WHEELOCK PROPERTIES

WHEELOCK PROPERTIES LIMITED

(Incorporated in Hong Kong with limited liability)
Stock Code: 49

Interim Results Announcement
for the half-year period ended 30 June 2009

GROUP RESULTS

The Group reported an unaudited profit attributable to equity shareholders for the six months ended 30 June 2009 of HK$265 million, compared to HK$655 million for the six months ended 30 June 2008. Earnings per share were 12.8 cents (2008: 31.6 cents).

The underlying business was steady. Net profit attributable to equity shareholders increased by 27% excluding, but decreased by 60% including, the surplus arising on the revaluation of the Group's investment properties.

Moreover, there are two other substantial factors that eclipsed the underlying recurring performance of the Group which need to be taken into account when making comparison to 2008. Firstly, revenue from Property Development in Singapore was substantially lower. Secondly, there was a substantial decrease in the impairment provisions made in respect of long term stock investments (please refer to the section headed "Net other charge" on page 4).

INTERIM DIVIDEND

The Board has declared an interim dividend of HK$0.02 (2008: HK$0.02) per share in respect of the half-year period ended 30 June 2009, payable on Friday, 25 September 2009 to shareholders on record as at 18 September 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Re-development of 6D-6E Babington Path, Mid-levels and 2 Heung Yip Road, Aberdeen, is underway. The former will comprise 47 deluxe apartments of superb quality. The latter will be redeveloped into a high rise commercial building.

The Group has acquired the entire interest in the property at 211-215C Prince Edward Road West for residential redevelopment, upon acquisition of the sole remaining unit in April 2009 with a compulsory sale order granted by the Lands Tribunal.

By the end of June 2009, the Group had acquired 98.5% of the interest in the property situate at 46 Belcher's Street. The site is planned for residential re-development.

Wheelock House and Fitfort were 96% and 97% leased respectively at satisfactory rental rates at the end of June 2009.

As far as the Mainland property development is concerned, the Group's two 50:50 joint ventures with China Merchants in Foshan of Guangdong Province are underway. The first project, situate in an integrated and well-planned new town (Xincheng District 新城區) of the Foshan City facing the Dong Ping river (東平河), boasts a site area of 2.88 million square feet and offers a plot ratio GFA of 2.43 million square feet attributable to the Group. Presales of the first phase of the townhouses had been well-received, with all units launched sold out within a few weeks. Twelve low-rise residential towers commenced presales in March 2009 has met with overwhelming response, with all units launched sold out by June 2009. Located at the junction of 魁奇路 and 桂瀾路 in Chancheng (禪城區), the second piece of land has a site area of 1.15 million square feet and offers a plot ratio GFA of 1.45 million square feet attributable to the Group. These developments are scheduled for completion in phases by 2012 and 2013 respectively.

Wheelock Properties (Singapore) Limited (a 76%-owned Singapore listed subsidiary)
Profit for Wheelock Properties (Singapore) Limited amounted to S$38.7 million for the financial period under review (2008: S$32.1 million) in accordance with the accounting standards adopted in Singapore.

Development Properties
Ardmore II is a prime residential development with 118 apartments. Main construction work is progressing in accordance with schedule and is expected to be completed by 2010. All of the 118 units have been pre-sold at satisfactory prices.

Orchard View, a luxury 36-storey residential development located in the serene enclave of Angullia Park and within walking distance to Orchard MRT, comprises 30 units of four-bedroom apartments with private lift lobbies. Main construction work is in progress and is scheduled for completion by 2010.

Strategically located in the main shopping belt of Orchard Road, Scotts Square is a prime residential development with 338 international quality apartments, plus a retail annex. The retail podium is held for long term investment purposes. By June 2009, presales of the apartments have reached 77% (in net saleable area). Foundation works have been completed and main construction work is in progress. The project is expected to be completed by 2011.

