WING TAI PROPERTIES LIMITED

永泰地產有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2011, INTERIM DIVIDEND AND RECORD DATE

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am pleased to report that the Group continued to deliver enduring growth in the first half of 2011 as reflected in a set of good financial results, a strengthened project development pipeline and a diversified investment portfolio, enabling the sustained growth of the Group for the remainder of 2011.

The Group's net profit reached HK$1,364 million during the first six months of the year, representing a 68% increase from the first half of 2010. The strong performance was mainly attributable to excellent sales of the remaining units at "Forfar" and "Belle Vue Residences", improved rental income from Landmark East and fair value gains of the Group's investment properties.

In the first six months of 2011, against the backdrop of stable growth in the local economy, a low interest rate environment, strong demand and limited supply, property prices and leasing rates climbed steadily. This trend is particularly evident in the luxury residential market.

The Group made good progress in the development of all our luxury residential projects. All the outstanding typical units of "Forfar" were sold at prices on average 30% higher than the previous pre-sale price. Construction of "Seymour" is on schedule and we expect to obtain the occupation permit in the fourth quarter of 2011, upon which profits from the 85% of the units pre-sold can be recognised. The planning and design works for the new projects at "9 Warren Street" in Tai Hang and Coronation Terrace in Mid-levels West are progressing well. The projects, developed on such sought-after locations, will fully demonstrate our product development strength. Subject to market conditions, both "9 Warren Street" and the first phase of "Providence Bay" in Tai Po are expected to be launched for pre-sale towards the end of this year.

In order to capture the continuous demand for luxury properties in prime urban locations, the Group partnered with Nan Fung Group in April to acquire a Ko Shan Road site in Hung Hom. The acquisition has further enhanced the Group's premium property portfolio and has strengthened our market presence.

The strong local economy has also led to increased leasing activities in the Grade A office market. Our property investment and management division, held under Winsor Properties, continued to record growth in rental and occupancy rates as well as in the asset value of properties, particularly that of Landmark East and W Square. The occupancy rates of Landmark East and W Square were around 90% at the end of June. In the first six months, W Square secured over 50% renewal with satisfactory positive rental reversion while Landmark East committed new leases at increased rate for the remaining space.

The Group's portfolio of serviced residences and boutique hotel under Lanson Place delivered impressive growth in occupancy and financial performance during the period under review, especially Lanson Place Hotel in Hong Kong. In May, in line with the Group's strategy of expanding its hospitability business and diversifying Winsor Properties' investment portfolio, Winsor Properties acquired the remaining 40% interest in Lanson Place Hotel, which will further enhance the recurring earnings for the Group. To strengthen the capabilities of its management team to capture a larger share of the fast-growing hospitality market in Asia, a Lanson Place Chief Executive Officer with extensive global operation and development experience was appointed in August.

We feel confident about the future on the ground of proven solid results achieved since the transformational steps we took to reposition the Group back in 2007. The combination of our reputable brands in the premium property market and hospitality industry, a healthy balance sheet and strong recurrent income base, an expanded project development pipeline, a diversified investment portfolio and strong management execution capabilities have provided the Group a solid platform from which we will sustain the long-term growth of our business.

I would like to take this opportunity to thank all stakeholders, including shareholders, business partners, and our devoted employees for their support, which has been fundamental to the Group's continued success.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 30 August 2011

INTERIM RESULTS

The Board of Directors (the "Directors") of Wing Tai Properties Limited (the "Company") presents the unaudited condensed consolidated interim financial information ("Interim Financial Information") of the Company and its subsidiaries (the "Group"), and its jointly controlled entities for the six months ended 30 June 2011.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		Unaudited	
		Six months ended 30 June	
		2011	2010
	Note	HK$'M	HK$'M (As restated)
Revenue	3	1,025.8	1,356.6
Cost of sales		(533.3)	(925.4)
Gross profit		492.5	431.2
Other gains/(losses), net		40.4	(10.8)
Selling and distribution costs		(83.7)	(95.5)
Administrative expenses		(157.2)	(143.8)
Change in fair value of investment properties		1,491.2	635.3
Gain on disposal of investment properties		-	137.8
Gain on disposal of other properties, plant and equipment		-	68.7
Profit from operations	4	1,783.2	1,022.9
Finance costs		(43.4)	(42.7)
Finance income		3.5	1.0
Share of results of associates		46.8	56.3
Profit before taxation		1,790.1	1,037.5
Taxation	5	(55.6)	(11.7)
Profit for the period		1,734.5	1,025.8
Attributable to:			
Equity holders of the Company		1,363.5	809.3
Non-controlling interests		371.0	216.5
		1,734.5	1,025.8
Earnings per share for profit attributable to equity holders of the Company (expressed in HK dollar per share)	6		
– Basic		HK$1.03	HK$0.61
– Diluted		HK$1.02	HK$0.61
Dividends (expressed in HK$'M)	7	136.6	99.2

