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 2010

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 2010 as follows:

Consolidated Income Statement
For the year ended 31 December 2010

	Note	Year ended 31/12/2010 HK$'000	31/12/2009 HK$'000 (Restated)
Revenue	3	**403,708**	290,332
Cost of sales	5	**(92,334)**	(103,017)
Gross profit		**311,374**	187,315
Other income	3	**35,828**	38,748
Leasing and marketing expenses	5	**(19,161)**	(13,215)
Administrative expenses	5	**(38,327)**	(37,105)
Increase in fair value of investment properties		**1,799,809**	339,300
Gains on disposals of investment properties		**147,011**	–
Other gains, net	4	**25,167**	72,215
Other operating expenses	5	**(919)**	(887)
Operating profit before finance income and costs		**2,260,782**	586,371
Finance income		**520**	47
Finance costs		**(73,295)**	(63,617)
Operating profit		**2,188,007**	522,801
Share of profits less losses of associated companies		**300,288**	(3,098)
Profit before taxation		**2,488,295**	519,703
Taxation charge	6	**(23,437)**	(30,057)
Profit for the year		**2,464,858**	489,646
Attributable to:			
Shareholders of the Company		**2,460,044**	484,757
Non-controlling interests		**4,814**	4,889
		2,464,858	489,646
		HK$	HK$ (Restated)
Earnings per share	7	**9.47**	1.87
		HK$'000	HK$'000
Dividends	8	**410,303**	129,842

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	Year ended 31/12/2010 HK$'000	31/12/2009 HK$'000 (Restated)
Profit for the year	**2,464,858**	489,646
Other comprehensive income		
Exchange translation differences	**59,895**	(138)
Fair value gains on available-for-sale financial assets	**82,749**	144,519
Cash flow hedges		
– Fair value losses	**(63,789)**	(56,621)
– Realised upon settlement	**44,427**	39,686
Other comprehensive income for the year, net of tax	**123,282**	127,446
Total comprehensive income for the year	**2,588,140**	617,092
Attributable to:		
Shareholders of the Company	**2,583,326**	612,203
Non-controlling interests	**4,814**	4,889
	2,588,140	617,092

Consolidated Balance Sheet
At 31 December 2010

	Note	**31/12/2010 HK$'000**	31/12/2009 HK$'000 (Restated)	1/1/2009 HK$'000 (Restated)
Non-current assets				
Property, plant and equipment		**11,249**	8,482	2,608
Investment properties		**10,227,930**	9,194,930	8,834,930
Interests in associated companies		**500,676**	180,969	185,732
Amounts and loans receivable from associated companies		**357,525**	350,338	315,370
Available-for-sale financial assets		**431,094**	350,182	216,607
Held-to-maturity investments		**37,877**	30,997	25,445
Deferred tax assets		**13,653**	7,572	13,559
Derivative financial instruments		**16,000**	–	–
		11,596,004	10,123,470	9,594,251
Current assets				
Inventories		**58**	–	–
Trade and other receivables	9	**55,668**	44,074	57,091
Available-for-sale financial assets		**–**	–	2,948
Bank balances and cash		**595,167**	172,004	175,548
		650,893	216,078	235,587
Current liabilities				
Trade and other payables and accruals	10	**310,908**	308,503	288,345
Short-term bank loans		**136,250**	357,250	854,443
Derivative financial instruments		**42,865**	40,821	40,354
Tax payable		**40,301**	26,252	58,110
		530,324	732,826	1,241,252
Net current assets/(liabilities)		**120,569**	(516,748)	(1,005,665)
Total assets less current liabilities		**11,716,573**	9,606,722	8,588,586
Non-current liabilities				
Long-term bank loans		**1,920,600**	2,275,250	1,713,497
Other long-term loans		**32,498**	32,498	32,498
Amounts and loans payable to associated companies		**166,789**	166,789	166,789
Derivative financial instruments		**71,621**	55,262	105,846
Deferred tax liabilities		**51,331**	50,784	41,229
		2,242,839	2,580,583	2,059,859
Net assets		**9,473,734**	7,026,139	6,528,727
Share capital		**2,596**	2,596	2,596
Reserves		**9,440,287**	6,997,191	6,504,443
Equity attributable to shareholders of the Company		**9,442,883**	6,999,787	6,507,039
Non-controlling interests		**30,851**	26,352	21,688
Total equity		**9,473,734**	7,026,139	6,528,727

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 ("Wing Tai Properties", 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.

2. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards. 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 described in the Group's audited financial statements for the year ended 31 December 2009, except for the changes set out below.

During the year, the Group has adopted for the first time the following new and revised standards, amendments and interpretations to existing standards which are effective for the current accounting period beginning on 1 January 2010.

HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 3 (Revised)	Business combinations
HK(IFRIC) – Int 17	Distributions of non-cash assets to owners
HKFRSs (Amendments)	Second improvements to HKFRSs 2009
HK – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

Except for the adoption of HK-Int 5 and early adoption of HKAS 12 (Amendment), the adoption of the new and revised standards, amendments and interpretations to existing standards has no significant impact on the Group's results and financial position.

Notes (continued)

2. Basis of preparation and accounting policies (continued)

HK- Int 5 **Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause.**

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause" ("HK-Int 5") clarifies that term loans that include a clause giving the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK-Int 5 for the first time in the current year. HK Int-5 requires retrospective application.

Upon adoption of HK-Int 5, the Group has changed its accounting policy on classification of bank loans with a repayment on demand clause. In the past, the classification of such bank loans were determined based on the agreed scheduled repayment dates set out in the loan/facility agreements. Under HK-Int 5, bank loans with a repayment on demand clause are classified as current liabilities. The effects of this change of accounting policy on the financial position of the Group in the current and prior year are as below.

HKAS 12 (Amendment) **Deferred Tax: Recovery of underlying assets ("HKAS 12 (Amendment)")**

Under HKAS 12 (Amendment), there is a rebuttable presumption that the carrying amount of investment property using fair value model will be recovered through sale. Accordingly, the measurement of the deferred tax assets or liabilities shall reflect the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless management rebut the presumption and consider that the investment properties are held within a business model whose objective is to consume substantially all the investment properties' economic benefits over time, rather than through sale. HKAS 12 (Amendment) requires retrospective application. The effects of this change of accounting policy on the results and financial position of the Group in the current and prior year are as below.

Consolidated Income Statement

	Year ended	
	31/12/2010	31/12/2009
	HKAS 12 (Amendment)	
	HK$'000	HK$'000
Decrease in taxation charge	**188,904**	55,984
Decrease in written off of goodwill	**23,018**	–
Increase in profit for the year	**211,922**	55,984
Attributable to:		
Shareholders of the Company	**211,446**	55,518
Non-controlling interests	**476**	466
	211,922	55,984
	HK$	HK$
Increase in earnings per share – basic	**0.81**	0.21

Notes (continued)

2. Basis of preparation and accounting policies (continued)

Consolidated Balance Sheet

	31/12/2010			31/12/2009			1/1/2009		
	HKAS 12 (Amendment)	**HK–Int 5**	**Total**	HKAS 12 (Amendment)	HK–Int 5	Total	HKAS 12 (Amendment)	HK–Int 5	Total
	HK$'000	**HK$'000**	**HK$'000**	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Increase/(decrease) in:									
Non-current assets									
Goodwill	**(34,789)**	–	**(34,789)**	(57,807)	–	(57,807)	(57,807)	–	(57,807)
Deferred tax assets	**12,796**	–	**12,796**	6,890	–	6,890	7,765	–	7,765
	(21,993)	–	**(21,993)**	(50,917)	–	(50,917)	(50,042)	–	(50,042)
Current liabilities									
Short-term bank loans	–	–	–	–	225,000	225,000	–	407,000	407,000
Non-current liabilities									
Long-term bank loans	–	–	–	–	(225,000)	(225,000)	–	(407,000)	(407,000)
Deferred tax liabilities	**(1,051,303)**	–	**(1,051,303)**	(868,305)	–	(868,305)	(811,446)	–	(811,446)
	(1,051,303)	–	**(1,051,303)**	(868,305)	(225,000)	(1,093,305)	(811,446)	(407,000)	(1,218,446)
Net assets	**1,029,310**	–	**1,029,310**	817,388	–	817,388	761,404	–	761,404
Retained earnings	**1,027,552**	–	**1,027,552**	816,106	–	816,106	760,588	–	760,588
Non-controlling interests	**1,758**	–	**1,758**	1,282	–	1,282	816	–	816
Total equity	**1,029,310**	–	**1,029,310**	817,388	–	817,388	761,404	–	761,404