Ardmore 3, another luxury project along Ardmore Park, is planned for redevelopment and sale. It will be an international-standard luxury residential development in the prestigious Ardmore Park, next to Ardmore II. The building plans are currently being reviewed and piling works for the development is scheduled to commence in 2010.

Investment Property
Wheelock Place, a commercial development at Orchard Road, Singapore, was virtually 100% committed at satisfactory rental rates at the end of June 2009.

Financial Review

(I) Results Review

Turnover and operating profit

The Group's turnover and operating profit for the first half of 2009 fell to HK$371 million (2008: HK$3,973 million) and HK$291 million (2008: HK$923 million) respectively in the absence of major property sales recognised by the Property Development segment.

Property Development

Revenue and operating profit from Property Development segment were HK$43 million (2008: HK$3,623 million) and HK$31 million (2008: HK$686 million) respectively, substantially derived from sales of miscellaneous stock in Hong Kong.

Wheelock Properties (Singapore) Limited ("WPSL"), the Group's listed subsidiary in Singapore, recognises revenue and profit on pre-sales of properties under development by stages using the percentage of completion method in accordance with generally accepted accounting principles in Singapore. However, under Hong Kong Financial Reporting Standards, the Group recognises revenue and profit on pre-sales of properties upon their completion. Accordingly, revenue and profits recognised by WPSL for the period under review in respect of its pre-sales of Ardmore II units and Scotts Square units were reversed and excluded from the Group's consolidated results.

As at 30 June 2009, WPSL had presold all the units at Ardmore II and 238 residential units (77% presold) at Scotts Square with accumulated total sales proceeds of HK$3,137 million and attributable profit of HK$890 million not yet recognised by the Group.

Property Investment

Despite the adverse impacts from financial turmoil, Property Investment segment performed well and sustained growth in revenue and operating profit to HK$209 million (2008: HK$185 million) and HK$157 million (2008: HK$130 million) respectively. During the financial period under review, higher occupancy and reversionary rental rates were achieved by the Group's investment properties, which mainly comprised Wheelock House and Fitfort in Hong Kong and Wheelock Place in Singapore.

Investment and Others

Investment revenue, comprising mainly dividend income from the Group's long term investment portfolio and interest income, fell to HK$119 million (2008: HK$165 million) while the operating profit slightly reduced to HK$116 million (2008: HK$122 million), mainly due to the decline in dividend and interest income. Investment and others also included a net realised and unrealised exchange gain of HK$38 million (2008: exchange loss of HK$12 million), arising from forward foreign exchange contracts entered into effectively to lock certain liabilities in Japanese Yen for financing its Reminbi assets in the mainland China at a significantly more favourable interest cost. During the period under review, the US dollar appreciated against the Yen.

Increase in fair value of investment properties

The Group's completed investment properties were revalued by independent valuers giving a revaluation surplus of HK$70 million (2008: HK$711 million).

The attributable net surplus of HK$72 million (2008: HK$503 million), after the related deferred tax and minority interest in total of HK$12 million (2008: HK$227 million) and adjusting the attributable tax credit of HK$14 million (2008: HK$19 million), was credited to the income statement. The Group's investment properties under development were not carried at fair value until at the earlier of when their fair values first become reliably measurable and the dates of their respective completion in accordance with the revised accounting standard HKAS 40, which expands the definition of an investment property to include an investment property being under development.

Net other charge
The net other charge of HK$121 million (2008: HK$635 million) represents the further impairment provision of HK$53 million (of which HK$40 million is attributable to the Group) on its investment in SC Global Developments Ltd ("SC Global") and HK$68 million (of which HK$52 million is attributable to the Group) on its investment in Hotel Properties Limited ("HPL") made by WPSL in its first quarter results, based on the market prices as at 31 March 2009, which regardless of the subsequent appreciation of the investments is not allowed to be reversed to the income statement in accordance with the current accounting standards. The subsequent appreciation of such investments gave rise to an attributable surplus of HK$477 million in the second quarter of 2009, which has been dealt with in the statement of comprehensive income and will not be realised in the income statement until the disposal of the investments.