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

	Unaudited Six months ended 30 June 2011 HK$'M	Unaudited Six months ended 30 June 2010 HK$'M (As restated)
Profit for the period	1,734.5	1,025.8
Other comprehensive income		
Release of other property revaluation reserve upon disposal of other properties, plant and equipment	-	(24.5)
Exchange differences on translation of foreign operations	14.3	8.1
Exchange differences released upon repayment of loans from associates	(34.1)	-
Net fair value gain/(loss) arising on revaluation of available-for-sale financial assets	15.0	(1.6)
Net loss on cash flow hedge		
– Fair value losses	(23.5)	(49.5)
– Realised upon settlement	21.9	22.4
Other comprehensive income for the period, net of tax	(6.4)	(45.1)
Total comprehensive income for the period	1,728.1	980.7
Attributable to:		
Equity holders of the Company	1,359.2	772.6
Non-controlling interests	368.9	208.1
Total comprehensive income for the period	1,728.1	980.7

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2011

	Note	Unaudited 30 June 2011 HK$'M	Audited 31 December 2010 HK$'M
ASSETS AND LIABILITIES			
Non-current assets			
Land use rights		3.3	3.3
Investment properties		13,261.4	11,786.0
Other properties, plant and equipment		154.4	148.8
Interests in associates		524.2	423.7
Loans to associates		101.2	343.1
Available-for-sale financial assets		487.6	475.6
Deposits, loans and receivables		482.9	246.0
Held-to-maturity investments		61.6	37.9
Deferred tax assets		6.8	16.2
Derivative financial instruments		10.0	16.0
		15,093.4	13,496.6
Current assets			
Inventories		143.5	84.8
Properties for sale		4,596.1	3,980.4
Trade and other receivables, deposits and prepayments	8	466.2	205.1
Derivative financial instruments		0.1	0.1
Sales proceeds held in stakeholders' accounts		61.9	199.3
Amounts due from associates		1.2	1.4
Tax recoverable		1.3	0.8
Bank balances and cash		932.3	897.6
		6,202.6	5,369.5
Current liabilities			
Trade and other payables and accruals	9	863.1	897.9
Derivative financial instruments		43.4	42.9
Amounts due to associates		0.3	0.4
Tax payable		85.6	55.3
Bank loans due within one year		1,378.2	1,165.5
		2,370.6	2,162.0
Net current assets		3,832.0	3,207.5
Total assets less current liabilities		18,925.4	16,704.1

CONDENSED CONSOLIDATED BALANCE SHEET (cont'd)

As at 30 June 2011

	Unaudited 30 June 2011 HK$'M	Audited 31 December 2010 HK$'M
Non-current liabilities		
Bank loans due after one year	3,905.8	3,010.3
Other long-term loans	35.5	35.5
Other long-term liability	193.9	193.1
Derivative financial instruments	71.5	71.6
Deferred tax liabilities	133.1	122.2
	4,339.8	3,432.7
NET ASSETS	14,585.6	13,271.4
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	663.2	661.5
Reserves	11,598.2	10,266.6
	12,261.4	10,928.1
Non-controlling interests	2,324.2	2,343.3
TOTAL EQUITY	14,585.6	13,271.4

NOTES:

1. Basis of preparation

This Interim Financial Information for the six months ended 30 June 2011 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2010.

The Interim Financial Information for the six months ended 30 June 2011 is unaudited, but reviewed by PricewaterhouseCoopers, the Company's independent auditor in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. The Interim Financial Information has also been reviewed by the Company's Audit Committee.

2. Significant accounting policies

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and described in the Company's annual financial statements for the year ended 31 December 2010, except for the adoption of revised standards, amendments and improvements to standards and interpretations of Hong Kong Financial Reporting Standards ("HKFRS") as of 1 January 2011, noted below.

