WHEELOCK PROPERTIES

WHEELOCK PROPERTIES LIMITED

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

2009 Final Results Announcement

GROUP RESULTS

The Group profit attributable to equity shareholders for the financial year ended 31 December 2009 amounted to HK$1,458 million, compared to HK$816 million for the financial year ended 31 December 2008. Earnings per share were HK$0.70 (2008: HK$0.39).

Excluding the net attributable investment property revaluation surplus, the Group's profit was HK$815 million, an increase of HK$360 million as compared to the previous year.

DIVIDENDS

An interim dividend in respect of the six months ended 30 June 2009 of HK$0.02 (2008: HK$0.02) per share was paid on 25 September 2009, absorbing a total amount of HK$41 million (2008: HK$41 million). The Directors have recommended for adoption at the Annual General Meeting to be held on 31 May 2010 the payment on 7 June 2010 to equity shareholders registered on 31 May 2010 of a final dividend in respect of the financial year ended 31 December 2009 of HK$0.08 (2008: HK$0.08) per share, absorbing a total amount of HK$166 million (2008: HK$166 million). If this recommendation is approved, the total dividend for the financial year ended 31 December 2009 would amount to HK$0.10 (2008: HK$0.10) per share.

MANAGEMENT DISCUSSION AND ANALYSIS

SEGMENT REVIEW

Given below is a review of the various segments of the Group.

Over 80% of the 6D-6E Babington Path, Mid-levels, which comprises a total of 47 luxury apartments of superb quality, has been sold, realising proceeds of about HK$496 million. Respective revenue and profits were recognised in 2009, given the occupancy permit for the project has been issued by the end of 2009.

Re-development of 2 Heung Yip Road, Aberdeen into a high rise commercial building is underway. The development offers a total GFA of 737,200 square feet, of which about 224,900 square feet was sold in previous years.

In accordance with its policy of disposing of non-core assets, the Group completed its sale of Fitfort, a retail footprint in North Point, on 15 December 2009 for HK$935 million, with a respective net profit of HK$126 million being recognised in 2009.

Foundation works for the site at 211-215C Prince Edward Road West, which is planned for residential redevelopment, is underway.

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

In early March of 2010, a consortium formed by the Group and New World Development on a 50:50 ownership basis have won the tender for the development of a luxury residential project atop the new Mass Transit Railway (MTR) Austin station at the heart of Tsim Sha Tsui West, which is within close proximity to the existing Airport Express and West Rail Line, as well as the future High-speed Rail terminus. The land parcel has a site area of 295,181 square feet and offers an attributable GFA of 641,082 square feet. The development will be of excellent potential, given its **prime location in West Kowloon** on top of the key transportation networks in the city.

Wheelock House was 98% leased at satisfactory rental rates at the end of December 2009.

Following the Group's two 50:50 joint ventures with China Merchants in Foshan of Guangdong Province for the development of a site in Xincheng District (新城區) and another in Chancheng (禪城區), the Group, through another 50:50 joint venture with the same joint venture partner, successfully acquired in January 2010 at a public auction a land parcel in 南海區獅山鎮 for RMB680 million. Ideally located at the centre of 獅山城區 which is around 15km away from the centre of Chancheng District (禪城區), the parcel boasts a site area of 1.5 million square feet and offers an attributable GFA of 1.67 million square feet. It is planned for an upscale residential project. The development is expected to be completed in phases by 2015.

