000	
31.3.2011	-	162,500	-	-	162,500	20.1.2014	20.1.2014 to 31.3.2021	37,000		
Ng Tak Wai, Frederick	8.7.2008	22,442	-	22,442	-	-	N/A	N/A	1,000	
	15.6.2009	19,432	-	19,432	-	-	N/A	N/A	-	
	15.6.2009	38,864	-	-	-	38,864	20.1.2012	20.1.2012 to 15.6.2019	12,000	
	25.6.2010	9,750	-	9,750	-	-	N/A	N/A	-	
	25.6.2010	9,750	-	-	-	9,750	19.1.2012	19.1.2012 to 25.6.2020	6,000	
	25.6.2010	19,500	-	-	-	19,500	19.1.2013	19.1.2013 to 25.6.2020	7,000	
	31.3.2011	-	7,000	-	-	7,000	20.1.2012	20.1.2012 to 31.3.2021	5,000	
	31.3.2011	-	7,000	-	-	7,000	20.1.2013	20.1.2013 to 31.3.2021	2,000	
	31.3.2011	-	14,000	-	-	14,000	20.1.2014	20.1.2014 to 31.3.2021	3,000	

General Information

Directors/ Employees	Date of award	Number of incentive shares				As at 30.6.2011	Vesting date of the outstanding awards	Exercisable period	Fair value of incentive shares amortised (HK\$)
		As at 1.1.2011	Awards made during the period	Vested and exercised during the period	Cancelled/ lapsed during the period				
Employees In aggregate	8.7.2008	278,610	-	278,610	-	-	N/A	N/A	12,000
	15.6.2009	572,274	-	572,274	-	-	N/A	N/A	15,000
	15.6.2009	1,144,548	-	-	114,400	1,030,148	20.1.2012	20.1.2012 to 15.6.2019	358,000
	25.6.2010	300,000	-	300,000	-	-	N/A	N/A	22,000
	25.6.2010	300,000	-	-	21,500	278,500	19.1.2012	19.1.2012 to 25.6.2020	165,000
	25.6.2010	600,000	-	-	43,000	557,000	19.1.2013	19.1.2013 to 25.6.2020	202,000
	31.3.2011	-	203,000	-	-	203,000	20.1.2012	20.1.2012 to 31.3.2021	159,000
	31.3.2011	-	203,000	-	-	203,000	20.1.2013	20.1.2013 to 31.3.2021	71,000
	31.3.2011	-	406,000	-	-	406,000	20.1.2014	20.1.2014 to 31.3.2021	92,000
		9,623,729	2,709,000	3,426,637	178,900	8,727,192			

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.

General Information

Fair Values of Incentive Shares Awarded

The fair values of incentive shares awarded during the period ended 30 June 2011 are determined by using the Binominal Option Pricing Model (the "Model"). Key assumptions of the Model are as follows:

Risk-free rate	2.73%
Expected dividend yield	2.48%
Expected volatility of the market price of the Company's shares	41.34%
Expected life	10 years from the date of award

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

Substantial Shareholders' Interests

As at 30 June 2011, the following persons (other than the Directors and the Chief Executive of the Company) had interests in the shares of the Company as recorded in the register kept by the Company under section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
1. Brave Dragon Limited	Beneficial owner	141,794,482	10.69%
2. Crossbrook Group Limited	Beneficial owner	270,411,036	20.39%
3. Wing Tai Holdings Limited	Interest of controlled corporation	462,488,185 <i>(Notes 2(a) & 3)</i>	34.87%
4. Deutsche Bank International Trust Co. (Jersey) Limited	Trustee	462,488,185 <i>(Notes 2(b) & 4)</i>	34.87%
5. Deutsche Bank International Trust Co. (Cayman) Limited	Trustee	462,488,185 <i>(Notes 2(b) & 4)</i>	34.87%
6. Wing Tai Corporation Limited	Interest of controlled corporation	180,594,823 <i>(Note 5)</i>	13.62%
7. Renowned Development Limited	Interest of controlled corporation	180,594,823 <i>(Notes 2(c) & 5)</i>	13.62%
8. Wing Tai (Cheng) Holdings Limited	Interest of controlled corporation	197,918,780 <i>(Notes 2(d) & 6)</i>	14.92%
9. Sun Hung Kai Properties Limited	Interest of controlled corporation	182,608,533 <i>(Note 7)</i>	13.77%
10. HSBC Trustee (C.I.) Limited	Trustee	182,608,533 <i>(Notes 2(e) & 8)</i>	13.77%
11. Gala Land Investment Co Ltd	Beneficial owner	101,579,467	7.66%

