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)

Results Announcement for the year ended 31 December 2009

RESULTS

The Board of Directors of Winsor Properties Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2009 as follows:

Consolidated Income Statement

For the year ended 31 December 2009

	Note	**Year ended 31/12/2009 HK$'000**	Year ended 31/12/2008 HK$'000
Revenue	3	**290,332**	232,645
Cost of sales	6	**(103,017)**	(68,480)
Gross profit		**187,315**	164,165
Other income	3	**38,748**	55,617
Selling and marketing expenses	6	**(13,215)**	(10,243)
Administrative expenses	6	**(37,105)**	(35,723)
Increase in fair value of investment properties		**339,300**	64,455
Other gains/(losses), net	4	**72,215**	(60,996)
Other operating expenses	6	**(887)**	(1,340)
Operating profit before finance income and costs		**586,371**	175,935
Finance income	5	**47**	2,001
Finance costs	5	**(63,617)**	(47,672)
Operating profit		**522,801**	130,264
Share of profits less losses of associated companies		**(3,098)**	1,319
Profit before taxation		**519,703**	131,583
Taxation (charge)/credit	7	**(86,041)**	26,991
Profit for the year		**433,662**	158,574
Attributable to:			
Shareholders of the Company		**429,239**	155,688
Minority interests		**4,423**	2,886
		433,662	158,574
		HK$	HK$
Earnings per share	8	**1.65**	0.60
		HK$'000	HK$'000
Dividends	9	**129,842**	119,455

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2009

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Profit for the year	**433,662**	158,574
Other comprehensive income, net of tax		
Exchange translation differences	**(138)**	7,758
Realized on disposal of subsidiaries	–	161
Available-for-sale financial assets		
– Fair value gains/(losses)	**144,519**	(178,833)
– Realized on distribution	–	(28,670)
– Realized on disposal	–	(7,418)
Cash flow hedges		
– Fair value losses	**(56,621)**	(63,882)
– Realized upon settlement	**39,686**	18,618
Other comprehensive income/(loss) for the year, net of tax	**127,446**	(252,266)
Total comprehensive income/(loss) for the year	**561,108**	(93,692)
Attributable to:		
Shareholders of the Company	**556,685**	(96,023)
Minority interests	**4,423**	2,331
	561,108	(93,692)

Consolidated Balance Sheet
At 31 December 2009

	Note	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Non-current assets			
Property, plant and equipment		**8,482**	2,608
Investment properties		**9,194,930**	8,834,930
Interests in associated companies		**180,969**	185,732
Amounts and loans receivable from associated companies		**350,338**	315,370
Available-for-sale financial assets		**350,182**	216,607
Held-to-maturity investments		**30,997**	25,445
Deferred tax assets		**682**	5,794
Goodwill		**57,807**	57,807
		10,174,387	9,644,293
Current assets			
Trade and other receivables	10	**44,074**	57,091
Available-for-sale financial assets		**-**	2,948
Bank balances and cash		**172,004**	175,548
		216,078	235,587
Current liabilities			
Trade and other payables and accruals	11	**308,503**	288,345
Derivative financial instruments		**40,821**	40,354
Bank loans and overdrafts		**132,250**	447,443
Tax payable		**26,252**	58,110
		507,826	834,252
Net current liabilities		**(291,748)**	(598,665)
Total assets less current liabilities		**9,882,639**	9,045,628
Non-current liabilities			
Long term bank loans		**2,500,250**	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		**55,262**	105,846
Deferred tax liabilities		**919,089**	852,675
		3,673,888	3,278,305
Net assets		**6,208,751**	5,767,323
Share capital		**2,596**	2,596
Other reserves		**694,938**	697,334
Retained earnings		**5,387,467**	4,958,228
Proposed final dividend		**98,680**	88,293
Equity attributable to shareholders of the Company		**6,183,681**	5,746,451
Minority interests		**25,070**	20,872
Total equity		**6,208,751**	5,767,323

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 Group is also involved time to time in property development activities.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and derivative financial instruments.

