

**WINSOR PROPERTIES HOLDINGS LIMITED**

Incorporated in the Cayman Islands with limited liability

南聯地產控股有限公司

開曼群島註冊成立之有限公司

(Stock Code: 1036)

**Announcement of Unaudited Results for
the six months ended 30 June 2009****INTERIM RESULTS**

The Directors of Winsor Properties Holdings Limited (the “Company”) are pleased to announce the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009 (the “Period”).

Condensed Consolidated Income Statement

For the six months ended 30 June 2009

		Unaudited	
		Six months ended	
		30 June 2009	30 June 2008
	Note	HK\$'000	HK\$'000
Revenue	3	139,713	110,515
Cost of sales		<u>(47,575)</u>	<u>(31,852)</u>
Gross profit		92,138	78,663
Other income	3	13,901	40,907
Selling and marketing expenses		(6,509)	(2,246)
Administrative expenses		(18,050)	(18,688)
Change in fair value of investment properties		(7,843)	195,341
Other gains, net	4	53,508	25,076
Other operating expenses		<u>(424)</u>	<u>(783)</u>
Operating profit before finance income and costs		126,721	318,270
Finance income		36	1,647
Finance costs	5	<u>(29,351)</u>	<u>(15,689)</u>
Operating profit	6	97,406	304,228
Share of profits less losses of associated companies		<u>(1,810)</u>	<u>1,622</u>
Profit before taxation		95,596	305,850
Taxation (charge)/credit	7	<u>(11,797)</u>	<u>5,782</u>
Profit for the period		<u>83,799</u>	<u>311,632</u>
Attributable to:			
Shareholders of the Company		82,679	308,693
Minority interests		<u>1,120</u>	<u>2,939</u>
		<u>83,799</u>	<u>311,632</u>
		HK\$	HK\$
Earnings per share	8	<u>0.32</u>	<u>1.19</u>
		HK\$'000	HK\$'000
Dividend	9	<u>31,162</u>	<u>31,162</u>

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2009

	Unaudited	
	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Profit for the period	<u>83,799</u>	<u>311,632</u>
Other comprehensive income, net of tax		
Exchange translation differences	445	5,531
Realised on disposal of subsidiaries	—	161
Available-for-sale financial assets		
— Fair value gains/(losses)	33,065	(7,799)
— Realised on distribution	—	(28,670)
— Realised on disposal	—	(7,348)
Cash flow hedges		
— Fair value losses	(22,576)	(741)
— Realised upon settlement	18,709	6,485
Other comprehensive income/(loss) for the period, net of tax	<u>29,643</u>	<u>(32,381)</u>
Total comprehensive income for the period	<u>113,442</u>	<u>279,251</u>
Attributable to:		
Shareholders of the Company	112,322	276,867
Minority interests	1,120	2,384
	<u>113,442</u>	<u>279,251</u>

Condensed Consolidated Balance Sheet
At 30 June 2009

	Note	Unaudited At 30 June 2009 HK\$'000	Audited At 31 December 2008 HK\$'000
Non-current assets			
Property, plant and equipment		17,368	2,608
Investment properties		8,831,930	8,834,930
Interests in associated companies		184,294	185,732
Amounts and loans receivable from associated companies		329,388	315,370
Available-for-sale financial assets		249,343	216,607
Held-to-maturity investments		28,196	25,445
Deferred tax assets		5,195	5,794
Goodwill		57,807	57,807
		<u>9,703,521</u>	<u>9,644,293</u>
Current assets			
Trade and other receivables	10	36,962	57,091
Available-for-sale financial assets		3,276	2,948
Bank balances and cash		164,622	175,548
		<u>204,860</u>	<u>235,587</u>
Current liabilities			
Trade and other payables and accruals	11	278,807	288,345
Derivative financial instruments		39,405	40,354
Bank loans and overdrafts		358,532	447,443
Tax payable		63,447	58,110
		<u>740,191</u>	<u>834,252</u>
Net current liabilities		<u>(535,331)</u>	<u>(598,665)</u>
Total assets less current liabilities		<u>9,168,190</u>	<u>9,045,628</u>
Non-current liabilities			
Long term bank loans		2,262,191	2,120,497
Other long term loans		32,498	32,498
Amounts and loans payable to associated companies		166,789	166,789
Derivative financial instruments		57,923	105,846
Deferred tax liabilities		856,317	852,675
		<u>3,375,718</u>	<u>3,278,305</u>
Net assets		<u>5,792,472</u>	<u>5,767,323</u>
Share capital		2,596	2,596
Other reserves		695,815	697,334
Retained earnings		5,040,907	4,958,228
Proposed final dividend		—	88,293
Interim dividend declared		31,162	—
Equity attributable to shareholders of the Company		<u>5,770,480</u>	<u>5,746,451</u>
Minority interests		21,992	20,872
Total equity		<u>5,792,472</u>	<u>5,767,323</u>