Finance costs
Finance costs of HK$3 million (2008: HK$6 million) charged to the income statement were incurred by WPSL. The charge was after capitalisation of HK$11 million (2008: HK$19 million) in respect of WPSL's properties under development.

Share of results after tax of associates
Share of profit of associates was HK$38 million (2008: HK$37 million). The increase was mainly attributable to the share of construction cost written back for the Sorrento project, which was offset by lower development profit from sales of Bellagio units and Parc Palais units undertaken by associates during the period.

Taxation
Taxation charge for the period was HK$19 million (2008: HK$239 million) included the deferred tax of HK$12 million (2008: HK$126 million) provided against the net revaluation surplus of the Group's investment properties for the period under review and a tax credit of HK$19 million (2008: HK$19 million) in respect of a downward adjustment of the Group's deferred tax liabilities previously provided on the investment property revaluation surplus, resulting from the 1% reduction in Singapore corporate income tax rate with effect from the financial year 2009 (2008: 1% reduction in Hong Kong profits tax rate).

Minority interests
Losses shared by minority interests was HK$9 million (2008: profit of HK$136 million), which is attributable to the losses (after reversal of the profit on pre-sale of properties) incurred by WPSL.

Profit attributable to equity shareholders
Group's profit attributable to equity shareholders decreased by 60% to HK$265 million (2008: HK$655 million). Earnings per share were 12.8 cents (2008: 31.6 cents).

Excluding the net attributable investment property revaluation surplus after deferred tax charge and the credit adjustment resulting from the tax rates reduction of HK$72 million (2008: HK$503 million) and the above attributable impairment losses of HK$92 million (2008: HK$519 million), the Group's net profit attributable to equity shareholders dropped by HK$386 million or 58% to HK$285 million (2008: HK$671 million).

(II) Liquidity, Financial Resources and Commitments

Shareholders' and total equity

The Group's shareholders' equity increased by 15% to HK$23,330 million or HK$11.27 per share as at 30 June 2009, compared to HK$20,246 million or HK$9.78 per share as at 31 December 2008. The increase was mainly due to the increase in market value of the Group's investment portfolio.

The Group's total equity, including minority interests, was HK$25,827 million (31/12/2008: HK$22,716 million).

Total assets

The Group's total assets increased by 11% to HK$31.9 billion (31/12/2008: HK$28.8 billion). Included in the total assets are investment properties of HK$8.2 billion, comprising Wheelock House, Fitfort and Wheelock Place, properties under development in Singapore and Hong Kong in total of HK$7.3 billion and interest in associates of HK$1.5 billion mainly for the two property development projects in Foshan, China. Other major assets included available-for-sale investments of HK$8.7 billion and bank deposits and cash of HK$5.7 billion.

Net cash

The Group's net cash increased by HK$637 million to HK$4,116 million as at 30 June 2009, which was made up of bank deposits and cash of HK$5,704 million and debts of HK$1,588 million, compared to net cash of HK$3,479 million as at 31 December 2008.

Excluding WPSL, the Company and its other subsidiaries together had net cash of HK$1,565 million (31/12/2008: HK$1,514 million). The cash flow for the period resulted from dividend income from long term investment portfolio deducting construction cost payments for the Group's properties under development.

WPSL's net cash amounted to HK$2,551 million (31/12/2008: HK$1,965 million). WPSL's major cash inflow was mainly attributable to proceeds received from sale of properties.

Available- for-sale investments

The Group maintained a portfolio of available-for-sale investments with an aggregate market value of HK$8,738 million as at 30 June 2009 (31/12/2008: HK$5,643 million), which primarily comprised a 7% interest in Wharf, WPSL's 20% interest in HPL and 17% interest in SC Global, and other blue chip securities. The cumulative attributable surplus of the investments as at 30 June 2009 amounted to HK$3,516 million (31/12/2008: HK$462 million) and is retained in reserves until the related investments are sold.