The Group's first project, being situated 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 millions square feet and offers an attributable GFA of 2.43 million square feet. Pre-sales of the first phase of the townhouses have been well-received, with all units launched sold out within a few weeks. Twelve low-rise residential towers commenced pre-sales in March 2009, with all units launched sold out by June 2009. In September 2009, four high-rise residential towers were launched for sales, over 97% of which were briskly sold in a month's time. The Group's second project, being located at the junction of Kuiqi Road (魁奇路) and Guilan Road (桂瀾路) in Chancheng (禪城區), boasts a site area of 1.15 million square feet and envisages an attributable GFA of 1.45 million square feet. Presales of the first phase covering one high-rise residential tower commenced in December 2009 and met with excellent response. 97% of the units offered were sold within two weeks. 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 ("WPSL") amounted to S$262.3 million for the financial year under review (2008: S$100.9 million) in accordance with the accounting standards 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 the first half of 2010. All of the 118 units have been previously 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 of MRT Orchard Station, comprises 30 units of four-bedroom apartments with private lift lobbies. A preview sale was conducted in August 2009 and three units were sold at decent prices. Main construction work is about to be completed and is scheduled for completion by the first half of 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 will be held for long term investment purposes. By December 2009, pre-sales of the apartments have reached 77% (in net saleable area) with excellent prices. Main construction work is in progress. The development is scheduled 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. Piling works for the development is scheduled to commence in mid 2010.

Investment Property

Wheelock Place, a commercial development at Orchard Road, Singapore, was 100% committed at satisfactory rental rates as at the end of December 2009. It also achieved high retention renewals of 89% and 94% for its office and retail portion respectively.

FINANCIAL REVIEW

(I) Results Review

Turnover and operating profit

The Group's turnover and operating profit for the year fell to HK$1,201 million (2008: HK$6,269 million) and HK$691 million (2008: HK$1,767 million) respectively in the absence of major property completion for sales recognised in 2009.

Property Development

Revenue and operating profit from Property Development segment were HK$568 million (2008: HK$5,614 million) and HK$235 million (2008: HK$1,323 million) respectively, primarily from sales of 38 Babington units and miscellaneous remaining property stock in Hong Kong. The sales recognised in 2008 were mainly derived from The Sea View and The Cosmopolitan in Singapore.

WPSL 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 year under review in respect of its pre-sales of Ardmore II units, Scotts Square units and Orchard View units were reversed and excluded from the Group's consolidated results.

As at 31 December 2009, WPSL had presold all the units at Ardmore II, 239 units (77% presold) at Scotts Square and 3 units (10% presold) at Orchard View. The accumulated reversed sales revenue and profit attributable to the Group amounted to HK$4,350 million and HK$1,237 million respectively.

Property Investment

Property Investment segment performed well and sustained growth in revenue and operating profit to HK$421 million (2008: HK$384 million) and HK$328 million (2008: HK$269 million) respectively. During the financial year under review, higher rental rate was achieved by the Group's investment properties, which mainly comprised Wheelock House in Hong Kong and Wheelock Place in Singapore.

Investment and Others

Investment revenue and operating profit fell to HK$212 million (2008: HK$271 million) and HK$187 million (2008: HK$236 million) respectively, mainly due to the decline in dividend and interest income.

Disposal of an investment property

Included in the Group's results was a profit of HK$126 million on disposal of an investment property, namely, Fitfort.

Other net income

The other net income of HK$91 million (2008: net loss of HK$73 million) comprised mainly profit on disposal of available-for-sale investments of HK$72 million (2008: loss of HK$2 million) and a net realised and unrealised exchange gain of HK$19 million (2008: exchange loss of HK$96 million), arising from forward exchange contracts which is entered into effectively to lock certain liabilities in Japanese Yen for financing its Reminbi assets in the Mainland at a significantly more favourable interest cost.

Net other charge

The net other charge of HK$124 million (2008: HK$1,105 million) represents a further impairment provision of HK$54 million (of which HK$41 million is attributable to the Group) on its investment in SC Global Developments Ltd ("SC Global") and HK$70 million (of which HK$53 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 price as at 31 March 2009. The subsequent appreciation of such investments upto 31 December 2009 gave rise to a surplus of HK$1,189 million (of which HK$902 million is attributable to the Group) which in accordance with the current accounting standards 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.

Increase in fair value of investment properties

The Group's investment properties were revalued by independent valuers as at 31 December 2009, giving a revaluation surplus of HK$818 million (2008: HK$527 million).

The attributable net surplus of HK$643 million (2008: HK$361 million), after the related deferred tax and minority interests in total of HK$190 million (2008: HK$186 million) and adjusting the attributable tax credit of HK$15 million (2008: HK$20 million), was credited to the income statement. The Group's investment properties under development, mainly Scotts Square's retail podium in Singapore, have been reclassified to investment properties and were measured at fair value 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.