Notes

1. General information

The Company is a limited liability company incorporated under the laws of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is P. O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands and the address of its principal office in Hong Kong is 8th Floor, One Landmark East, 100 How Ming Street, Kwun Tong, Kowloon, Hong Kong.

The Board of Directors of the Company considers that the Company’s ultimate holding company is USI Holdings Limited (“USI”), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange.

The Group is principally engaged in property investment and management, warehousing and investment holding.

The interim results for the six months ended 30 June 2009 are unaudited, but have been reviewed by PricewaterhouseCoopers, the external auditors of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The interim results have also been reviewed by the Company’s Audit Committee.

2. Basis of preparation and accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim financial reporting” issued by the HKICPA and in compliance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated financial statements should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2008. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Company’s annual financial statements for the year ended 31 December 2008 except as described below.

In the Period, the Group has adopted, for the first time, the following new or revised accounting standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2009:

HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 (Amendment) and HKAS 1 (Amendment)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 (Amendment) and HKAS 27 (Amendment)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Share-based payment on vesting conditions and cancellations
HKFRS 8	Operating segments
HK(IFRIC) – Int 13	Customer loyalty programmes
HK(IFRIC) – Int 15	Agreements for the construction of real estate
HK(IFRIC) – Int 16	Hedges of a net investment in foreign operation
HKASs (Amendments)	Improvements to existing standards effective on or after 1 January 2009

2. Basis of preparation and accounting policies (continued)

HKAS 1 (Revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Except for HKSA 1 (Revised) and HKFRS 8, the adoption of other new or revised standards, amendments and interpretations has no material effect on the results and financial position of the Group in both periods.

The Group has not early adopted the following new or revised standards, amendments and interpretations that have been issued but are not yet effective for the Period:

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 39 (Amendment)	Financial instruments: recognition and measurement on eligible hedged items	1 July 2009
HKFRS 3 (Revised)	Business combinations	1 July 2009
HK(IFRIC) – Int 17	Distribution of non-cash assets to owners	1 July 2009
HK(IFRIC) – Int 18	Transfers of assets from customers	1 July 2009

The HKICPA has made amendments to HKFRS in May 2009 in response to the annual improvements project.

		Effective for accounting periods beginning on or after
HKFRS 2 (Amendment)	Share-based payments	1 July 2009
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2010
HKFRS 8 (Amendment)	Operating segments	1 January 2010
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2010
HKAS 7 (Amendment)	Statement of cash flows	1 January 2010
HKAS 17 (Amendment)	Leases	1 January 2010
HKAS 36 (Amendment)	Impairment of assets	1 January 2010
HKAS 38 (Amendment)	Intangible assets	1 July 2009
HKAS 39 (Amendment)	Financial instruments: recognition and measurement	1 January 2010
HK(IFRIC) – Int 9 (Amendment)	Reassessment of embedded derivatives	1 July 2009
HK(IFRIC) – Int 16 (Amendment)	Hedges of a net investment in a foreign operation	1 July 2009

The Group is in the process of making an assessment of the impact of these revised standards, amendments and interpretations 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 (continued)

3. Revenue, other income and segment information

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Revenue		
Rental and property management	132,468	96,462
Warehousing	7,245	12,973
Sale of properties	—	1,080
	139,713	110,515
Other income		
Dividend income from		
— unlisted investments	—	28,670
— listed real estate investment trusts	8,938	6,730
Interest income on loans to associated companies	3,891	5,033
Others	1,072	474
	13,901	40,907
	153,614	151,422

Notes (continued)

3. Revenue, other income and segment information (continued)

The chief operating decision-maker (“CODM”) reviews the Group’s internal reporting in order to assess performance and allocate resources. CODM has determined the operating segments based on these reports.