General Information

Name of Shareholder	Capacity	Number of Shares interested	Approx. percentage of the issued share capital
12. Farnham Group Ltd	Interest of controlled corporation	101,579,467 (Notes 2(f) & 9)	7.66%
13. Chow Chung Kai	Beneficial owner, interest of spouse, controlled corporation and other	180,024,824 (Notes 2(f) & 10)	13.57%
14. Chow Yu Yue Chen	Beneficial owner, interest of spouse and controlled corporation	150,812,777 (Notes 2(f) & 11)	11.37%

Notes:

- 1 The total number of issued Shares as at 30 June 2011 was 1,326,363,100.
- 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.
 - (d) the interests of parties 6 and 7 were included in the interests of party 8.
 - (e) the interests of party 9 duplicated with the interests of party 10 entirely.
 - (f) the interests of party 11 duplicated with the interests of party 12 entirely and were included in the interests of parties 13 and 14.
- 3 Wing Tai Holdings Limited beneficially owned 89.4% of the issued share capital of Brave Dragon Limited, 100% of the issued share capital of Crossbrook Group Limited and 100% of the issued shares capital of Wing Tai Retail Pte. Ltd. Wing Tai Retail Pte. Ltd. owned 50,282,667 Shares.
- 4 Deutsche Bank International Trust Co. (Jersey) Limited was the trustee of a family trust (of which Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward and Cheng Man Piu, Francis were beneficiaries) which held all units of a unit trust ("Unit Trust"). Deutsche Bank International Trust Co. (Cayman) Limited was the trustee of the Unit Trust which beneficially owned 100% of the issued shares of Wing Tai Asia Holdings Limited and 61.3% of the issued shares of Terebene Holdings Inc. Wing Tai Asia Holdings Limited, through its wholly-owned subsidiary, Wing Sun Development Private Limited, held 28.52% of the issued shares of Wing Tai Holdings Limited. Terebene Holdings Inc. held 59.3% of the issued shares of Winlyn Investment Pte Ltd. which in turn held 9.33% of the issued shares of Wing Tai Holdings Limited.
- 5 Wing Tai Corporation Limited beneficially owned 100% of the issued share capital of Bestime Resources Limited ("Bestime") and Pofung Investments Limited ("Pofung") and, therefore, by virtue of its corporate interest in Bestime and Pofung, Wing Tai Corporation Limited was deemed to be interested in 91,663,995 Shares and 88,930,828 Shares held by Bestime and Pofung respectively.

General Information

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

- 6 By virtue of the corporate interest of Wing Tai (Cheng) Holdings Limited in Renowned Development Limited and Broxbourne Assets Limited, Wing Tai (Cheng) Holdings Limited was deemed to be interested in the interest of Renowned Development Limited and Broxbourne Assets Limited in the Shares. Broxbourne Assets Limited beneficially owned 17,323,957 Shares.

- 7 Sun Hung Kai Properties Limited ("SHKP") beneficially owned 100% of the issued share capital of Wesmore Limited ("Wesmore"), Fourseas Investments Limited ("Fourseas"), Junwall Holdings Ltd ("Junwall"), Sunrise Holdings Inc. ("Sunrise") and Country World Ltd. ("Country World"). Wesmore held 111,928,210 Shares.