Finance costs

Finance costs of HK$3 million (2008: HK$12 million) charged to the income statement were incurred by WPSL. The charge was after capitalisation of HK$21 million (2008: HK$35 million) in respect of WPSL's properties under development.

Share of results after tax of associates

Share of profit of associates was HK$90 million (2008: loss of HK$71 million), mainly derived from sales of Bellagio units and property units in Foshan undertaken by associates. The 2008 share of associates' results included the Group's share of impairment provision of HK$103 million for a China project.

Taxation

Taxation charge for the year was HK$50 million (2008: HK$27 million), which included deferred tax of HK$25 million (2008: HK$90 million) provided for the investment property revaluation surplus and a tax credit adjustment of HK$19 million in respect of a downward adjustment of the Group's deferred tax liabilities mainly on the investment property revaluation surplus, resulting from the 1% reduction in Singapore corporate income tax rate (2008: HK$20 million resulting from 1% reduction in Hong Kong profits tax rate).

Minority interests
Profit shared by minority interests was HK$181 million (2008: HK$190 million), which was related to the profit of WPSL.

Profit attributable to equity shareholders
Group profit attributable to equity shareholders increased by 79% to HK$1,458 million (2008: HK$816 million). Earnings per share were 70.4 cents (2008: 39.4 cents).

Excluding the net attributable investment property revaluation surplus after deferred tax charge and the credit adjustment of HK$643 million (2008: HK$361 million), the Group's net profit attributable to equity shareholders increased by HK$360 million or 79% to HK$815 million (2008: HK$455 million).

Further stripping out the profit on disposal of Fitfort and the above exceptional impairment losses for both years, the Group's net profit attributable to equity shareholders decreased by HK$613 million or 44% to HK$783 million (2008: HK$1,396 million), which was significantly affected by lower property sales recognised in the absence of major property completion in Singapore.

(II) Liquidity, Financial Resources and Commitments

Shareholders' and total equity
The Group's shareholders' equity increased by 38% to HK$27,842 million or HK$13.45 per share as at 31 December 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$30,751 million (2008: HK$22,716 million).

Total assets
The Group's total assets increased by 29% to HK$37.1 billion (2008: HK$28.8 billion), mainly comprising investment properties of HK$8.3 billion, properties under development in Singapore and Hong Kong in total of HK$7.7 billion and interest in associates of HK$1.4 billion mainly for the two property development projects in Foshan, China. Other major assets included available-for-sale investments of HK$12.1 billion and bank deposits and cash of HK$7.0 billion.

Net cash
The Group's net cash increased by HK$2,200 million to HK$5,679 million as at 31 December 2009 (2008: HK$3,479 million), which was made up of bank deposits and cash of HK$6,969 million and debts of HK$1,290 million. Excluding WPSL, the Company and its other subsidiaries together had net cash of HK$2,777 million (2008: HK$1,514 million). The major cash inflow for the year included proceeds received from sale of Fitfort.

WPSL's net cash amounted to HK$2,902 million (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 as at 31 December 2009 of HK$12,071 million (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 31 December 2009 amounted to HK$6,610 million (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$2.4 billion, of which HK$1.3 billion was drawn. The debt maturity profile of the Group as at 31 December 2009 is analysed below:

	2009 HK$ Million	2008 HK$ Million
Within 1 year	**721**	512
After 1 year, but within 2 years	**569**	1,043
After 2 years, but within 3 years	—	559
	1,290	2,114
Undrawn facilities	**1,115**	1,272
Total loan facilities	**2,405**	3,386

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

	2009 HK$ Million	2008 HK$ Million
Investment property / Property under development for investment	**1,424**	670
Properties under development for sale	**3,012**	2,803
	4,436	3,473