The accounting policies are consistent with those as described in the Group's financial statements for the year ended 31 December 2008, except that the Group has adopted the following new and revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group's accounting periods beginning on or after 1 January 2009:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 (Amendment) & HKAS 1 (Amendment)	Amendments to HKAS 32 Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
HK(IFRIC)-Int 9 & HKAS 39 (Amendment)	Embedded Derivatives
HKFRS 1 (Amendment) & HKAS 27 (Amendment)	First Time Adoption of HKFRS & Consolidated and Separate Financial Statements on Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment on Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Financial Instruments – Disclosures
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 a Foreign Operation
HK(IFRIC)-Int 18	Transfer of Assets from Customers
HKFRSs Amendments	Improvements to HKFRSs effective on or after 1 January 2009

Except as described below, the adoption of these new and revised standards, amendments and interpretations has had no material impact to the Group's financial statements.

Notes (continued)

2. **Basis of preparation** (continued)

HKAS 1 (Revised), 'Presentation of Financial Statements', 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 in a statement of comprehensive income. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

HKFRS 7 (Amendment), 'Financial Instruments – Disclosures', requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

HKFRS 8, 'Operating Segments', replaces HKAS 14, 'Segment reporting' and requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard has resulted in a change in disclosure on the Group's segments results, assets and liabilities.

Notes (continued)

3. Revenue, other income and segment information

Revenue and other income recognized during the year are as follows:

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Revenue		
Rental and property management	**275,849**	211,223
Warehousing	**14,483**	20,342
Sale of properties	**-**	1,080
	290,332	232,645
Other income		
Dividend income from		
– unlisted investments	**7,298**	28,670
– listed real estate investment trusts	**19,888**	15,432
Interest income on loans to associated companies	**8,464**	10,591
Others	**3,098**	924
	38,748	55,617
	329,080	288,262

The Group has determined the following operating segments for the purpose of assessing performance and allocating resources between segments:

- Rental and property management
- Warehousing
- Investment
- Others

Management assesses the performance of the operating segments primarily based on segment profit. Segment profit excludes the effects of the gain on disposal of subsidiaries, changes in fair value on derivative financial instruments, unallocated income and expenses, finance income, finance costs, share of results of associates and taxation.

Notes (continued)

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

Operating segments

The segment results are as follows:

	Rental and property management HK$'000	Warehousing HK$'000	Investment HK$'000	Others HK$'000	Total HK$'000
Year ended 31 December 2009					
Revenue	**275,849**	**14,483**	**–**	**–**	**290,332**
Segment results before change in fair value of investment properties	**171,057**	**1,503**	**33,766**	**–**	**206,326**
Increase in fair value of investment properties	**339,300**	**–**	**–**	**–**	**339,300**
Segment results	**510,357**	**1,503**	**33,766**	**–**	**545,626**
Fair value gains on derivative financial instruments	**63,078**	**–**	**–**	**–**	**63,078**
Unallocated income less expenses					**(22,333)**
Operating profit before finance income and costs					**586,371**
Finance income	**46**	**–**	**1**	**–**	**47**
Finance costs	**(63,403)**	**–**	**(214)**	**–**	**(63,617)**
Operating profit					**522,801**
Share of profits less losses of associated companies	**(1)**	**81**	**–**	**(3,178)**	**(3,098)**
Profit before taxation					**519,703**
Taxation charge					**(86,041)**
Profit for the year					**433,662**
Capital expenditure	**28,088**	**838**	**–**	**–**	**28,926**
Depreciation	**2,113**	**239**	**–**	**–**	**2,352**
Year ended 31 December 2008					
Revenue	211,223	20,342	–	1,080	232,645
Segment results before change in fair value of investment properties	146,460	2,384	36,090	–	184,934
Increase in fair value of investment properties	64,455	–	–	–	64,455
Segment results	210,915	2,384	36,090	–	249,389
Gain on disposal of subsidiaries	–	6,588	–	–	6,588
Fair value losses on derivative financial instruments	(59,331)	–	–	–	(59,331)
Unallocated income less expenses					(20,711)
Operating profit before finance income and costs					175,935
Finance income	814	581	606	–	2,001
Finance costs	(47,672)	–	–	–	(47,672)
Operating profit					130,264
Share of profits less losses of associated companies	119	(137)	–	1,337	1,319
Profit before taxation					131,583
Taxation credit					26,991
Profit for the year					158,574
Capital expenditure	1,189,286	561	–	–	1,189,847
Depreciation	722	1,135	–	–	1,857