Fourseas beneficially owned 100% of the issued share capital of Soundworld Limited ("Soundworld"), Units Key Limited ("Units Key") and Triple Surge Limited ("Triple Surge"). Soundworld, Units Key and Triple Surge were the beneficial owners of 20,869,323, 4,669,333 and 37,680,000 Shares respectively.

Junwall beneficially owned 100% of the issued share capital of Techglory Limited ("Techglory"). Techglory was the beneficial owner of 192,000 Shares.

Sunrise 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 interest 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 42.01% of the issued share capital of SHKP. By virtue of its deemed interest in SHKP, it was deemed to be interested in 182,608,533 Shares.

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

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

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

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

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

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

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

General Information

Save as disclosed above, as at 30 June 2011, the Company had not been notified of any interests or short positions held by any substantial shareholder in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Interests of Any Other Persons

As at 30 June 2011, the Company had not been notified of any persons other than the substantial shareholders who had interests or short positions in the shares or underlying shares of the Company, which are required to be recorded in the register required to be kept under section 336 of the SFO.

Disclosure Pursuant to Rule 13.22 of the Listing Rules

At 30 June 2011, the aggregate amount of financial assistance to and guarantees given for facilities granted to affiliated companies by the Group amounted to HK\$4,601.7 million which exceeded 8% of the assets ratio as defined in Rule 14.07(1) of the Listing Rules.

An unaudited pro-forma combined balance sheet of these affiliated companies and the Group's attributable interest in these affiliated companies as at 30 June 2011 are presented below:

	Pro-forma combined balance sheet (HK\$'M)	Group's attributable interest (HK\$'M)
Non-current assets	2,271.1	696.3
Current assets	18,720.0	3,883.6
Current liabilities	(4,777.2)	(1,018.8)
Non-current liabilities	(3,410.1)	(564.7)
Amounts and loans due from shareholders	6.9	3.2
Amounts and loans due to shareholders	(11,690.6)	(2,788.2)
Net assets	1,120.1	211.4

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 has complied throughout the six months ended 2011 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules except that the non-executive directors (including independent non-executive directors) were not appointed for specific terms but they are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Bye-laws of the Company and the internal policy adopted by the Company.

General Information

The Company's Bye-laws provide that any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for election at the meeting, and that one third or the number nearest one third of directors shall retire from office by rotation (save for Chairman or managing director) at each annual general meeting.

It is a policy of the Company that any director (including Chairman or managing director) who is not required by the Bye-laws of the Company to retire by rotation at the annual general meeting in the third year since his last election, will be reminded to retire from office voluntarily.

In light of the Company's Bye-laws and policy as aforesaid, all directors will retire at least once every three years.

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by directors of the Company.

All directors confirmed, following specific enquiry by the Company, that they had fully complied with the required standard set out in the Model Code throughout the period from 1 January 2011 to 30 June 2011.

Update on Directors' Biographical Information

Cheng Wai Sun, Edward, the Deputy Chairman of the Company, was appointed as a board member of the Airport Authority Hong Kong on 1 June 2011.

Cheng Man Piu, Francis, an executive director of the Company, retired as Chairman of Group 24 in the Federation of Hong Kong Industries in July 2011 and appointed as member of The Accountancy Training Board of the Vocational Training Council in April 2011.

Simon Murray, an independent non-executive director of the Company, has been appointed as the non-executive Chairman of Glencore International plc (whose shares are listed on the Hong Kong Stock Exchange on 25 May 2011 with primary listing on the London Stock Exchange).

Record Date for Interim Dividend

The interim dividend will be distributed on or around 3 October 2011 to the shareholders whose names appear on the register of members of the Company at the close of business on 19 September 2011 (the Record Date). In order to qualify for the entitlement of the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 19 September 2011.

Purchase, Sale or Redemption of the Company's Listed Shares

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.