(i) Revised standards, amendments and improvements to standards and interpretations of HKFRS effective for the current accounting period beginning on 1 January 2011 and relevant to the Group

HKAS 1 (Amendment)	Presentation of financial statements
HKAS 24 (Revised)	Related party disclosures
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 34 (Amendment)	Interim financial reporting
HKFRS 3 (Amendment)	Business combinations
HKFRS 7 (Amendment)	Financial instruments: disclosures
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instrument

Amendment to HKAS 34 "Interim financial reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The adoption of this amendment does not result in additional disclosures to this Interim Financial Information.

The adoption of other revised standards, amendments and improvements to standards and interpretations of HKFRS stated above did not have any significant impact to the Group's Interim Financial Information in current and prior periods.

(ii) Revised standard early adopted by the Group in 2010 and restatement of comparatives

HKAS 12 (Amendment) "Deferred tax: Recovery of underlying assets" is effective from 1 January 2012. As discussed in the 2010 annual report, the Group early adopted HKAS 12 (Amendment) and amended its accounting policy for measurement of deferred tax for the year ended 31 December 2010. The adoption of this revised standard had the following impact on the Interim Financial Information for the six months ended 30 June 2010.

2. Significant accounting policies (cont'd)

(ii) Revised standard early adopted by the Group in 2010 and restatement of comparatives (cont'd)

(a) On the condensed consolidated income statement for the six months ended 30 June 2010

	HK$'M
Increase in gain on disposal of other properties, plant and equipment	1.7
Decrease in taxation charge	19.1
Increase in profit for the period	20.8
Attributable to:	
Increase in equity holders of the Company	15.0
Increase in non-controlling interests	5.8
	20.8
Increase in basic earnings per share	HK$0.01
Increase in diluted earnings per share	HK$0.01

(b) On the condensed consolidated statement of comprehensive income for the six months ended 30 June 2010

	HK$'M
Increase in profit for the period	20.8
Other comprehensive income	
Increase in release of other property revaluation reserve upon disposal of other properties, plant and equipment	(1.7)
Decrease in other comprehensive income for the period, net of tax	(1.7)
Increase in total comprehensive income for the period	19.1
Attributable to:	
Increase in equity holders of the Company	13.3
Increase in non-controlling interests	5.8
	19.1

The Group has not early adopted the following new standards, revised standards and amendments that have been issued but are not yet effective for the period.

		Effective for accounting periods beginning on or after
HKAS 1 (Amendment)	Presentation of financial statements	1 July 2012
HKAS 19 (Amendment)	Employee benefits	1 January 2013
HKAS 27 (Revised 2011)	Separate financial statements	1 January 2013
HKAS 28 (Revised 2011)	Investments in associates and joint ventures	1 January 2013
HKFRS 7 (Amendment)	Disclosure – transfer of financial assets	1 July 2011
HKFRS 9	Financial instruments	1 January 2013
HKFRS 10	Consolidated financial statements	1 January 2013
HKFRS 11	Joint arrangements	1 January 2013
HKFRS 12	Disclosure of interest in other entities	1 January 2013
HKFRS 13	Fair value measurement	1 January 2013

2. Significant accounting policies (cont'd)

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

3. Revenue and segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

Segment information reported to the Group's management for the purposes of resources allocation and assessment of performance are analysed on the basis of the Group's operating divisions (i.e. property development, property investment and management, hospitality investment and management, garment manufacturing, branded products distribution, investing activities and corporate).