The following new and revised standards, amendments and interpretations to existing standards have been issued but are not yet effective for the current accounting 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 and revised standards, amendments and interpretations to existing standards and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

Notes (continued)

3. Revenue, other income and segment information

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

	Year ended	
	31/12/2010	31/12/2009
	HK$'000	HK$'000
Revenue		
Rental and property management	**390,465**	275,849
Warehousing	**13,243**	14,483
	403,708	290,332
Other income		
Dividend income from		
– unlisted investments	**4,024**	7,298
– listed real estate investment trusts	**19,752**	19,888
Interest income on loans to associated companies	**9,387**	8,464
Others	**2,665**	3,098
	35,828	38,748
	439,536	329,080

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 changes in fair value on derivative financial instruments, unallocated income and expenses, finance income, finance costs, share of profits less losses of associated companies and taxation charge.

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 2010					
Revenue	**390,465**	**13,243**	–	–	**403,708**
Segment results before change in fair value and gains on disposals of investment properties	**287,429**	**281**	**31,156**	–	**318,866**
Increase in fair value of investment properties	**1,799,809**	–	–	–	**1,799,809**
Gains on disposals of investment properties	**147,011**	–	–	–	**147,011**
Segment results	**2,234,249**	**281**	**31,156**	–	**2,265,686**
Fair value gains on derivative financial instruments	**959**	–	**16,000**	–	**16,959**
Unallocated income less expenses					**(21,863)**
Operating profit before finance income and costs					**2,260,782**
Finance income	**519**	–	**1**	–	**520**
Finance costs	**(73,285)**	–	**(10)**	–	**(73,295)**
Operating profit					**2,188,007**
Share of profits less losses of associated companies	**(419)**	**(593)**	–	**301,300**	**300,288**
Profit before taxation					**2,488,295**
Taxation charge					**(23,437)**
Profit for the year					**2,464,858**
Capital expenditure	**37,040**	**5,135**	–	–	**42,175**
Depreciation	**1,912**	**355**	–	–	**2,267**
Year ended 31 December 2009 (Restated)					
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					(30,057)
Profit for the year					489,646
Capital expenditure	28,088	838	–	–	28,926
Depreciation	2,113	239	–	–	2,352

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 2010					
Segment assets	**10,872,247**	**12,103**	**490,693**	**–**	**11,375,043**
Interests in associated companies	**14,166**	**3,871**	**–**	**482,639**	**500,676**
Amounts and loans receivable from associated companies	**11,208**	**22,330**	**–**	**323,987**	**357,525**
Other assets					**13,653**
Total assets					**12,246,897**
Segment liabilities	**343,082**	**2,533**	**26,822**	**–**	**372,437**
Amounts and loans payable to associated companies	**–**	**–**	**–**	**166,789**	**166,789**
Other liabilities					**2,233,937**
Total liabilities					**2,773,163**
At 31 December 2009 (Restated)					
Segment assets	9,411,081	7,268	382,320	–	9,800,669
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					7,572
Total assets					10,339,548
Segment liabilities	331,899	1,795	2,864	–	336,558
Amounts and loans payable to associated companies	–	–	–	166,789	166,789
Other liabilities					2,810,062
Total liabilities					3,313,409
At 1 January 2009 (Restated)					
Segment assets	9,053,379	6,437	255,361	–	9,315,177
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					13,559
Total assets					9,829,838
Segment liabilities	312,864	1,624	1,982	–	316,470
Amounts and loans payable to associated companies	–	–	–	166,789	166,789
Other liabilities					2,817,852
Total liabilities					3,301,111