The CODM considers the business from both income generating and geographic perspective. From income generating perspective, CODM divides the business into the following operating segments: rental and property management, warehousing, investment and others. The CODM further evaluates the business in a geographic perspective by dividing it into Hong Kong, Singapore and Mainland China.

The CODM assesses the performance of the operating segments based on segment profit. Segment profit excludes the effects of the gain on disposal of subsidiaries and changes in fair value on derivative financial instruments and unallocated income and expenses.

Operating segments

The segment results are as follows:

	Six months ended 30 June 2009			
	Rental and property management	Warehousing	Investment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	<u>132,468</u>	<u>7,245</u>	<u>—</u>	<u>139,713</u>
Segment results before change in fair value of investment properties	83,551	775	11,094	95,420
Decrease in fair value of investment properties	(7,843)	—	—	(7,843)
Segment results	<u>75,708</u>	<u>775</u>	<u>11,094</u>	<u>87,577</u>
Fair value gains on derivative financial instruments				50,438
Unallocated income less expenses				<u>(11,294)</u>
Operating profit before finance income and costs				126,721
Finance income				36
Finance costs				<u>(29,351)</u>
Operating profit				97,406
Share of profits less losses of associated companies				<u>(1,810)</u>
Profit before taxation				95,596
Taxation charge				<u>(11,797)</u>
Profit for the Period				<u>83,799</u>

Notes (continued)

3. Revenue, other income and segment information (continued)

Operating segments (continued)

	Six months ended 30 June 2008				
	Rental and property management	Warehousing	Investment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	96,462	12,973	—	1,080	110,515
Segment results before change in fair value of investment properties	71,426	1,694	38,515	—	111,635
Increase in fair value of investment properties	195,341	—	—	—	195,341
Segment results	266,767	1,694	38,515	—	306,976
Gain on disposal of subsidiaries					6,588
Fair value gains on derivative financial instruments					12,509
Unallocated income less expenses					(7,803)
Operating profit before finance income and costs					318,270
Finance income					1,647
Finance costs					(15,689)
Operating profit					304,228
Share of profits less losses of associated companies					1,622
Profit before taxation					305,850
Taxation credit					5,782
Profit for the period					311,632

The segment assets are as follows:

	At 30 June 2009				
	Rental and property management	Warehousing	Investment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	9,100,301	7,427	281,776	—	9,389,504
Interests in associated companies	14,245	3,372	—	166,677	184,294
Amounts and loans receivable from associated companies	10,819	22,330	—	296,239	329,388
Other assets					5,195
Total assets					9,908,381

	At 31 December 2008				
	Rental and property management	Warehousing	Investment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	9,111,186	6,437	255,361	—	9,372,984
Interests in associated companies	13,749	2,947	—	169,036	185,732
Amounts and loans receivable from associated companies	11,205	22,330	—	281,835	315,370
Other assets					5,794
Total assets					9,879,880

Notes (continued)

3. Revenue, other income and segment information (continued)

Geographical information

	Revenue		Total assets	
	Six months ended 30 June 2009 HK\$'000	Six months ended 30 June 2008 HK\$'000	At 30 June 2009 HK\$'000	At 31 December 2008 HK\$'000
Hong Kong	139,713	104,754	9,139,135	9,154,816
Singapore	—	1,204	250,369	218,168
Mainland China	—	4,557	—	—
	139,713	110,515	9,389,504	9,372,984
Interests in associated companies			184,294	185,732
Amounts and loans receivable from associated companies			329,388	315,370
Other assets			5,195	5,794
Total assets			9,908,381	9,879,880

At 30 June 2009, the total of non-current assets other than available-for-sale financial assets, held-to-maturity investments and deferred tax assets located in Hong Kong was HK\$9,178,854,000 (31/12/2008: HK\$9,159,188,000), and the total of these non-current assets located in other countries was HK\$241,933,000 (31/12/2008: HK\$237,259,000).

4. Other gains, net

	Six months ended	
	30 June 2009 HK\$'000	30 June 2008 HK\$'000
Financial assets at fair value through profit or loss		
— realised losses	—	(733)
— fair value losses	—	(681)
Realised gains on available-for-sale financial assets	—	2,773
Amortised income from held-to-maturity investments	3,001	—
Net foreign exchange gain	69	4,620
Fair value gains on derivative financial instruments	50,438	12,509
Gain on disposal of subsidiaries	—	6,588
	53,508	25,076

5. Finance costs

During the Period, no finance costs was capitalised in investment properties (2008: HK\$12,450,000).