Notes (continued)

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

Operating segments (continued)

The segment assets and liabilities are as follows:

	Rental and property management HK$'000	Warehousing HK$'000	Investment HK$'000	Others HK$'000	Total HK$'000
At 31 December 2009					
Segment assets	**9,468,888**	**7,268**	**382,320**	**–**	**9,858,476**
Interests in associated companies	**13,887**	**4,222**	**–**	**162,860**	**180,969**
Amounts and loans receivable from associated companies	**11,163**	**22,330**	**–**	**316,845**	**350,338**
Other assets					**682**
Total assets					**10,390,465**
Segment liabilities	**331,899**	**1,795**	**2,864**	**–**	**336,558**
Amounts and loans payable to associated companies	**–**	**–**	**–**	**166,789**	**166,789**
Other liabilities					**3,678,367**
Total liabilities					**4,181,714**
At 31 December 2008					
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
Segment liabilities	312,864	1,624	1,982	–	316,470
Amounts and loans payable to associated companies	–	–	–	166,789	166,789
Other liabilities					3,629,298
Total liabilities					4,112,557

Notes (continued)

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

Geographical information

The Group primarily operates in Hong Kong. An analysis of the Group's revenue, segments results and total assets by geographical location is as follows:

	Revenue		**Segment results**		**Total assets**	
	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000	**Year ended 31/12/2009 HK$'000**	Year ended 31/12/2008 HK$'000	**At 31/12/2009 HK$'000**	At 31/12/2008 HK$'000
Hong Kong	**290,332**	226,796	**518,987**	205,739	**9,794,991**	9,424,873
Singapore	–	1,292	**26,639**	40,469	**548,721**	409,755
Mainland China	–	4,557	–	3,181	**46,753**	45,252
	290,332	232,645	**545,626**	249,389	**10,390,465**	9,879,880
Gain on disposal of subsidiaries			–	6,588		
Fair value gains/(losses) on derivative financial instruments			**63,078**	(59,331)		
Unallocated income less expenses			**(22,333)**	(20,711)		
Operating profit before finance income and costs			**586,371**	175,935		
Finance income			**47**	2,001		
Finance costs			**(63,617)**	(47,672)		
Operating profit			**522,801**	130,264		

Notes (continued)

4. Other gains/(losses), net

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Financial assets at fair value through profit or loss		
– realized losses	–	(2,196)
– fair value losses	–	(3,500)
Available-for-sale financial assets		
– realized gains	**610**	428
– fair value losses	–	(972)
Amortized income from held-to-maturity investments	**6,052**	987
Net foreign exchange gain	**1,497**	426
Fair value gains/(losses) on derivative financial instruments	**63,078**	(59,331)
Gain on disposal of subsidiaries	-	6,588
Gains/(losses) on disposal of plant and equipment	**2**	(141)
Impairment losses of goodwill	-	(3,285)
Others	**976**	–
	72,215	(60,996)

5. Finance income and costs

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Finance income		
Interest income on bank deposits and bank balances	**47**	1,553
Interest income on other financial assets	–	448
	47	2,001
Finance costs		
Interest expenses on bank loans and overdrafts	**(23,931)**	(49,606)
Interest expenses on interest rate swap contracts	**(39,686)**	(18,618)
	(63,617)	(68,224)
Less: amount capitalized in investment properties	-	20,552
	(63,617)	(47,672)
Finance costs, net	**(63,570)**	(45,671)

Notes (continued)

6. Expenses by nature

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Cost of sale of properties included in cost of sales	**–**	1,080
Depreciation of property, plant and equipment	**2,352**	1,857
Direct operating expenses arising from investment properties generating rental income	**89,218**	46,912
Direct operating expenses for generating warehousing income	**4,365**	7,638
Operating lease rentals in respect of land and buildings	**3,939**	7,158
Staff costs (including Directors' emoluments)	**32,925**	33,547
Auditor's remuneration	**1,986**	1,434
Selling and marketing expenses	**11,390**	8,742
Other expenses	**8,049**	7,418
Total cost of sales, selling and marketing expenses, administrative expenses and other operating expenses	**154,224**	115,786