(c) As at 31 December 2009, WPSL's borrowings for financing its properties in Singapore were primarily denominated in Singapore dollars. 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 at the reporting date and resulted in net assets of HK$16 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 31 December 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
(a) Properties under development undertaken by		
Subsidiaries:		
Hong Kong	389	220
Singapore	663	—
Associates:		
China	232	1,071
	1,284	1,291
(b) Capital expenditure undertaken by subsidiaries:		
Hong Kong	3	—
Singapore	193	—
	196	—

(III) Disposal / acquisition of Properties

Disposal of Fitfort

The Group completed on 15 December 2009 the disposal of Fitfort for HK$935 million with a net profit of HK$126 million reported in 2009. Apart from this, the property's cumulative revaluation surpluses of HK$280 million arisen in prior years have been included and reported in the results of the respective years in accordance with the current accounting standards.

Acquisition of 50% interest in a Foshan joint venture

In January 2010, the Group together with China Merchants Property group acquired a site (50% – owned by the Group) in Nanhai Shishan (南海獅山鎮), Foshan for RMB680 million (about HK$774 million). The site will be developed into residential properties for sale.

Austin Station Property Development joint venture

In March 2010, the Group together with New World Development group through a 50%-owned joint venture company succeeded in the tender for the development of site C and site D of the Austin Station Property Development. The total development and related costs of the project as payable by the joint venture company are budgeted at approximately HK$11.7 billion, of which the Group's share of the commitment is approximately HK$5.8 billion. The sites will be developed into residential properties for sale.

(IV) Human Resources

The Group had 103 employees as at 31 December 2009 (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.

CODE ON CORPORATE GOVERNANCE PRACTICES

During the financial year ended 31 December 2009, 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 on The Stock Exchange of Hong Kong Limited 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 year ended 31 December 2009

	Note	2009 HK$ Million	2008 HK$ Million
Turnover	2	**1,201**	6,269
Direct costs and operating expenses		**(336)**	(4,373)
Selling and marketing expenses		**(44)**	(13)
Administrative and corporate expenses		**(130)**	(116)
Operating profit	2 & 3	**691**	1,767
Profit on disposal of an investment property	4	**126**	—
Increase in fair value of investment properties		**818**	527
Other net income/(loss)	5	**91**	(73)
Net other charge	6	**(124)**	(1,105)
		1,602	1,116
Finance costs	7	**(3)**	(12)
Share of results after tax of associates	8	**90**	(71)
Profit before taxation		**1,689**	1,033
Taxation	9	**(50)**	(27)
Profit for the year		**1,639**	1,006
Profit attributable to:			
Equity shareholders		**1,458**	816
Minority interests		**181**	190
		1,639	1,006
Earnings per share – basic and diluted	10	**HK$0.70**	HK$0.39

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	2009 HK$ Million	2008 HK$ Million
Profit for the year	**1,639**	1,006
Other comprehensive income/(expense), net of tax, for the year		
Exchange difference on translation of financial statements of:		
- subsidiaries	**261**	(95)
- associates	**2**	65
Net movement in the available-for-sale investment revaluation reserves:	**6,435**	(5,429)
Changes in fair value recognised during the year	**6,323**	(6,657)
Reclassification adjustments transferred to income statement:		
- for impairment losses	**124**	1,105
- gain on disposal	**(12)**	(91)
Reversal of deferred tax relating to revaluation gains	**—**	214
Other comprehensive income/(expense) for the year	**6,698**	(5,459)
Total comprehensive income/(expense) for the year	**8,337**	(4,453)
Total comprehensive income/(expense) attributable to:		
Equity shareholders	**7,803**	(4,421)
Minority interests	**534**	(32)
	8,337	(4,453)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2009