Finance and availability of facilities

(a) The Group's available loan facilities totalled HK$2.7 billion, of which HK$1.6 billion was drawn. The debt maturity profile of the Group as at 30 June 2009 is analysed below:

	30/6/2009 HK$ Million	31/12/2008 HK$ Million
Within 1 year	—	512
After 1 year, but within 2 years	**1,588**	1,043
After 2 years, but within 3 years	—	559
	1,588	2,114
Undrawn facilities	**1,097**	1,272
Total loan facilities	**2,685**	3,386

(b) The following assets of the Group have been pledged for securing bank loan facilities:

	30/6/2009 HK$ Million	31/12/2008 HK$ Million
Investment property / Property under development for investment	**684**	670
Properties under development for sale	**2,821**	2,803
	3,505	3,473

(c) As at 30 June 2009, WPSL's borrowings for financing its properties in Singapore were primarily denominated in Singapore dollar. The Group entered into forward exchange contracts primarily for management of its foreign currency assets and related interest rate exposures. These contracts were marked to market value at the balance sheet date to result in a net liability of HK$14 million. The Group has no other significant exposure to foreign exchange fluctuation except for the net investments in its Singapore subsidiaries and China associates.

Commitments

As at 30 June 2009, the Group's commitments were mainly related to trading properties under development and are analysed as follows:

	Authorised and Contracted for HK$ Million	Authorised but not Contracted for HK$ Million
Properties under development undertaken by		
Subsidiaries:		
Hong Kong	421	—
Singapore	1,024	—
Associates:		
China	305	1,253
	1,750	1,253

The above commitments for properties under development will be funded by their respective internal financial resources including surplus cash, bank financings and proceeds from sale and pre-sale of properties.

(III) Human Resources

The Group had 101 employees as at 30 June 2009 (31/12/2008: 105). Employees are remunerated according to their job responsibilities and the market pay trend with a discretionary annual performance bonus as variable pay for rewarding individual performance and contributions to the respective groups' achievement and results. Total staff costs for the period under review amounted to HK$32 million (2008: HK$36 million).

CODE ON CORPORATE GOVERNANCE PRACTICES

During the financial period under review, all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") were met by the Company, except in respect of one code provision providing for the roles of chairman and chief executive officer to be performed by different individuals. The deviation is deemed appropriate as it is considered to be more efficient to have one single person to be the Chairman of the Company as well as to discharge the executive functions of a chief executive officer. The Board of Directors believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high calibre individuals, a substantial proportion thereof being independent Non-executive Directors.

CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2009

	Note	**Unaudited 30/6/2009 HK$ Million**	Unaudited 30/6/2008 HK$ Million
Turnover	2	**371**	3,973
Other net income		**3**	22
		374	3,995
Direct costs and operating expenses		**(10)**	(2,988)
Selling and marketing expenses		**(5)**	(6)
Administrative and corporate expenses		**(68)**	(78)
Operating profit	3	**291**	923
Increase in fair value of investment properties		**70**	711
Net other charge	4	**(121)**	(635)
		240	999
Finance costs	5	**(3)**	(6)
Share of results after tax of associates		**38**	37
Profit before taxation		**275**	1,030
Taxation	6	**(19)**	(239)
Profit for the period		**256**	791
Profit attributable to:			
Equity shareholders		**265**	655
Minority interests		**(9)**	136
		256	791
Earnings per share	7	**12.8 cents**	31.6 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2009