Notes (continued)

6. Operating profit

Operating profit is stated after crediting and charging the following:

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Crediting:		
Gross rental income from investment properties	<u>130,242</u>	<u>94,141</u>
Charging:		
Cost of sale of properties included in cost of sales	—	1,080
Depreciation of property, plant and equipment	1,145	1,387
Staff costs (including Directors' emoluments)	16,829	16,520
Direct operating expenses arising from investment properties generating rental income	40,618	18,200
Direct operating expenses for generating warehousing income	2,169	5,438
Operating leases rentals in respect of land and buildings	<u>2,023</u>	<u>3,822</u>

7. Taxation (charge)/credit

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Current taxation		
Hong Kong profits tax	(7,556)	(6,014)
Overseas taxation	—	(833)
	<u>(7,556)</u>	<u>(6,847)</u>
Deferred taxation		
Change in fair value of investment properties	1,294	(32,231)
Other temporary differences	(5,535)	(2,608)
Effect of tax rate change	—	47,468
	<u>(4,241)</u>	<u>12,629</u>
Taxation (charge)/credit	<u>(11,797)</u>	<u>5,782</u>

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits for the Period. Overseas taxation has been provided on the estimated assessable profits for the Period at rates prevailing in the countries in which the subsidiaries operate.

8. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company of HK\$82,679,000 (2008: HK\$308,693,000) and 259,685,288 shares (2008: 259,685,288 shares) in issue during the Period.

Diluted earnings per share equals to the basic earnings per share as the Company had no dilutive potential shares in issue during the Period (2008: Nil).

Notes (continued)

9. Dividend

	Six months ended	
	30 June 2009	30 June 2008
	HK\$'000	HK\$'000
Interim dividend, declared, of HK\$0.12 (2008: HK\$0.12) per share	<u>31,162</u>	<u>31,162</u>

At a meeting held on 4 September 2009, the Directors declared an interim dividend of HK\$0.12 per share for the year ending 31 December 2009. This interim dividend declared is not reflected as a dividend payable in the financial statements, but will be reflected as an appropriation of reserves in the year ending 31 December 2009.

10. Trade and other receivables

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
Trade receivables	9,733	11,916
Less : Provision for impairment of receivables	<u>—</u>	<u>(145)</u>
Trade receivables, net of provisions	9,733	11,771
Other receivables	13,322	23,383
Deposits	9,731	9,381
Prepayments	<u>4,176</u>	<u>12,556</u>
	<u>36,962</u>	<u>57,091</u>

Trade receivables represent mainly rent receivables from tenants of the Group's properties. The Group maintains a defined policy in respect of rent collection. The credit quality of new lease or customer is assessed based on a defined policy set by the Group. Reminders are issued half-monthly when rents are overdue for 15 days, and legal actions will be taken when rents are overdue for two months. The ageing analysis of trade receivables (net of provisions) is as follows:

	At 30 June 2009	At 31 December 2008
	HK\$'000	HK\$'000
Current to 30 days	6,710	1,885
31 to 90 days	2,481	9,230
Over 90 days	<u>542</u>	<u>656</u>
	<u>9,733</u>	<u>11,771</u>

The trade receivables, net of provisions, of HK\$9,733,000 (31/12/2008: HK\$11,771,000) were past due but not impaired. These relate to a number of independent customers having good track records and there is no recent history of default, and the majority of the debts are covered by the rental deposits received as set out in note 11.

Notes (continued)

11. Trade and other payables and accruals

	At 30 June 2009 HK\$'000	At 31 December 2008 HK\$'000
Trade payables	9,320	20,185
Other payables	190,962	208,274
Deposits received	61,825	52,548
Accruals	16,700	7,338
	<u>278,807</u>	<u>288,345</u>

The ageing analysis of trade payables is as follows:

	At 30 June 2009 HK\$'000	At 31 December 2008 HK\$'000
Current to 30 days	5,879	17,163
31 to 90 days	2,034	2,082
Over 90 days	1,407	940
	<u>9,320</u>	<u>20,185</u>

The carrying amounts of trade and other payables and accruals approximate their fair values and are primarily denominated in Hong Kong dollars.

