

**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 2010****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 2010 (the “Period”).

Condensed Consolidated Income Statement

For the six months ended 30 June 2010

		Unaudited Six months ended	
	Note	30 June 2010 HK\$'000	30 June 2009 HK\$'000
Revenue	3	177,359	139,713
Cost of sales		(50,085)	(47,575)
Gross profit		127,274	92,138
Other income	3	15,074	13,901
Selling and marketing expenses		(10,004)	(6,509)
Administrative expenses		(19,253)	(18,050)
Increase/(decrease) in fair value of investment properties		628,951	(7,843)
Gain on disposals of investment properties		146,462	–
Other gains, net	4	2,129	53,508
Written off of goodwill		(23,018)	–
Other operating expenses		(431)	(424)
Operating profit before finance income and costs		867,184	126,721
Finance income		17	36
Finance costs		(35,771)	(29,351)
Operating profit	5	831,430	97,406
Share of profits less losses of associated companies		250,489	(1,810)
Profit before taxation		1,081,919	95,596
Taxation credit/(charge)	6	6,161	(11,797)
Profit for the period		1,088,080	83,799
Attributable to:			
Shareholders of the Company		1,086,285	82,679
Non-controlling interests		1,795	1,120
		1,088,080	83,799
		HK\$	HK\$
Earnings per share	7	4.18	0.32
		HK\$'000	HK\$'000
Interim dividend	8	41,550	31,162

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2010

	Unaudited	
	Six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
Profit for the period	1,088,080	83,799
Other comprehensive income		
Exchange translation differences	(298)	445
Fair value (losses)/gains on available-for-sale financial assets	(1,610)	33,065
Cash flow hedges		
– Fair value losses	(50,412)	(22,576)
– Realised upon settlement	22,368	18,709
Other comprehensive (loss)/income for the period	(29,952)	29,643
Total comprehensive income for the period	1,058,128	113,442
Attributable to:		
Shareholders of the Company	1,056,333	112,322
Non-controlling interests	1,795	1,120
	1,058,128	113,442

There is no tax effect relating to each component of other comprehensive income in both periods.

Condensed Consolidated Balance Sheet
At 30 June 2010

	Note	Unaudited At 30 June 2010 HK\$'000	Audited At 31 December 2009 HK\$'000
Non-current assets			
Property, plant and equipment		7,736	8,482
Investment properties		9,031,930	9,194,930
Interests in associated companies		429,317	180,969
Amounts and loans receivable from associated companies		356,339	350,338
Available-for-sale financial assets		348,572	350,182
Held-to-maturity investments		34,407	30,997
Deferred tax assets		989	682
Goodwill		34,789	57,807
		10,244,079	10,174,387
Current assets			
Trade and other receivables	9	899,239	44,074
Bank balances and cash		254,821	172,004
		1,154,060	216,078
Current liabilities			
Trade and other payables and accruals	10	333,357	308,503
Derivative financial instruments		42,707	40,821
Short-term bank loans		566,750	132,250
Tax payable		39,739	26,252
		982,553	507,826
Net current assets/(liabilities)		171,507	(291,748)
Total assets less current liabilities		10,415,586	9,882,639
Non-current liabilities			
Long-term bank loans		2,068,400	2,500,250
Other long-term loans		32,498	32,498
Amounts and loans payable to associated companies		166,789	166,789
Derivative financial instruments		82,899	55,262
Deferred tax liabilities		896,801	919,089
		3,247,387	3,673,888
Net assets		7,168,199	6,208,751
Share capital		2,596	2,596
Reserves		7,138,738	6,181,085
Equity attributable to shareholders of the Company		7,141,334	6,183,681
Non-controlling interests		26,865	25,070
Total equity		7,168,199	6,208,751

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 Wing Tai Properties Limited (formerly known as USI Holdings Limited), 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 from time to time in property development activities.

The interim results for the six months ended 30 June 2010 are unaudited, but have been reviewed by PricewaterhouseCoopers, the external auditor 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 2009. 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 2009 except as described below.

The following new or revised standards, amendments and interpretations have been effective in 2010 but are not relevant to the Group:

		Effective for accounting periods beginning on or after
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters	1 January 2010
HKFRS 2 (Amendment)	Group cash-settled share-based payment transaction	1 January 2010
HKFRS 3 (Revised)	Business combinations	1 July 2009
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 July 2009
HK(IFRIC)-Int 17	Distributions of non-cash assets to owners	1 July 2009

The Group has adopted the following revised standard and amendments that have been effective in 2010 and are relevant to the Group. The adoption has no material effect on the results and financial position of the Group in both periods.