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		Year ended				
	31/12/2010	31/12/2009	**31/12/2010**	31/12/2009	**31/12/2010**	31/12/2009	1/1/2009
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	HK$'000
						(Restated)	(Restated)
Hong Kong	**403,708**	290,332	**2,234,140**	518,987	**11,215,158**	9,744,074	9,374,831
Singapore	**–**	–	**31,546**	26,639	**984,511**	548,721	409,755
Mainland China	**–**	–	**–**	–	**47,228**	46,753	45,252
	403,708	290,332	**2,265,686**	545,626	**12,246,897**	10,339,548	9,829,838
Fair value gains on derivative financial instruments			**16,959**	63,078			
Unallocated income less expenses			**(21,863)**	(22,333)			
Operating profit before finance income and costs			**2,260,782**	586,371			
Finance income			**520**	47			
Finance costs			**(73,295)**	(63,617)			
Operating profit			**2,188,007**	522,801			

Notes (continued)

4. Other gains, net

	Year ended 31/12/2010 HK$'000	31/12/2009 HK$'000
Amortised income from held-to-maturity investments	**7,380**	6,052
Net foreign exchange gain	**929**	1,497
Fair value gains on derivative financial instruments	**16,959**	63,078
(Loss)/gain on disposals of property, plant and equipment	**(101)**	2
Realised gains on available-for-sale financial assets	**–**	610
Others	**–**	976
	25,167	72,215

5. Expenses by nature

	Year ended 31/12/2010 HK$'000	31/12/2009 HK$'000
Depreciation of property, plant and equipment	**2,267**	2,352
Direct operating expenses arising from investment properties generating rental income	**76,296**	89,218
Direct operating expenses for generating warehousing income	**5,619**	4,365
Operating lease rentals in respect of land and buildings	**3,698**	3,939
Staff costs (including Directors' emoluments)	**35,051**	32,925
Auditor's remuneration	**1,489**	1,986
Leasing and marketing expenses	**17,519**	11,390
Other expenses	**8,802**	8,049
Total cost of sales, leasing and marketing expenses, administrative expenses and other operating expenses	**150,741**	154,224

Notes (continued)

6. Taxation charge

	Year ended 31/12/2010 HK$'000	31/12/2009 HK$'000 (Restated)
Current taxation		
Hong Kong profits tax	**(24,492)**	(15,005)
Overseas taxation	**(312)**	(198)
(Under)/over provision in prior years	**(4,167)**	688
	(28,971)	(14,515)
Deferred taxation		
Other temporary differences	**5,534**	(15,542)
	(23,437)	(30,057)

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

7. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company for the year of HK$2,460,044,000 (2009 (Restated): HK$484,757,000) and 259,685,288 shares (2009: 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 (2009: Nil).

8. Dividends

	Year ended 31/12/2010 HK$'000	31/12/2009 HK$'000
Interim dividend, paid, of HK$0.16 (2009: HK$0.12) per share	**41,550**	31,162
Special dividend, declared, of HK$1.00 (2009: Nil) per share	**259,685**	–
Final dividend, proposed, of HK$0.42 (2009: HK$0.38) per share	**109,068**	98,680
	410,303	129,842

At a meeting held on 30 March 2011, the Directors recommended a final dividend of HK$0.42 per share and a special dividend of HK$1.00 per share. These dividends are not reflected as dividends payable in the Group's financial statements, and will be reflected as appropriations of reserves in the year 2011.