	Note	2009 HK$ Million	2008 HK$ Million
Non-current assets			
Investment properties		**8,303**	7,478
Other property, plant and equipment		**6**	676
Total fixed assets		**8,309**	8,154
Interest in associates		**1,360**	1,480
Available-for-sale investments		**12,071**	5,643
Deferred tax assets		**66**	101
Deferred debtors		**9**	12
		21,815	15,390
Current assets			
Properties under development for sale		**7,514**	6,889
Properties held for sale		**185**	102
Trade and other receivables	12	**616**	850
Held-to-maturity investments		**15**	—
Bank deposits and cash		**6,969**	5,593
		15,299	13,434
Current liabilities			
Trade and other payables	13	**(699)**	(744)
Bank loans		**(721)**	(512)
Deposits from sale of properties		**(3,617)**	(2,208)
Amounts due to fellow subsidiaries		**(65)**	(40)
Taxation payable		**(33)**	(314)
		(5,135)	(3,818)
Net current assets		**10,164**	9,616
Total assets less current liabilities		**31,979**	25,006
Non-current liabilities			
Bank loans		**(569)**	(1,602)
Deferred taxation		**(659)**	(688)
		(1,228)	(2,290)
NET ASSETS		**30,751**	22,716
Capital and reserves			
Share capital		**414**	414
Reserves		**27,428**	19,832
Shareholders' equity		**27,842**	20,246
Minority interests		**2,909**	2,470
TOTAL EQUITY		**30,751**	22,716

NOTES TO THE FINANCIAL STATEMENTS

(1) Accounting policies and basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The HKICPA has issued the following new and revised HKFRS, amendments to HKFRSs and interpretations that are first effective for the current accounting period of the Group and the Company and are relevant to the Group's financial statements:

HKAS 1 (Revised)	Presentation of financial statements
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
Improvements to HKFRSs (2008)	Amendments to HKAS 40 investment property

Except as described below, the adoption of the above new or revised standards, amendments and interpretations had no significant impact on the financial information of the Group.

(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 7 (Amendment) - Improving disclosures about financial instruments

As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the Group's financial instruments, categorising these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

(c) 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 disclosure being presented. Corresponding amounts have been restated on a basis consistent with the revised segment information.

(d) Improvements to HKFRSs (2008) – Amendments to HKAS 40 investment property
As a result of the amendments to HKAS 40, 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. 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. This amendment is applied prospectively and the corresponding amounts have not been restated. As a result of this amendment, the Group has reclassified HK$670 million from property under development to investment properties as at 1 January 2009. The profit attributable to equity shareholders increased by HK$507 million for the year ended 31 December 2009.

(2) Segment information

The Group managed 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. No operating segments have been aggregated to form the following reportable segments.

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.

(a) Analysis of segment results

Year ended	Turnover HK$ Million	Operating profit HK$ Million	Profit on disposal of an investment property HK$ Million	Increase in fair value of investment properties HK$ million	Other net income/ (loss) HK$ Million	Net other charge HK$ Million	Finance costs HK$ Million	Associates HK$ Million	Profit before taxation HK$ Million
31 December 2009									
Property development	**568**	**235**	**–**	**–**	**–**	**–**	**–**	**90**	**325**
Hong Kong	**568**	**203**	**–**	**–**	**–**	**–**	**–**	**70**	**273**
Singapore	**–**	**32**	**–**	**–**	**–**	**–**	**–**	**–**	**32**
China	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20**	**20**
Property investment	**421**	**328**	**126**	**818**	**–**	**–**	**(3)**	**–**	**1,269**
Hong Kong	**183**	**132**	**126**	**136**	**–**	**–**	**–**	**–**	**394**
Singapore	**238**	**196**	**–**	**682**	**–**	**–**	**(3)**	**–**	**875**
Investment and others	**212**	**187**	**–**	**–**	**91**	**(124)**	**–**	**–**	**154**
Segment total	**1,201**	**750**	**126**	**818**	**91**	**(124)**	**(3)**	**90**	**1,748**
Corporate expenses	**–**	**(59)**	**–**	**–**	**–**	**–**	**–**	**–**	**(59)**
Group Total	**1,201**	**691**	**126**	**818**	**91**	**(124)**	**(3)**	**90**	**1,689**
31 December 2008									
Property development	5,614	1,323	–	–	–	–	–	(71)	1,252
Hong Kong	206	51	–	–	–	–	–	43	94
Singapore	5,408	1,272	–	–	–	–	–	–	1,272
China	–	–	–	–	–	–	–	(114)	(114)
Property investment	384	269	–	527	–	–	(12)	–	784
Hong Kong	176	119	–	48	–	–	–	–	167
Singapore	208	150	–	479	–	–	(12)	–	617
Investment and others	271	236	–	–	(73)	(1,105)	–	–	(942)
Segment total	6,269	1,828	–	527	(73)	(1,105)	(12)	(71)	1,094
Corporate expenses	–	(61)	–	–	–	–	–	–	(61)
Group Total	6,269	1,767	–	527	(73)	(1,105)	(12)	(71)	1,033