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 39 (Amendment)	Eligible hedged items	1 July 2009
HKFRSs (Amendments)	Second improvements to HKFRSs 2009	Financial year of 2010

Notes (continued)

2. Basis of preparation and accounting policies (continued)

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 24 (Revised)	Related party disclosures	1 January 2011
HKAS 32 (Amendment)	Classification of rights issues	1 February 2010
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters	1 July 2010
HKFRS 9	Financial instruments	1 January 2013
HKFRSs (Amendments)	Third improvements to HKFRSs 2010	Financial year of 2011
HK(IFRIC)-Int 14 (Amendment)	Prepayments of a minimum funding requirement	1 January 2011
HK(IFRIC)-Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010

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

3. Revenue, other income and segment information

	Six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
Revenue		
Rental and property management	170,964	132,468
Warehousing	6,395	7,245
	<u>177,359</u>	<u>139,713</u>
Other income		
Dividend income from listed real estate investment trusts	9,550	8,938
Interest income on loans to associated companies	4,351	3,891
Others	1,173	1,072
	<u>15,074</u>	<u>13,901</u>
	<u>192,433</u>	<u>153,614</u>

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 change in fair value on derivative financial instruments, written off of goodwill, unallocated income and expenses, finance income, finance costs, share of results of associated companies and taxation.

Notes (continued)

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

Operating segments

The segment results are as follows:

	Six months ended 30 June 2010				
	Rental and property management HK\$'000	Warehousing HK\$'000	Investment HK\$'000	Others HK\$'000	Total HK\$'000
Revenue	170,964	6,395	–	–	177,359
Segment results before change in fair value of investment properties and gain on disposal of investment properties	114,861	171	12,980	–	128,012
Increase in fair value of investment properties	628,951	–	–	–	628,951
Gain on disposals of investment properties	146,462	–	–	–	146,462
Segment results	890,274	171	12,980	–	903,425
Fair value losses on derivative financial instruments	(1,479)	–	–	–	(1,479)
Written off of goodwill	(23,018)	–	–	–	(23,018)
Unallocated income less expenses					(11,744)
Operating profit before finance income and costs					867,184
Finance income	14	–	3	–	17
Finance costs	(35,766)	–	(5)	–	(35,771)
Operating profit					831,430
Share of profits less losses of associated companies	79	26	–	250,384	250,489
Profit before taxation					1,081,919
Taxation credit					6,161
Profit for the Period					1,088,080

	Six months ended 30 June 2009				
	Rental and property management HK\$'000	Warehousing HK\$'000	Investment HK\$'000	Others HK\$'000	Total HK\$'000
Revenue	132,468	7,245	–	–	139,713
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	75,708	775	11,094	–	87,577
Fair value gains on derivative financial instruments	50,438	–	–	–	50,438
Unallocated income less expenses					(11,294)
Operating profit before finance income and costs					126,721
Finance income	36	–	–	–	36
Finance costs	(29,251)	–	(100)	–	(29,351)
Operating profit					97,406
Share of profits less losses of associated companies	385	167	–	(2,362)	(1,810)
Profit before taxation					95,596
Taxation charge					(11,797)
Profit for the period					83,799

Notes (continued)

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

Operating segments (continued)

The segment assets are as follows:

	At 30 June 2010				
	Rental and property management	Warehousing	Investment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	10,218,912	9,028	383,554	–	10,611,494
Interests in associated companies	14,190	4,209	–	410,918	429,317
Amounts and loans receivable from associated companies	10,817	22,330	–	323,192	356,339
Other assets					989
Total assets					<u>11,398,139</u>

	At 31 December 2009				
	Rental and property management	Warehousing	Investment	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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					<u>10,390,465</u>

Geographical information

	Revenue		Non-current assets other than financial instruments and deferred tax assets		Total assets	
	Six months ended	Six months ended	At	At	At	At
	30 June 2010 HK\$'000	30 June 2009 HK\$'000	30 June 2010 HK\$'000	31 December 2009 HK\$'000	30 June 2010 HK\$'000	31 December 2009 HK\$'000
Hong Kong	177,359	139,713	9,378,865	9,547,653	10,565,185	9,794,991
Singapore	–	–	434,255	198,120	785,963	548,721
Mainland China	–	–	46,991	46,753	46,991	46,753
	<u>177,359</u>	<u>139,713</u>	<u>9,860,111</u>	<u>9,792,526</u>	<u>11,398,139</u>	<u>10,390,465</u>