Notes (continued)

9. Trade and other receivables

	31/12/2010	31/12/2009
	HK$'000	HK$'000
Trade receivables	**8,688**	10,215
Deferred rent receivables	**18,627**	7,964
Other receivables	**13,877**	8,976
Deposits	**9,162**	10,373
Prepayments	**5,314**	6,546
	55,668	44,074

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:

	31/12/2010	31/12/2009
	HK$'000	HK$'000
Current to 30 days	**2,480**	1,747
31 to 90 days	**5,416**	7,570
Over 90 days	**792**	898
	8,688	10,215

The trade receivables of HK$8,688,000 (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.

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

Notes (continued)

10. Trade and other payables and accruals

	31/12/2010	31/12/2009
	HK$'000	HK$'000
Trade payables	**7,957**	7,449
Other payables	**169,433**	189,178
Deposits received	**109,123**	73,160
Accruals	**24,395**	38,716
	310,908	308,503

The ageing analysis of trade payables is as follows:

	31/12/2010	31/12/2009
	HK$'000	HK$'000
Current to 30 days	**4,016**	4,980
31 to 90 days	**3,620**	1,834
Over 90 days	**321**	635
	7,957	7,449

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

11. Scope of work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2010 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 2010. 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 2010 was HK$404 million (2009: HK$290 million). The increase was mainly due to new lettings in Landmark East.

The Group's profit attributable to shareholders for the year ended 31 December 2010 was HK$2,460 million (2009 (Restated): HK$485 million). Excluding the change in fair value of investment properties net of non-controlling interests and change in fair value of derivative financial instruments, the Group's underlying profit was HK$646 million (2009 (Restated): HK$85 million). The increase was mainly due to gains on disposals of investment properties and share of profits in associates during the year.

Rental and property management

Review of operations

The Group's rental and property management businesses recorded revenue of HK$390 million (2009: HK$276 million). Excluding the change in fair value of investment properties and gains on disposals of investment properties, the segment profit was HK$287 million (2009: HK$171 million).

Office spaces in Hong Kong have been in strong demand as a result of the limited supply of Grade A office properties in core business districts and the upgrading and expansion requirements of tenants. Benefiting from these, there was a quick absorption in the available office spaces in Landmark East. The committed lease take-up in Landmark East has now reached 91% as at the date hereof. W Square was 93% leased as at 31 December 2010. These two properties in aggregate contributed revenue of HK$218 million for the year (2009: HK$101 million).

Revenue from the Group's industrial properties was HK$168 million for the year (2009: HK$170 million), which included revenue of HK$44 million (2009: HK$47 million) from the properties being disposed of. Overall occupancy of the Group's industrial properties, being Regent Centre, Winner Godown Building and Shui Hing Centre, was 92% as at 31 December 2010. There was a pick up of leasing activities for the Group's industrial properties in the second half of the year. It is expected that the leasing momentum will continue at the back of continued economic growth.

Acquisition and disposals of industrial properties

In June 2010, the Group entered into agreements to dispose of Unimix Industrial Centre and Lucky Industrial Building for an aggregate consideration of HK$949 million, the completion of which took place in November and December 2010 respectively. The disposals resulted in net gains of HK$146 million and net cash inflows to the Group of HK$596 million, after repayment of bank loans and expenses. The Group considered that the disposals represented opportunities for the Group to realise its long-term investments at attractive return. It is the intention of the Group to apply the cash proceeds for replenishment of the Group's property portfolio with high-grade investment properties at an appropriate time.

In September 2010, the Group entered into an agreement to acquire a whole floor in Regent Centre for a cash consideration of HK$31.7 million, completion of which is to take place in September 2011. The property is to be held for long-term investment purpose. In December 2010, the Group disposed of certain units in Regent Centre on already strata-titled floors for an aggregate consideration of HK$10 million, resulting in a net gain of HK$0.5 million during the year. The acquisition and disposals is part of the Group's strategy to upgrade its portfolio holding in Regent Centre, which units have been held on a long-term basis for recurrent rental income purpose.

Valuation of investment properties

The Group's investment properties, including the agricultural lots held by the Group, were fair valued at HK$10,228 million as at 31 December 2010. The fair value gain net of non-controlling interests was HK$1,797 million for the year (2009: HK$337 million).