12. Comparative figures

Certain comparative figures have been reclassified to conform to current period presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's unaudited revenue for the Period was HK\$140 million, compared to HK\$111 million for the same period last year. The increase in revenue was mainly due to additional rental contribution from Landmark East and W Square.

The Group's unaudited profit attributable to shareholders during the Period was HK\$83 million (2008: HK\$309 million). The Group's profit comprised changes in fair value of investment properties and related deferred tax, changes in fair value of interest rate swap contracts, a tax credit arising from change in Hong Kong profits tax rate and an exceptional profit arising from disposal of subsidiaries in the current and/or prior period. Excluding these, the Group's recurring profit for the Period was HK\$39 million (2008: HK\$83 million). The decrease was mainly due to tenancies in Landmark East have yet to be built up to fully defray property expenses as well as borrowing costs of Landmark East which had ceased to be capitalised upon completion of development in September 2008.

Rental and property management

Redevelopment of our site at 100 How Ming Street into a twin-tower Grade A office project, now known as Landmark East, was completed with the issue of the occupation permit in September 2008 and the certificate of compliance in May 2009. Leasing of Landmark East is in progress. The renovation of W Square at 314-324 Hennessy Road, Wanchai into a premium office project with retail and dining facilities was

completed in January 2008. W Square has been substantially leased out at relatively premium rates before the rental market deteriorated towards the end of last year. These two properties in aggregate contributed revenue of HK\$43 million during the Period (2008: HK\$5 million). Revenue from the Group's industrial properties was relatively stable. Together with property management income, total revenue from rental and property management was HK\$132 million for the Period (2008: HK\$96 million).

Excluding the change in fair value of investment properties, segment profit for the rental and property management operation for the Period was HK\$84 million (2008: HK\$71 million). The development of Landmark East was completed when the economy experienced a significant downturn in the second half of last year. Given the abundant supply of office space in Kowloon East and the uncertain operating environment, the Group will require additional time to build up tenancies to a satisfactory level. Consequently, there was a drop in profitability of the Group's rental operations against revenue during the Period.

Warehousing

The Group's warehousing operation reported revenue of HK\$7 million (2008: HK\$13 million) and a segment profit of HK\$1 million (2008: HK\$2 million) for the Period. The drop in revenue and profit was mainly due to the disposal of a 65% interest in the Group's cold storage operation to the China Merchants Group ("China Merchants") on 30 April 2008. The cold storage business is now a 30/70 joint venture between the Group and China Merchants.

Investment

The Group's investment activities reported a segment profit of HK\$11 million for the Period (2008: HK\$39 million). Profit from this segment mainly comprised dividend income and realised and unrealised gains less losses on the Group's investments. The decrease was mainly due to a residual dividend income of HK\$29 million in the prior period from Draycott 8, a residential project in which the Group has a 15% interest.

Apart from Draycott 8, the Group's available-for-sale financial assets were mainly represented by a strategic investment in a company holding property assets in Singapore and an investment in a real estate investment trust listed in Singapore. According to the Group's accounting policy, these assets were fair valued at period end with the resultant increase in value of HK\$33 million being taken up in "Investment Revaluation Reserve" in equity during the Period (2008: a decrease in value of HK\$8 million).

Valuation of investment properties

As at 30 June 2009, the investment properties of the Group were revalued at HK\$8,832 million (31 December 2008: HK\$8,835 million). The attributable decrease in fair value of the properties of HK\$8 million (2008: increase in fair value of HK\$195 million) was charged against the income statement during the Period.

Finance income and finance costs

Net finance costs amounted to HK\$29 million in the Period (2008: HK\$14 million). The increase was mainly due to borrowing costs relating to Landmark East ceased to be capitalised upon completion of the development in September 2008 and an increase in bank borrowings.

The Group held interest rate swap contracts (the “IRS Contracts”) to hedge its interest rate exposure. The outstanding notional principal amount of the IRS Contracts was HK\$1,000 million as at 30 June 2009. Due to an increase in hedged portion of the underlying bank loan as well as shifting up of the interest rate curve, there was a reversal of prior year’s loss on the IRS Contracts to the extent of HK\$50 million as “Other Gain” in the Period (2008: HK\$13 million).