	Unaudited 30/6/2009 HK$ Million	Unaudited 30/6/2008 HK$ Million
Profit for the period	**256**	791
Other comprehensive income/(expense), net of tax, for the period		
Available-for-sale investments:		
Net movement in the investment revaluation reserves	**3,206**	(2,397)
Changes in fair value recognised during the period	**3,085**	(2,929)
Less: Reclassification adjustments transferred to income statement:		
Impairment losses	**121**	482
Loss on disposal	—	(91)
Deferred tax	—	141
Exchange difference on translation of financial statements of foreign entities	**(92)**	673
	3,114	(1,724)
Total comprehensive income/(expense) for the period	**3,370**	(933)
Total comprehensive income/(expense) attributable to:		
Equity shareholders	**3,250**	(1,090)
Minority interests	**120**	157
	3,370	(933)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2009

	Note	**Unaudited 30/6/2009 HK$ Million**	Audited 31/12/2008 HK$ Million
Non-current assets			
Investment properties		**8,195**	7,478
Other property, plant and equipment		**6**	676
Total fixed assets		**8,201**	8,154
Interest in associates		**1,502**	1,480
Available-for-sale investments		**8,738**	5,643
Deferred tax assets		**100**	101
Deferred debtors		**11**	12
		18,552	15,390
Current assets			
Properties under development for sale		**7,244**	6,889
Properties held for sale		**98**	102
Trade and other receivables	9	**272**	850
Short term investments		**15**	—
Bank deposits and cash		**5,704**	5,593
		13,333	13,434
Current liabilities			
Trade and other payables	10	**(662)**	(744)
Bank loans		**—**	(512)
Deposits from sale of properties		**(2,894)**	(2,208)
Amounts due to fellow subsidiaries		**(28)**	(40)
Taxation payable		**(162)**	(314)
		(3,746)	(3,818)
Net current assets		**9,587**	9,616
Total assets less current liabilities		**28,139**	25,006
Non-current liabilities			
Bank loans		**(1,588)**	(1,602)
Deferred taxation		**(724)**	(688)
		(2,312)	(2,290)
NET ASSETS		**25,827**	22,716
Capital and reserves			
Share capital		**414**	414
Reserves		**22,916**	19,832
Shareholders' equity		**23,330**	20,246
Minority interests		**2,497**	2,470
TOTAL EQUITY		**25,827**	22,716

NOTES TO INTERIM FINANCIAL STATEMENTS

(1) Basis of preparation of interim financial statements

These unaudited interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of the interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those described in the annual financial statements for the year ended 31 December 2008 except the changes mentioned here below.

The Group has adopted relevant new and revised Hong Kong Financial Reporting Standards ("HKFRSs"), amendments and interpretations effective from 1 January 2009, which have had no significant impact on the financial statements of the Group for the periods ended 31 December 2008 and 30 June 2009, except for the adoption of HKAS 1 (Revised), Presentation of financial statements, HKFRS 8, Operating segments, and the Improvements to HKFRSs (2008), with the impacts as follows:

(a) HKAS 1 (Revised) - Presentation of financial statements

As a result of the adoption of HKAS 1 (Revised), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

(b) HKFRS 8 - Operating segments

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's top management, and has resulted in amended disclosures being presented. Corresponding amounts have been restated on a basis consistent with the revised segment information.

(c) Improvements to HKFRSs (2008) – Amendments to HKAS 40 Investment Property

As a result of the amendments to HKAS 40 Investment Property, investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Previously such property was carried at cost until the construction was completed, at which time it was fair valued with any gain or loss being recognised in profit or loss. As a result of this amendment, the Group has reclassified its investment property under development amounting to HK$670 million from other property, plant and equipment to investment properties as at 1 January 2009. Such property under development was not carried at fair value until at the earlier of when its fair value first becomes reliably measurable and the date of its completion. Accordingly, no fair value gain or loss was recognised for such property under development during the period under review.

(2) Segment information

The Group manages its diversified businesses according to the nature of services and products provided. Management has determined three reportable operating segments for measuring performance and allocating resources. The segments are property development, property investment and investment and others.

Property development segment encompasses activities relating to the acquisition, development, design, construction, sale and marketing of the Group's trading properties primarily in Hong Kong, Singapore and China.

Property investment segment includes leasing of the Group's investment properties, which primarily consist of retail and office properties in Hong Kong and Singapore.