7. Taxation (charge)/credit

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Current taxation		
Hong Kong profits tax	**(15,005)**	(11,841)
Overseas taxation	**(198)**	(830)
Over provisions in prior years	**688**	200
	(14,515)	(12,471)
Deferred taxation		
Change in fair value of investment properties	**(55,984)**	(10,635)
Other temporary differences	**(15,542)**	(551)
Effect of tax rate change	**-**	50,648
	(71,526)	39,462
Taxation (charge)/credit	**(86,041)**	26,991

Hong Kong profits tax has been provided at the rate of 16.5% (year ended 31/12/2008: 16.5%) on the estimated assessable profits for the year. Overseas taxation has been provided on the estimated assessable profits for the year at rates prevailing in the countries in which the subsidiaries operate.

Notes (continued)

8. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company for the year ended 31 December 2009 of HK$429,239,000 (year ended 31/12/2008: HK$155,688,000) and 259,685,288 shares (31/12/2008: 259,685,288 shares) in issue during the year.

Diluted earnings per share equals to the basic earnings per share as the Company had no dilutive potential shares in issue during the year (year ended 31/12/2008: Nil).

9. Dividends

	Year ended 31/12/2009 HK$'000	Year ended 31/12/2008 HK$'000
Interim dividend, paid, of HK$0.12 per share (year ended 31/12/2008: paid of HK$0.12 per share)	**31,162**	31,162
Final dividend, proposed, of HK$0.38 per share (year ended 31/12/2008: proposed of HK$0.34 per share)	**98,680**	88,293
	129,842	119,455

At a meeting held on 26 March 2010, the Directors recommended a final dividend of HK$0.38 per share. This proposed dividend is not reflected as a dividend payable in the Group's financial statements until it has been approved by shareholders of the Company, and will be reflected as an appropriation of reserves in the year 2010.

10. Trade and other receivables

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Trade receivables	**10,215**	11,916
Less : Provision for impairment of receivables	–	(145)
Trade receivables, net of provisions	**10,215**	11,771
Other receivables	**16,940**	23,383
Deposits	**10,373**	9,381
Prepayments	**6,546**	12,556
	44,074	57,091

Notes (continued)

10. Trade and other receivables (continued)

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 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Current to 30 days	**1,747**	1,885
31 to 90 days	**7,570**	9,230
Over 90 days	**898**	656
	10,215	11,771

The trade receivables, net of provisions, of HK$10,215,000 (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.

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

11. Trade and other payables and accruals

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Trade payables	**7,449**	20,185
Other payables	**189,178**	208,274
Deposits received	**73,160**	52,548
Accruals	**38,716**	7,338
	308,503	288,345

The ageing analysis of trade payables is as follows:

	At 31/12/2009 HK$'000	At 31/12/2008 HK$'000
Current to 30 days	**4,980**	17,163
31 to 90 days	**1,834**	2,082
Over 90 days	**635**	940
	7,449	20,185

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

Notes (continued)

12. Scope of work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2009 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's financial statements for the year ended 31 December 2009. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue for the year ended 31 December 2009 was HK$290 million, compared to HK$233 million for the year ended 31 December 2008. The increase in revenue was mainly due to new lettings in Landmark East and full-year rental contribution from W Square.

The Group's profit attributable to shareholders during the year ended 31 December 2009 was HK$429 million (2008: HK$156 million). The Group's profit included changes in fair value of investment properties, changes in fair value of interest rate swap contracts, a tax credit arising from change in Hong Kong profits tax rate in the prior year and an exceptional profit arising from disposal of subsidiaries in the prior year. Excluding these, the Group's recurring profit was HK$85 million (2008: HK$104 million). The decrease was mainly due to higher finance costs attributable to Landmark East which had ceased to be capitalized upon completion of the development in September 2008.

Rental and property management

The Group has a portfolio of seven rental properties in Hong Kong, of which about 1.5 million square feet related to Grade A office and retail spaces and about 2.0 million square feet related to industrial spaces. These properties were fair valued at about HK$9,200 million as at 31 December 2009, resulting in a gain net of deferred tax of about HK$283 million during the year (2008: net gain of about HK$54 million).