Share of profits less losses of associated companies

There was no significant contribution from the associated companies during the Period.

Taxation

Taxation charge for the Period comprised mainly of provision for Hong Kong profits tax of HK\$8 million and deferred tax charge of HK\$4 million. Taxation credit in the prior period was mainly attributable to the write-back of deferred tax provision of HK\$47 million arising from a change in Hong Kong profits tax rate net of provision for Hong Kong profits tax of HK\$6 million and deferred tax charge of HK\$32 million on increase in fair value of investment properties.

PROJECT PROGRESS

Forfar, Hong Kong

The Group has a 20% interest in Forfar, which is a luxury residential project in Hong Kong co-developed with USI. The project, with a total saleable area of about 100,000 square feet, was launched for presale in late June 2009. Up to the date hereof, about 60% of the units have been sold. Occupation permit for the project is expected to be obtained in late 2009.

Belle Vue Residences, Singapore

The Group has a 30% interest in Belle Vue Residences, which is a luxury residential development in Singapore co-developed with Wing Tai Holdings Limited and an independent third party. The project, with a total saleable area of about 433,000 square feet, was launched for presale in last year. Up to the date hereof, about 56% of the units have been sold. Occupation permit for the project is expected to be obtained in the first half of 2010.

EMPLOYEES

The Group employed 185 employees as at 30 June 2009 (31 December 2008: 179 employees). The Group aligns its remuneration and benefit packages with pay levels and practices prevailing in the market and recognises individual responsibility and performances. All eligible employees in Hong Kong are enrolled to a defined contribution mandatory provident fund scheme. Other benefits are awarded at the discretion of the Group. Staff training is provided as and when required.

FINANCIAL REVIEW

The Group's financing and treasury operations are centrally managed and controlled.

Gearing

The Group's shareholders' equity as at 30 June 2009 was HK\$5,770 million (31 December 2008: HK\$5,746 million). The increase was mainly due to the profit attributable to shareholders of HK\$83 million, an increase in investment revaluation reserve of HK\$33 million, net of a dividend of HK\$88 million distributed during the Period. The Group's total equity, including minority interests, was HK\$5,792 million as at 30 June 2009 (31 December 2008: HK\$5,767 million).

The Group's total bank borrowings as at 30 June 2009 were HK\$2,621 million (31 December 2008: HK\$2,568 million). After deducting the bank balances and cash of HK\$165 million (31 December 2008: HK\$176 million), the Group's net borrowings as at 30 June 2009 were HK\$2,456 million (31 December 2008: HK\$2,392 million).

As at 30 June 2009, the gearing ratio of the Group was 42% (31 December 2008: 41%), calculated based on the net borrowings of HK\$2,456 million and total equity of HK\$5,792 million.

Liquidity and debt maturity profile

The maturity profile of the Group's bank borrowings is set out as below.

	At 30 June 2009		At 31 December 2008	
	HK\$ million	%	HK\$ million	%
Within one year	359	14	447	17
In the second year	410	16	631	25
In the third to fifth years inclusive	1,852	70	1,446	56
After the fifth year	-	-	44	2
	<u>2,621</u>	<u>100</u>	<u>2,568</u>	<u>100</u>

The Group's bank borrowings were principally secured against the Group's investment properties and financial assets. The loan-to-security ratio, calculated by reference to the amount of the secured bank loans drawn against the value of the underlying securities as at 30 June 2009, was 29% (31 December 2008: 29%).

Treasury policies

The Group principally operates in Hong Kong and, as a result, has minimal exposure to exchange rate fluctuation. The Group has certain investments in associated companies and financial assets which are denominated in Singapore Dollars and Renminbi. No forward exchange contracts have been entered to hedge for these foreign currency assets, which exposure will continue to be monitored by the Group and, if considered appropriate, hedged to the extent desirable. The Group's bank borrowings are principally denominated in Hong Kong Dollars and match with the underlying securities.

The Group manages its interest rate exposure closely. In previous years, the Group entered into the IRS Contracts to hedge its floating interest rate exposure. The purpose of the IRS Contracts was to maintain a balanced portfolio of fixed and floating rate debts so that the Group could guard against any unexpected interest rate hikes. The Group had outstanding IRS Contracts in the notional amount totaling HK\$1,000 million as at 30 June 2009. Against total bank borrowings of HK\$2,621 million which were all on a floating rate basis, the IRS Contracts converted about 38% of the Group's total bank borrowings at period end into fixed rate debts.