(b) Analysis of segment assets

	Total assets	
	2009	2008
	HK$ Million	HK$ Million
Property development	**8,240**	7,827
Hong Kong	**2,506**	2,172
Singapore	**5,734**	5,655
Property investment	**8,364**	8,165
Hong Kong	**2,498**	3,226
Singapore	**5,866**	4,939
Investment and others	**19,084**	11,251
Segment assets	**35,688**	27,243
Associates (property development)	**1,360**	1,480
Unallocated item	**66**	101
Group total	**37,114**	28,824

Unallocated item comprises deferred tax assets.

(c) Geographical information

	Revenue		Operating profit	
	2009	2008	**2009**	2008
	HK$ Million	HK$ Million	**HK$ Million**	HK$ Million
Hong Kong	**909**	558	**448**	297
Singapore	**292**	5,711	**243**	1,470
Group total	**1,201**	6,269	**691**	1,767

	Specified non-current assets		Total assets	
	2009	2008	**2009**	2008
	HK$ Million	HK$ Million	**HK$ Million**	HK$ Million
Hong Kong	**2,576**	3,282	**16,715**	11,096
Singapore	**5,816**	4,934	**19,113**	16,298
China	**1,286**	1,430	**1,286**	1,430
Group total	**9,678**	9,646	**37,114**	28,824

Specified non-current assets represented non-current assets other than deferred tax assets and available-for-sale investments.

During the year ended 31 December 2009, the Group incurred capital expenditure of HK$68 million (2008: HK$73 million). The Group has no significant depreciation and amortisation. Interest income of HK$12 million (2008: HK$38 million) during the year pertained to the Investment and others segment.

(3) Operating profit

	2009 HK$ Million	2008 HK$ Million
Operating profit is arrived at after charging/(crediting):		
Staff costs	**45**	50
Cost of trading properties sold during the year	**275**	4,270
Depreciation	**2**	1
Dividend income from listed investments	**(200)**	(233)
Interest income	**(12)**	(38)

In addition to the above staff costs charged directly to the consolidated income statement, staff costs of HK$28 million (2008: HK$29 million) were capitalised as part of the costs of properties under development for sale.

(4) Profit on disposal of an investment property

In December 2009, the Group disposed of Fitfort for HK$935 million, realising a profit on disposal of HK$126 million.

(5) Other net income/(loss)

	2009 HK$ Million	2008 HK$ Million
Net profit/(loss) on disposal of available-for-sale investments	**72**	(2)
Net gain/(loss) on forward foreign exchange contracts	**19**	(96)
Others	**—**	25
	91	(73)

(6) Net other charge

The net other charge of HK$124 million (2008: HK$1,105 million) represents the further impairment provision against available-for-sale investments in SC Global Developments Ltd and Hotel Properties Limited made by WPSL.

(7) Finance costs

	2009 HK$ Million	2008 HK$ Million
Interest on bank loans and overdrafts repayable within five years	**16**	43
Other finance costs	**8**	4
	24	47
Less: Amount capitalised	**(21)**	(35)
	3	12

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

(8) Share of results after tax of associates

Share of profits of associates amounted to HK$90 million (2008: loss of HK$71 million), comprising attributable profits mainly arising from sales of Bellagio units and property units in Foshan undertaken by associates. Included in the share of losses of associates in respect of the previous financial year is the Group's share of impairment provision of HK$103 million for a China project undertaken by an associate.