The Group's property portfolio has been greatly enhanced with the completion of the redevelopment of our Grade A office project known as Landmark East at 100 How Ming Street, Kwun Tong in September 2008. Initial lease take-ups of Landmark East were slower than expected due to the outbreak of the financial crisis in the second half of 2008. Following a gradual recovery of the global economy, we have seen a strong leasing momentum in Landmark East. It is expected that the trend for corporations to decentralize their offices from the traditional core business districts to non-core areas for cost saving will continue. Landmark East shall stand to benefit from this trend. 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 was 98% leased at year end.

Revenue from the Group's industrial properties was relatively stable. Occupancy of the Group's industrial properties was 86% at year end. In October 2009, the Chief Executive announced in his 2009/2010 Policy Address a package of measures to optimize the use of old industrial buildings in Hong Kong. Owners are being given incentives to redevelop or convert their industrial buildings into office, hotel or retail use. The Group is reviewing its portfolio of industrial properties to identify the potential of enhancing their usage and value under the new measures.

Total revenue from rental and property management was HK$276 million for the year (2008: HK$211 million). Excluding the change in fair value of investment properties, segment profit for the rental and property management operation for the year was HK$171 million (2008: HK$146 million). The increase in revenue and segment profit was mainly attributable to additional rental contribution from Landmark East and W Square. These two properties in aggregate contributed revenue of HK$102 million (2008: HK$27 million) and a segment profit of HK$34 million (2008: HK$5 million) during the year.

Warehousing

The Group's warehousing operation reported revenue of HK$14 million (2008: HK$20 million) and a segment profit of HK$1.5 million (2008: HK$2.4 million) for the year. 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.

The cold storage business in Mainland China reported turnover of RMB 17 million and a profit before exceptional items of RMB 0.5 million for the year. With the easing of the flu pandemic and the gradual recovery of the global economy, it is expected that the cold storage business can have a better profitability in the coming year. To pursue further business growth, China Merchants has recently leased a new warehouse for the venture with a floor space of about 15,000 square meters in the Qianhaiwan Bonded Port Zone for conversion into cold storage use.

Investment

The Group's investment activities reported a segment profit of HK$34 million for the year (2008: HK$36 million). Profit from this segment mainly comprised dividend and interest income and realized and unrealized gains less losses on the Group's investments.

The Group's investments comprised mainly of available-for-sale financial assets in Singapore. As at 31 December 2009, the available-for-sale financial assets were fair valued at HK$350 million, resulting in a net gain of HK$145 million being credited into the "Investment Revaluation Reserve" in equity (2008: fair value loss of HK$179 million).

Finance income and finance costs

Net finance costs amounted to HK$64 million in the year (2008: HK$46 million). The increase was mainly due to borrowing costs relating to Landmark East ceasing to be capitalized upon completion of the development in September 2008.

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 31 December 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 years' losses on the IRS Contracts to the extent of HK$63 million as "Other Gain" in the year (2008: loss of HK$59 million).

Share of profits less losses of associated companies

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

Taxation

Taxation charge for the year comprised mainly of provision for Hong Kong profits tax of HK$15 million and deferred tax charge of HK$72 million on increase in fair value of investment properties and other temporary differences.

Taxation credit in the prior year was mainly attributable to the write-back of deferred tax provision of HK$51 million arising from a change in Hong Kong profits tax rate, net of provision for Hong Kong profits tax of HK$12 million and deferred tax charge of HK$11 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 June 2009. Up to the date hereof, about 65% of the units have been sold. Occupation permit for the project has been obtained in January 2010.

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 late 2008. Up to the date hereof, about 60% 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 191 employees as at 31 December 2009 (31 December 2008: 179 employees). The Group aligns its remuneration and benefit packages with pay levels and practices prevailing in the market and recognizes 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 31 December 2009 was HK$6,184 million (31 December 2008: HK$5,746 million). The increase was mainly due to the profit attributable to shareholders of HK$429 million, an increase in investment revaluation reserve of HK$145 million, offset by a net decrease of hedging reserve of HK$17 million and dividends of HK$119 million distributed during the year. The Group's total equity, including minority interests, was HK$6,209 million as at 31 December 2009 (31 December 2008: HK$5,767 million).