Capital commitments

The Group's capital commitments in respect of investments in associated companies amounted to HK\$487 million as at 30 June 2009. Such amount was calculated as the Group's proportionate share of acquisition and construction costs in relation to property development projects undertaken by the associated companies less amounts already contributed by the Group.

Contingent liabilities

Financial guarantees and completion undertakings given by the Group in respect of banking facilities granted to associated companies amounted to HK\$538 million as at 30 June 2009. The guarantees and undertakings were given severally and in proportion to the Group's equity interest in the associated companies.

Pledge of assets

At 30 June 2009, certain of the Group's investment properties and financial assets with a carrying value of HK\$8,808 million and HK\$109 million respectively were pledged to secure banking facilities of the Group.

OUTLOOK

The global economic environment during the period remained weak, though there have been increasing signs that the pace of contraction is moderating. Whether the recent rebounds in financial markets worldwide can translate into a sustained recovery in the wider economy remains to be seen. For the second half of this year, the Group maintains a cautious view on the commercial property leasing market in spite of recent improvement in that market. And although the decentralisation trend of offices moving to non-traditional business districts like Kowloon East is continuing, the competition from newly completed properties in the neighborhood is expected to continue to be stiff. Nonetheless, the operating results for Landmark East will continue to improve with ongoing leasing uptake.

The Group is optimistic that rental income and occupancy of its investment properties will remain stable, providing a reliable and steady source of recurring income. Meanwhile, the Group's investments in two luxury development projects, Forfar in Hong Kong and Belle Vue Residences in Singapore, are likely to generate profits as soon as occupancy permits are issued, expected by the end of 2009 and the first half of 2010 respectively. While it will take time for the Landmark East development to build up occupancy and make a stable contribution to total revenue, sales from the two luxury residential projects will in the interim provide the Group with income.

The Group remains confident that, with a gradual recovery in the overall economy in sight, its enhanced portfolio of quality investment properties will help it weather the current economic downturn and come out stronger in the next wave of growth.

DIVIDEND AND CLOSE OF REGISTER

The Directors have resolved to declare an interim dividend of HK\$0.12 per share for the six months ended 30 June 2009, payable on 13 October 2009 to all shareholders whose names appear on the Register of Members of the Company on 28 September 2009. The Register of Members and the Transfer Books of the Company will be closed from 25 September 2009 to 28 September 2009, both days inclusive. In order to qualify for the interim dividend for the six months ended 30 June 2009, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars and Transfer Office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 24 September 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has observed the principles and complied with all code provisions and, to the extent possible having regard to circumstances pertaining to the Company, the recommended best practices of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct for securities transactions by Directors of the Company.

The Company has made specific enquiry of all Directors regarding any non-compliance with the Model Code during the Period, and received confirmation from all Directors that they had fully complied with the required standard set out in the Model Code throughout the Period.

AUDIT COMMITTEE

The Audit Committee has reviewed with management and the auditors of the Company the accounting policies and practices adopted by the Group and discussed matters in relation to internal control and financial reporting including the review of the interim results of the Group for the six months ended 30 June 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

PUBLICATION OF RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Company at <http://www.winsorprop.com> and the website of the Stock Exchange at <http://www.hkexnews.hk>. The interim report of the Company will be despatched to shareholders and will be published on the aforesaid websites in due course.

BOARD OF DIRECTORS

As at the date of this Announcement, the Directors of the Company are:-

Executive Directors:

Mr. Chow Wai Wai, John, Mrs. Chen Chou Mei Mei, Vivien, Mr. Chung Hon Sing, John, and Mr. Au Hing Lun, Dennis

Non-Executive Directors:

Mr. Cheng Wai Chee, Christopher* and Mr. Cheng Wai Sun, Edward*

Independent Non-Executive Directors:

Lord Sandberg, Mr. Christopher Patrick Langley, Dr. Lo Ka Shui and Mr. Haider Hatam Tyebjee Barma

* Alternate: Ms. Fung Ching Man, Janet

On behalf of the Board
Cheng Wai Chee, Christopher
Chairman

Hong Kong, 4 September 2009