(9) Taxation

Taxation charged to the consolidated income statement represents:

	2009	2008
	HK$ Million	HK$ Million
Current income tax		
Hong Kong profits tax	**20**	20
Overseas taxation	**35**	244
Overprovision in respect of prior years (Note 9(e))	**(63)**	(210)
	(8)	54
Deferred tax		
Change in fair value of investment properties	**25**	90
Origination and reversal of temporary differences	**52**	7
Effect of change in tax rate	**(19)**	(20)
Benefit of previously unrecognised tax losses now recognised (Note 9(e))	**—**	(104)
	58	(27)
	50	27

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

In 2009, the Singapore Government enacted a reduction in the corporate income tax rate from 18% to 17% for the fiscal year 2009.

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

(c) The taxation payable in the consolidated statement of financial position is expected to be settled within one year.

(d) Tax attributable to associates for the year ended 31 December 2009 of HK$18 million (2008: HK$7 million) is included in the share of results after tax of associates.

(e) Tax overprovision in 2008 was mainly attributable to WPSL's write-back of the tax provided on the profit on disposal of Hamptons Group Limited following the ruling given by the Inland Revenue of Singapore ("IRAS") that such profit was capital in nature and the recognition of a deferred tax assets of HK$104 million in respect of the tax losses agreed by the IRAS.

(10) Earnings per share

The calculation of basic and diluted earnings per share is based on profit attributable to equity shareholders for the year of HK$1,458 million (2008: HK$816 million) and 2,070 million ordinary shares in issue throughout the years ended 31 December 2009 and 2008.

There were no potential dilutive ordinary shares in existence during the years ended 31 December 2009 and 2008, and hence the diluted earnings per share is the same as the basic earnings per share.

(11) Dividends attributable to equity shareholders

	2009	2008
	HK$ Million	HK$ Million
Interim dividend declared and paid of 2.0 cents (2008: 2.0 cents) per share	**41**	41
Final dividend of 8.0 cents (2008: 8.0 cents) per share proposed after the reporting date	**166**	166
	207	207

(a) The proposed final dividend after the end of reporting period date ("the reporting date") has not been recognised as a liability at the reporting date.

(b) The final dividend of HK$166 million for year ended 31 December 2008 was approved and paid in 2009.

(12) Trade and other receivables

Included in this item are trade receivables with an ageing analysis based on invoice dates as at 31 December 2009 as follows:

	Group	
	2009	2008
	HK$ Million	HK$ Million
Trade receivables		
0 - 30 days	**2**	8
31 - 60 days	—	3
Over 90 days	**42**	—
	44	11
Accrued sales receivables	**465**	804
Deposits paid for properties acquisition	**8**	11
Derivative financial assets	**16**	—
Other receivables	**83**	24
	616	850

Accrued sales receivables mainly represent property sales consideration to be billed or received after year end date. In accordance with the Group's accounting policy, upon receipt of the Temporary Occupation Permit or architect's completion certificate, the balance of sales consideration to be billed is included as accrued sales receivables.

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.

(13) Trade and other payables

Included in this item are trade payables with an ageing analysis as at 31 December 2009 as follows:

	Group	
	2009	2008
	HK$ Million	HK$ Million
Trade payables in the next:		
0 - 30 days	**70**	121
31 - 60 days	**97**	36
61 - 90 days	**54**	12
Over 90 days	**179**	215
	400	384
Rental deposits	**106**	113
Derivative financial liabilities	**—**	40
Other payables	**193**	207
	699	744

(14) 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 year's presentation. Further details of these developments are disclosed in note 1.

(15) Review of results

The financial results for the year ended 31 December 2009 have been reviewed with no disagreement by the Audit Committee of the Company. Also, this preliminary results announcement has been agreed with the Company's Auditors.

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 year under review.

BOOK CLOSURE

The Register of Members of the Company will be closed from Thursday, 27 May 2010 to Monday, 31 May 2010, both days inclusive, during which period no transfer of shares of the Company can be registered. In order to qualify for the final 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 Wednesday, 26 May 2010.

By Order of the Board
Wilson W. S. Chan
Company Secretary

Hong Kong, 16 March 2010

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.