The Group's total bank borrowings as at 31 December 2009 were HK$2,633 million (31 December 2008: HK$2,568 million). After deducting the bank balances and cash of HK$172 million (31 December 2008: HK$176 million), the Group's net borrowings as at 31 December 2009 were HK$2,461 million (31 December 2008: HK$2,392 million).

As at 31 December 2009, the gearing ratio of the Group was 40% (31 December 2008: 41%), calculated based on the net borrowings of HK$2,461 million and total equity of HK$6,209 million.

Liquidity and debt maturity profile

During the year, the Group extended the repayment schedule of a term loan in the principal amount of HK$1,000 million and arranged additional banking facilities of about HK$1,100 million. As a result, the Group has sufficient facilities for its working capital and expansion needs.

The maturity profile of the Group's bank borrowings as at 31 December 2009 is set out as below.

	At 31 December 2009		At 31 December 2008	
	HK$ million	**%**	HK$ million	%
Within one year	**132**	**5**	447	17
In the second year	**386**	**15**	631	25
In the third to fifth years inclusive	**2,115**	**80**	1,446	56
After the fifth year	**–**	**–**	44	2
	2,633	**100**	2,568	100

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 31 December 2009. Against total bank borrowings of HK$2,633 million which were all on a floating rate basis, the IRS Contracts converted about 38% of the Group's total bank borrowings at year end into fixed rate debts.

Capital commitments

The Group's capital commitments in respect of investments in associated companies amounted to HK$484 million as at 31 December 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$551 million as at 31 December 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 31 December 2009, certain of the Group's investment properties and financial assets with a carrying value of HK$9,170 million and HK$177 million respectively were pledged to secure banking facilities of the Group.

OUTLOOK

For 2010, it is expected that the Hong Kong economy will continue the rebound started in second half of 2009, and the property market will continue the growth momentum under a low interest rate environment. The local leasing market is expected to progressively improve as the economy gains strength. As the office market continues to decentralize from traditional business districts, newer commercial areas such as Kowloon East, where the Group's Grade-A office building Landmark East is located, are set to benefit.

Since its launch in late 2008, Landmark East has established itself as a premium office brand, standing apart from the other newly completed commercial properties in the neighborhood. Although competition in the neighborhood is expected to continue to be stiff, we are seeing an increasing number of leasing enquiries from multinationals and reputable companies with a steady uptake momentum. It is expected both the occupancy rate and rental income of Landmark East will continue rising in 2010, making a growing contribution to the Group's recurring income.

Rental income and occupancy rates of other investment properties are likely to remain stable. With the Hong Kong Government advocating the policy of "Revitalizing Old Industrial Buildings", there will be potential opportunities for re-positioning some of the Group's industrial properties. Meanwhile, the Group's investment in two luxury development projects, Forfar in Hong Kong and Belle Vue Residences in Singapore, are expected to report profits in 2010 when occupancy permits are issued.

Barring unforeseen circumstances, the results for the coming financial year are expected to be promising with steady growth in recurring income and profit from development project on the back of a quality investment portfolio and rebounding local economy.

DIVIDEND AND CLOSE OF REGISTER

The Directors have recommended a final dividend of HK$0.38 per share for the year ended 31 December 2009. Subject to approval of the Annual General Meeting to be held on 13 May 2010, the final dividend will be payable on 1 June 2010 to all shareholders on the Register of Members as at 13 May 2010. The Register of Members and the Transfer Books of the Company will be closed from 11 May 2010 to 13 May 2010, both days inclusive. In order to qualify for the final dividend for the year ended 31 December 2009, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 10 May 2010.

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 Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange throughout the year ended 31 December 2009.

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 year ended 31 December 2009, and received confirmation from all Directors that they had fully complied with the required standard set out in the Model Code throughout the year ended 31 December 2009. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (as such term is defined in the Code on Corporate Governance Practices) in respect of their dealings in the securities of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the Group's results for the year ended 31 December 2009, the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters in respect of the annual report including a review of the consolidated financial statements of the Company for the year ended 31 December 2009.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31 December 2009. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2009.

PUBLICATION OF RESULTS AND ANNUAL REPORT

This results announcement is published on the website of the Company at www.winsorprop.com and the website of the Stock Exchange at www.hkexnews.hk. The annual 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, 26 March 2010