Notes (continued)

4. Other gains, net

	Six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
Amortised income from held-to-maturity investments	3,660	3,001
Net foreign exchange (loss)/gain	(52)	69
Fair value (losses)/gains on derivative financial instruments	(1,479)	50,438
	2,129	53,508

5. Operating profit

Operating profit is stated after crediting and charging the following:

	Six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
Crediting:		
Gross rental income from investment properties	168,662	130,242
Charging:		
Depreciation of property, plant and equipment	1,126	1,145
Staff costs (including Directors' emoluments)	16,867	16,829
Direct operating expenses arising from investment properties generating rental income	42,600	40,618
Direct operating expenses for generating warehousing income	2,611	2,169
Operating leases rentals in respect of land and buildings	2,033	2,023

6. Taxation credit/(charge)

	Six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
Current taxation		
Hong Kong profits tax	(16,330)	(7,556)
Overseas taxation	(104)	—
	(16,434)	(7,556)
Deferred taxation		
Change in fair value of investment properties	(103,777)	1,294
Reversal upon disposals of investment properties	108,064	—
Other temporary differences	18,308	(5,535)
	22,595	(4,241)
Taxation credit/(charge)	6,161	(11,797)

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 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.

Notes (continued)

7. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company of HK\$1,086,285,000 (2009: HK\$82,679,000) and 259,685,288 shares (2009: 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 (2009: Nil).

8. Interim dividend

	Six months ended	
	30 June 2010	30 June 2009
	HK\$'000	HK\$'000
Declared, of HK\$0.16 (2009: HK\$0.12) per share	41,550	31,162

At a meeting held on 27 August 2010, the Directors declared an interim dividend of HK\$0.16 per share for the year ending 31 December 2010. 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 2010.

9. Trade and other receivables

	At 30 June 2010	At 31 December 2009
	HK\$'000	HK\$'000
Trade receivables (Note a)	9,141	10,215
Other receivables (Note b)	872,755	16,940
Deposits	10,417	10,373
Prepayments	6,926	6,546
	899,239	44,074

- (a) 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 a 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 is as follows:

	At 30 June 2010	At 31 December 2009
	HK\$'000	HK\$'000
Current to 30 days	5,072	1,747
31 to 90 days	2,508	7,570
Over 90 days	1,561	898
	9,141	10,215

The trade receivables of HK\$9,141,000 (31 December 2009: HK\$10,215,000) 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 10.

- (b) Other receivables as at 30 June 2010 included sale proceeds receivables from disposals of investment properties of HK\$858,850,000 (31 December 2009: Nil).

Notes (continued)

10. Trade and other payables and accruals

	At 30 June 2010 HK\$'000	At 31 December 2009 HK\$'000
Trade payables	6,073	7,449
Other payables	189,120	189,178
Deposits received	85,734	73,160
Accruals	52,430	38,716
	333,357	308,503

The ageing analysis of trade payables is as follows:

	At 30 June 2010 HK\$'000	At 31 December 2009 HK\$'000
Current to 30 days	4,347	4,980
31 to 90 days	1,050	1,834
Over 90 days	676	635
	6,073	7,449

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's unaudited revenue for the Period was HK\$177 million, compared to HK\$140 million for the same period last year. The increase was mainly due to increased rental contribution from Landmark East.

The Group's unaudited profit attributable to shareholders for the Period was HK\$1,086 million (2009: HK\$83 million). Excluding the change in fair value of investment properties and related deferred tax, the Group's underlying profit was HK\$561 million (2009: HK\$89 million). The increase was mainly due to gain on disposals of investment properties and share of profits in associates during the Period.

Rental and property management

The Group's rental portfolio comprises Grade A office and industrial buildings in Hong Kong. During the Period, the Group changed its intention on holding two of its industrial buildings for recurrent rental income and entered into agreements to dispose of the properties at attractive return. Pursuant to a provisional sale and purchase agreement dated 10 June 2010, Unimix Industrial Centre was disposed of en-bloc to an independent third party for a cash consideration of HK\$601 million. Deposits of HK\$90.15 million have been received to date whereas the balance consideration of HK\$510.85 million is receivable upon completion of the transaction on or before 30 November 2010. Pursuant to a provisional sale and purchase agreement dated 25 June 2010, Lucky Industrial Building was disposed of en-bloc to another independent third party for a cash consideration of HK\$348 million. Deposits of HK\$34.8 million have been received to date whereas the balance consideration of HK\$313.2 million is receivable upon completion of the transaction on or before 28 December 2010. Given the agreements are binding in nature, the Group recognised in full the profit of HK\$230 million arising from the disposals (including the effects of write-back of deferred taxation and written off of goodwill) as capital gain during the Period. The favorable market environment now prevailing in the sales and investment market provided an opportunity for the Group to realise its long-term investments at attractive return. It is the intention of the Group to replenish its portfolio with high-grade investment properties at an appropriate time.