Warehousing

The Group operates a warehousing business in Hong Kong through Winner Godown Limited ("Winner Godown"), a 70%-owned subsidiary. During the year, the Group diversified into wine storage with an initial capital outlay of HK$5 million, principally for installation of air-conditioning and insulation. The business is operated by Winsor Storage Limited, a wholly-owned subsidiary of the Company. Installation was completed in October 2010 and leasing is on-going.

These businesses in aggregate recorded revenue of HK$13 million (2009: HK$14 million) and a segment profit of HK$0.3 million (2009: HK$1.5 million) for the year. The drop in revenue and profit was mainly due to reduced storage 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"). CMCC is beneficially owned by the Group and China Merchants Americold Holdings Company Limited in the proportion of 30%:70%. CMCC reported turnover of RMB19 million (2009: RMB17 million) and a net loss of RMB3 million (2009: net profit of RMB0.2 million) for the year. During the year, CMCC leased a new warehouse in the Qianhaiwan Bonded Port Zone and converted it for bonded cold storage purpose. Revenue from this business was behind budget, as there were unforeseen problems encountered at the operation stage. CMCC is putting up efforts to turn around the profitability of this business.

Investment

The Group's investment activities recorded a segment profit of HK$31 million (2009: HK$34 million). Profit from this segment comprised mainly dividend income and amortised income from held-to-maturity investments.

The Group's investments comprised mainly available-for-sale financial assets in Singapore. The available-for-sale financial assets were fair valued at HK$431 million as at 31 December 2010. The increase in fair value of HK$83 million (2009: HK$145 million) was taken up in "Investment Revaluation Reserve" in equity during the year.

Finance income and finance costs

Net finance costs amounted to HK$73 million in the year (2009: HK$64 million). The increase was mainly due to interest expenses on bank loans raised and/or refinanced in the prior year.

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 2010. As a result of the low interest rate environment, the IRS Contracts were fair valued at a loss of HK$114 million as at 31 December 2010. The decrease in fair value of the hedged portion of HK$64 million (2009: HK$57 million) was taken up in "Hedging Reserve" in equity during the year.

Share of profits less losses of associated companies

The Group's share of net profit in associated companies amounted to HK$300 million in the year (2009: net loss of HK$3 million). The increase was mainly due to recognition of profit for units sold in Forfar and Belle Vue Residences when both projects obtained their occupation permits during the year.

Taxation

Taxation charge for the year of HK$23 million comprised mainly provision for Hong Kong profits tax of HK$29 million (2009: HK$15 million), deferred taxation charge of HK$7 million (2009: HK$75 million) arising from accelerated depreciation, net of deferred tax credit of HK$13 million (2009: HK$60 million) on recognition of tax losses.

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 108,000 square feet, was launched for pre-sale in July 2009. Occupation permit and certificate of compliance for the project were obtained in January and August 2010, respectively. Over 60% of the units were sold as at 31 December 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 pre-sale in late 2008. Occupation permit and certificate of statutory completion for the project were obtained in May and October 2010, respectively. Over 70% of the units were sold as at 31 December 2010.

EMPLOYEES

The Group employed 241 employees as at 31 December 2010. 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 31 December 2010 was HK$9,443 million (2009 (Restated): HK$7,000 million). The increase was mainly due to the profit attributable to shareholders for the year of HK$2,460 million. The Group's total equity, including non-controlling interests, was HK$9,474 million as at 31 December 2010 (2009 (Restated): HK$7,026 million).

The Group's total bank borrowings as at 31 December 2010 were HK$2,057 million (2009: HK$2,633 million). After deducting the bank balances and cash of HK$595 million (2009: HK$172 million), the Group's net borrowings as at 31 December 2010 were HK$1,462 million (2009: HK$2,461 million).

The gearing ratio of the Group was 15% as at 31 December 2010 (2009 (Restated): 35%), calculated based on the net borrowings of HK$1,462 million and total equity of HK$9,474 million. The Group is in a strong financial position following disposals of the two industrial buildings and the leasing of Landmark East towards full occupancy. With ample unutilised banking facilities, the Group has sufficient financial resources for its operation needs.