Investment and others segment includes activities for managing the Group's corporate assets and liabilities, available-for-sale investments, financial instruments and other treasury operations.

Management evaluates performance primarily based on operating profit as well as the equity share of results of associates of each segment.

Segment assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of income tax assets. Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of income tax liabilities.

(a) Revenue and results

Six months ended	Turnover HK$ Million	Operating Profit HK$ Million	Increase in fair value of Investment Properties HK$ Million	Net other Charge HK$ Million	Finance Costs HK$ Million	Associates HK$ Million	Profit before taxation HK$ Million
30 June 2009							
Property development	**43**	**31**	**–**	**–**	**–**	**38**	**69**
Property investment	**209**	**157**	**70**	**–**	**(3)**	**–**	**224**
Investment and others	**119**	**116**	**–**	**(121)**	**–**	**–**	**(5)**
Corporate expenses	**–**	**(13)**	**–**	**–**	**–**	**–**	**(13)**
Group Total	**371**	**291**	**70**	**(121)**	**(3)**	**38**	**275**
30 June 2008							
Property development	3,623	686	–	(153)	–	37	570
Property investment	185	130	711	–	(6)	–	835
Investment and others	165	122	–	(482)	–	–	(360)
Corporate expenses	–	(15)	–	–	–	–	(15)
Group Total	3,973	923	711	(635)	(6)	37	1,030

(b) Geographical segments

	Revenue		Operating profit	
	30/6/2009 HK$ Million	30/6/2008 HK$ Million	**30/6/2009 HK$ Million**	30/6/2008 HK$ Million
Hong Kong	**224**	342	**188**	109
Singapore	**147**	3,631	**103**	814
Group total	**371**	3,973	**291**	923

	Assets	
	30/6/2009 HK$ Million	31/12/2008 HK$ Million
Hong Kong	**13,685**	11,096
Singapore	**16,775**	16,298
China	**1,425**	1,430
Group total	**31,885**	28,824

(3) Operating profit

	30/6/2009 HK$ Million	30/6/2008 HK$ Million
Operating profit is arrived at after charging/(crediting):		
Staff costs	**19**	20
Cost of trading properties sold	**7**	2,929
Depreciation	**1**	1
Net (gain)/loss on forward foreign exchange contracts	**(38)**	12
Dividend income from listed investments	**(112)**	(146)

In addition to the above staff costs charged directly to the consolidated income statement, staff costs of HK$13 million (2008: HK$16 million) were capitalised as part of the costs of properties under development for sale.

(4) Net other charge

The net other charge of HK$121 million (2008: HK$635 million) represented the further impairment provisions of HK$53 million on its investment in SC Global Developments Ltd ("SC Global") and HK$68 million on its investment in Hotel Properties Limited made by Wheelock Properties (Singapore) Limited ("WPSL") in its first quarter results, based on the market prices as at 31 March 2009.

The net other charge for the first half of 2008 mainly comprised impairment provisions of HK$482 million for the SC Global shares and HK$153 million for a China property project undertaken by an associate.

(5) Finance costs

	30/6/2009	30/6/2008
	HK$ Million	HK$ Million
Interest on bank loans and overdrafts	**10**	24
Other finance costs	**4**	1
	14	25
Less: Amount capitalised	**(11)**	(19)
	3	6

Interest was capitalised at an average annual rate of approximately 1.0% (2008: 1.7%).

(6) Taxation

Taxation charged to the consolidated income statement represents:

	30/6/2009	30/6/2008
	HK$ Million	HK$ Million
Current income tax		
Hong Kong profits tax	**10**	7
Overseas taxation	**14**	126
	24	133
Deferred tax		
Change in fair value of investment properties	**12**	126
Origination and reversal of temporary differences	**2**	1
Reversal on disposal of investment properties	–	(1)
Effect of change in tax rate (Note 6(a))	**(19)**	(20)
	(5)	106
	19	239

(a) The provision for Hong Kong and Singapore profits taxes are based on the profit for the period as adjusted for tax purposes at the rate of 16.5% (2008: 16.5%) and 17% (2008: 18%) respectively.