The other rental properties of the Group, being Landmark East, W Square, Regent Centre, Shui Hing Centre and Winner Godown Building were fair valued by the Group by reference to professional valuation. These properties were in aggregate valued at HK\$9,024 million as at 30 June 2010, which resulted in a gain net of deferred tax of HK\$525 million during the Period (2009: net loss of HK\$6 million).

Landmark East, the Group's Grade A office project in Kwun Tong, has been well received by the market. The high quality of the building with unrivalled infrastructure, connectivity and convenience has attracted quality multinationals and local corporations as tenants. Total committed leases are about 80%, with the largest tenant taking up about 15% of the development and the three largest tenants accounting for about 33%. W Square, a Grade A office and retail building in Wan Chai, was 98% leased as at 30 June 2010. These two properties in aggregate contributed revenue of HK\$85 million for the Period (2009: HK\$43 million).

Revenue from the Group's industrial properties decreased slightly to HK\$84 million (2009: HK\$87 million), as a result of the negative rental reversion being set in for leases renewed during the Period. Overall occupancy of the Group's industrial properties was 90% as at 30 June 2010 (31 December 2009: 86%).

Together with property management income, total revenue from rental and property management was HK\$171 million for the Period (2009: HK\$132 million). Excluding the change in fair value of investment properties and gain on disposals of investment properties, segment profit for the rental and property management operation for the Period was HK\$115 million (2009: HK\$84 million). The increase in revenue and segment profit was mainly attributable to new lettings in Landmark East.

Warehousing

The Group operates a warehousing business in Hong Kong through Winner Godown Limited ("Winner Godown"), a 70%-owned subsidiary. Winner Godown contributed revenue of HK\$6 million (2009: HK\$7 million) and a segment profit of HK\$0.2 million (2009: HK\$0.8 million) for the Period. The drop in revenue and profit was mainly due to fewer orders from one of the major customers of Winner Godown.

The Group's cold storage business in Mainland China is operated through China Merchants International Cold Chain (Shenzhen) Company Limited ("CMCC"), a joint venture with the China Merchants Group and in which the Group has a 30% interest. CMCC reported revenue of RMB 8.4 million (2009: RMB 7.5 million) and a net loss of RMB 0.3 million (2009: net profit of RMB 0.5 million) for the Period. The increase in revenue was mainly due to fruitful efforts by China Merchants in expanding the cold storage business. Profit has been temporarily set back because of additional finance costs from borrowings to finance, amongst others, the capital expenditure incurred in converting a leased warehouse in the Qianhaiwan Bonded Port Zone for cold storage purpose and higher overhead.

Investment

The Group's investment activities reported a segment profit of HK\$13 million (2009: HK\$11 million) for the Period. Profit from this segment comprised mainly of dividend income and amortised income from held-to-maturity investments.

The Group's investments comprised mainly of available-for-sale financial assets in Singapore. These assets were fair valued at HK\$349 million as at 30 June 2010 (31 December 2009: HK\$350 million). The decrease in fair value of HK\$2 million was taken up in "Investment Revaluation Reserve" in equity during the Period (2009: an increase in value of HK\$33 million).

Finance income and finance costs

Net finance costs amounted to HK\$36 million in the Period (2009: HK\$29 million). The increase was mainly due to additional losses recycled from "Hedging Reserve" to the income statement under a low interest rate environment and additional borrowing costs from loans arranged in last year.

The Group held interest rate swap contracts (the "IRS Contracts") to hedge its interest rate exposure. As a result of the low interest rate environment, the IRS Contracts were fair valued at a loss of HK\$126 million as at 30 June 2010 (31 December 2009: HK\$96 million). The loss of HK\$1 million relating to the non-hedged portion of the IRS Contracts was taken up in the income statement whereas the loss of HK\$50 million relating to the hedged portion was taken up in the "Hedging Reserve" in equity during the Period.