Liquidity and debt maturity profile

The maturity profile of the Group's bank borrowings as at 31 December 2010 and 2009 is set out as below.

	At 31 December 2010		At 31 December 2009	
	HK$ million	**%**	HK$ million (Restated)	% (Restated)
Within one year	**136**	**7**	357	14
In the second year	**283**	**14**	161	6
In the third to fifth years inclusive	**1,638**	**79**	2,115	80
	2,057	**100**	2,633	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 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 2010. Against total bank borrowings of HK$2,057 million which were all on a floating rate basis, the IRS Contracts converted about 49% of the Group's total bank borrowings at year end into fixed rate debts.

Capital commitments

The Group had no significant capital commitments as at 31 December 2010.

Contingent liabilities

The Group had no significant contingent liabilities as at 31 December 2010.

Pledge of assets

Certain of the Group's assets with a carrying value of HK$10,354 million as at 31 December 2010 were pledged to secure banking facilities of the Group.

OUTLOOK

The outlook for the property market in Hong Kong remains encouraging, supported by a strong economy and solid fundamentals including a low interest rate environment, strong demand from businesses for office space, and limited supply.

The Group's investment portfolio will benefit from the current momentum in the local leasing market with growth in occupancy take up and rental, which will contribute to the Group's recurring income and cash flows. We are confident that in 2011 Landmark East will sustain over 90% occupancy with a significant growth in rental rate for new leases. We also expect positive rental reversion at the Group's other properties.

On property development, the launches of the remaining units at Forfar and Belle Vue Residences amidst favourable market conditions in Hong Kong and Singapore will contribute further to the Group's profit and cash flows in 2011.

All in all, we are confident that our investment property portfolio will continue to bring in steady and growing recurring income. Our financial strength should thus be further strengthened, enabling us to enhance and expand our portfolio by replenishing it with quality investment properties when opportunities arise.

SPECIAL DIVIDEND

In view of the promising results of the Group for the year ended 31 December 2010, the Directors declared a special dividend of HK$1 per share (2009: Nil) to the shareholders whose names appear on the Register of Members of the Company on 18 April 2011. The special dividend will be payable to the shareholders on 28 April 2011.

The Register of Members and the Transfer Books of the Company will be closed from Friday, 15 April 2011 to Monday, 18 April 2011, both days inclusive. In order to qualify for the special dividend for the year ended 31 December 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 ("Computershare"), Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 14 April 2011.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.42 per share (2009: HK$0.38 per share) to the shareholders whose names appear on the Register of Members of the Company on 24 May 2011. Together with the interim dividend of HK$0.16 per share (2009: HK$0.12 per share) paid on 14 October 2010, total regular dividend payout for the year will be HK$0.58 per share (2009: HK$0.50 per share). Subject to the passing of the relevant resolution at the forthcoming Annual General Meeting, the final dividend will be payable to the shareholders on 10 June 2011.

The Register of Members and the Transfer Books of the Company will be closed from Monday, 23 May 2011 to Tuesday, 24 May 2011, both days inclusive. In order to qualify for the final dividend for the year ended 31 December 2010, all transfers accompanied by the relevant share certificates must be lodged with Computershare, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 May 2011.

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 on the Stock Exchange (the "Listing Rules") throughout the year ended 31 December 2010.

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 2010, 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 2010. 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 2010, 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 2010.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the year ended 31 December 2010. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the year ended 31 December 2010.

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.

TRIBUTES

Lord Sandberg has served as an Independent Non-Executive Director and Mr. Chung Hon Sing, John has served as an Executive Director since October 1996. Lord Sandberg and Mr. Chung will both retire at the forthcoming Annual General Meeting to be held on 24 May 2011. The Board is most grateful to Lord Sandberg and Mr. Chung for their valuable services and wise counsel, and wishes both of them happy retirement.

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

Dr. 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, 30 March 2011