The Singapore Government reduced the corporate income tax rate from 18% to 17% with effect from the fiscal year 2009. In 2008, the Hong Kong SAR Government enacted a reduction in the profits tax rate from 17.5% to 16.5%.

(b) Other overseas taxation is calculated at rates of tax applicable in countries in which the Group is assessed for tax.

(c) Tax attributable to associates for the six months ended 30 June 2009 of HK$8 million (2008: HK$7 million) is included in the share of results after tax of associates.

(7) Earnings per share

The calculation of basic and diluted earnings per share is based on profit attributable to the equity shareholders for the period of HK$265 million (2008: HK$655 million) and 2,070 million ordinary shares in issue throughout the six months ended 30 June 2009 and 2008.

(8) Dividends attributable to equity shareholders

	30/6/2009	30/6/2008
	HK$ Million	HK$ Million
Interim dividend of 2.0 cents proposed after the reporting date (2008: 2.0 cents) per share	**41**	41

(a) The interim dividend proposed after the reporting date has not been recognised as liability at the reporting date.

(b) The final dividend in respect of 2008 of 8.0 cents per share amounting to a total of HK$166 million was paid in 2009.

(9) Trade and other receivables

Included in this item are trade receivables (net of allowance for bad and doubtful debts) with an ageing analysis as at 30 June 2009 as follows:

	30/6/2009	31/12/2008
	HK$ Million	HK$ Million
Trade receivables		
Current (not past due)	**173**	804
Past due:		
0 - 30 days	**3**	8
31 - 60 days	**16**	3
61 - 90 days	**3**	–
Over 90 days	**42**	–
	237	815
Deposits paid for properties acquisition	**1**	11
Other receivables	**34**	24
	272	850

Included in the 2009 current trade receivables are sales receivables of HK$137 million (representing the 7% remaining balance of sales consideration to be billed according to the standard payment scheme in Singapore) accrued by WPSL on completion of The Cosmopolitan.

The Group has established credit policies for each of its core businesses. The general credit terms allowed range from 0 to 60 days, except for sale of properties the proceeds from which are receivable pursuant to the terms of the agreements. All the receivables are expected to be virtually recoverable within one year.

(10) Trade and other payables

Included in this item are trade payables with an ageing analysis as at 30 June 2009 as follows:

	30/6/2009	31/12/2008
	HK$ Million	HK$ Million
Amounts payable in the next:		
0 - 30 days	**75**	121
31 - 60 days	**52**	36
61 - 90 days	**37**	12
Over 90 days	**184**	215
	348	384
Rental deposits	**113**	113
Derivative financial liabilities	**14**	40
Other payables	**187**	207
	662	744

(11) Comparative figures

As a result of the application of HKAS 1 (revised), Presentation of financial statements and HKFRS 8, Operating segments, certain comparative figures have been reclassified to conform to current period's presentation. Further details of these developments are disclosed in note 1.

(12) Review of unaudited interim financial statements

The unaudited interim financial statements for the six months ended 30 June 2009 have been reviewed with no disagreement by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company during the financial period under review.

BOOK CLOSURE

The Register of Members will be closed from Wednesday, 16 September 2009 to Friday, 18 September 2009, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 15 September 2009.

By Order of the Board
Wilson W S Chan
Company Secretary

Hong Kong, 14 August 2009

As at the date of this announcement, the Board of Directors of the Company comprises Mr Peter K C Woo, Dr Joseph M K Chow, Mr Gonzaga W J Li, Mr T Y Ng, Mr Paul Y C Tsui and Mr Ricky K Y Wong, together with three independent Non-executive Directors, namely, Mr Herald L F Lau, Mr Roger K H Luk and Mr Glenn S Yee.