Share of profits less losses of associated companies

The Group's share of profits less losses of associated companies amounted to HK\$250 million in the Period (2009: loss of HK\$2 million). The increase was mainly due to share of profits in Forfar and Belle Vue Residences amounting to HK\$250 million when both projects obtained their occupation permits during the Period.

Taxation

Taxation credit for the Period comprised mainly of write back of deferred taxation of HK\$108 million in relation to the disposed properties on the principle that an income from sale of a capital asset is not subject to tax in Hong Kong and deferred tax credit of HK\$11 million on recognition of tax losses, net of current taxation for Hong Kong profits tax of HK\$16 million and deferred tax charge of HK\$104 million on increase in fair value of investment properties.

Taxation charge in the prior period comprised mainly of current taxation for Hong Kong profits tax of HK\$8 million and deferred tax charge of HK\$5 million on temporary differences, net of deferred tax credit of HK\$1 million on decrease 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 Wing Tai Properties Limited. The project, with a total saleable area of about 100,000 square feet, was launched for pre-sale in July 2009. Occupation permit for the project was obtained in January 2010. Up to the date hereof, over 60% of the units have been sold.

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 pre-sale in late 2008. Occupation permit for the project was obtained in May 2010. Up to the date hereof, over 60% of the units have been sold.

EMPLOYEES

The Group employed 191 employees as at 30 June 2010 (31 December 2009: 191 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 2010 was HK\$7,141 million (31 December 2009: HK\$6,184 million). The increase was mainly due to the profit attributable to shareholders of HK\$1,086 million during the Period. The Group's total equity, including non-controlling interests, was HK\$7,168 million as at 30 June 2010 (31 December 2009: HK\$6,209 million).

The Group's total bank borrowings as at 30 June 2010 were HK\$2,635 million (31 December 2009: HK\$2,633 million). After deducting the bank balances and cash of HK\$255 million (31 December 2009: HK\$172 million), the Group's net borrowings as at 30 June 2010 were HK\$2,380 million (31 December 2009: HK\$2,461 million).

As at 30 June 2010, the gearing ratio of the Group was 33% (31 December 2009: 40%), calculated based on the net borrowings of HK\$2,380 million and total equity of HK\$7,168 million. The gearing of the Group would have been 21% if the disposals of the investment properties had been completed on 30 June 2010.

Liquidity and debt maturity profile

The maturity profile of the Group's bank borrowings as at 30 June 2010 is set out as below.

	At 30 June 2010		At 31 December 2009	
	HK\$ million	%	HK\$ million	%
Within one year	567	21	132	5
In the second year	384	15	386	15
In the third to fifth years inclusive	1,684	64	2,115	80
	2,635	100	2,633	100

The increase in bank borrowings maturing within one year was mainly due to reclassification of debts from long-term to short-term upon entering into agreements to dispose of certain investment properties during the Period.

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 2010. Against total bank borrowings of HK\$2,635 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\$488 million as at 30 June 2010. 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\$555 million as at 30 June 2010. 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 2010, certain of the Group's investment properties and available-for-sale financial assets with carrying values of HK\$9,007 million and HK\$238 million respectively were pledged to secure banking facilities of the Group.

OUTLOOK

The Hong Kong property market will continue to benefit from a low interest rate environment and limited supply of quality properties in the remainder of the year. We are cautiously optimistic on the prospects taking into account the lingering concern of the pace of recovery in the world economy as well as a slower yet healthy growth of China's economy. For the Group's interest in the residential development projects, we will work closely with the project managers of Forfar and Belle Vue Residences to launch the remaining units in these luxury projects in a timely manner.

On the property investment side, the office market will remain active given the sustained inflow of capital and improved local business sentiment. Office rental is expected to continue its upward trend in the second half of the year. We expect the lease take-up in Landmark East to improve throughout 2010 capitalising on the trend of decentralisation to non-core office districts, further enhancing the quality and stability of the Group's earnings.

With the Group's strong financial position, we will closely monitor the market for any opportunities that may arise.

DIVIDEND AND CLOSE OF REGISTER

The Directors have resolved to declare an interim dividend of HK\$0.16 per share for the six months ended 30 June 2010, payable on 14 October 2010 to all shareholders on the Register of Members as at 30 September 2010. The Register of Members and the Transfer Books of the Company will be closed from 28 September 2010 to 30 September 2010, both days inclusive. In order to qualify for the interim dividend for the six months ended 30 June 2010, 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, Wan Chai, Hong Kong not later than 4:30 p.m. on 27 September 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 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 auditor 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 2010.

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 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, 27 August 2010