	Property development HK$'M	Property investment and management HK$'M	Hospitality investment and management HK$'M	Garment manufacturing HK$'M	Branded products distribution HK$'M	Investing activities HK$'M	Corporate HK$'M	Elimination HK$'M	Consolidated HK$'M
For the six months ended 30 June 2011									
REVENUE									
External sales	486.1	227.6	66.5	132.8	104.3	8.5	-	-	1,025.8
Inter-segment sales	-	7.4	-	-	-	-	-	(7.4)	-
Total	486.1	235.0	66.5	132.8	104.3	8.5	-	(7.4)	1,025.8
RESULTS									
Segment results before change in fair value of investment properties	196.4	141.5	34.3	(17.1)	(24.9)	12.9	(46.3)	-	296.8
Change in fair value of investment properties	-	1,442.6	46.7	1.9	-	-	-	-	1,491.2
Reportable segment results	196.4	1,584.1	81.0	(15.2)	(24.9)	12.9	(46.3)	-	1,788.0
Reconciliation:									
Fair value gain/(loss) on derivative financial instruments	-	1.2	-	-	-	(6.0)	-		(4.8)
Profit/(loss) from operations	196.4	1,585.3	81.0	(15.2)	(24.9)	6.9	(46.3)	-	1,783.2
Finance costs	-	(36.5)	(5.0)	-	-	(0.1)	(1.8)	-	(43.4)
Finance income	0.3	2.7	0.3	-	0.1	0.1	-	-	3.5
Share of results of associates	40.8	(0.8)	6.8	-	-	-	-	-	46.8
Profit/(loss) before taxation	237.5	1,550.7	83.1	(15.2)	(24.8)	6.9	(48.1)	-	1,790.1
Taxation									(55.6)
Profit for the period									1,734.5
Other items									
Depreciation and amortisation	0.6	1.9	-	2.2	4.8	-	1.4	-	10.9
Loss/(gain) on disposal of other properties, plant and equipment	0.7	-	-	-	-	-	(0.3)	-	0.4

3. Revenue and segment information (cont'd)

For the six months ended 30 June 2010	Property development HK$'M	Property investment and management HK$'M	Hospitality investment and management HK$'M	Garment manufacturing HK$'M	Branded products distribution HK$'M	Investing activities HK$'M	Corporate HK$'M	Elimination HK$'M	Consolidated HK$'M (As restated)
REVENUE									
External sales	881.6	173.2	53.3	137.9	101.0	9.6	-	-	1,356.6
Inter-segment sales	-	9.8	-	-	-	-	-	(9.8)	-
Total	881.6	183.0	53.3	137.9	101.0	9.6	-	(9.8)	1,356.6
RESULTS									
Segment results before change in fair value of investment properties, impairment loss on available-for-sale financial assets and gain on disposals of investment properties and other properties, plant and equipment	146.4	94.1	21.9	(16.0)	(17.6)	12.5	(40.5)	-	200.8
Change in fair value of investment properties	-	629.1	5.6	0.6	-	-	-	-	635.3
Impairment loss of available-for-sale financial assets	-	(13.8)	-	-	-	(4.3)	(0.1)	-	(18.2)
Gain on disposal of investment properties	-	137.8	-	-	-	-	-	-	137.8
Gain on disposal of other properties, plant and equipment	-	68.7	-	-	-	-	-	-	68.7
Reportable segment results	146.4	915.9	27.5	(15.4)	(17.6)	8.2	(40.6)	-	1,024.4
Reconciliation:									
Fair value loss on derivative financial instruments	-	(1.5)	-	-	-	-	-	-	(1.5)
Profit/(loss) from operations	146.4	914.4	27.5	(15.4)	(17.6)	8.2	(40.6)	-	1,022.9
Finance costs	(0.8)	(36.0)	(5.0)	-	(0.7)	-	(0.9)	0.7	(42.7)
Finance income	-	-	1.0	0.7	-	-	-	(0.7)	1.0
Share of results of associates	60.4	-	3.6	-	-	(7.7)	-	-	56.3
Profit/(loss) before taxation	206.0	878.4	27.1	(14.7)	(18.3)	0.5	(41.5)	-	1,037.5
Taxation									(11.7)
Profit for the period									1,025.8
Other items									
Depreciation and amortisation	3.8	2.4	0.1	2.4	3.6	-	1.2	-	13.5
Loss on disposal/write off of other properties, plant and equipment	8.2	-	-	-	0.1	-	-	-	8.3
Provision for trade receivables, net	-	-	-	0.2	-	-	-	-	0.2

3. Revenue and segment information (cont'd)

The following is an analysis of the Group's revenue by geographical areas in which the customer is located, irrespective of the origin of the goods/services:

	Revenue by geographical market Six months ended 30 June	
	2011	2010
	HK$'M	HK$'M
Hong Kong	785.2	1,098.2
North America	94.8	105.0
United Kingdom	95.1	95.3
Other	50.7	58.1
	1,025.8	1,356.6

4. Profit from operations

	Six months ended 30 June	
	2011	2010
	HK$'M	HK$'M
Profit from operations has been arrived at after charging/(crediting) the following:		
Amortisation of interest income on held-to-maturity investments	(4.5)	(3.7)
Amortisation of trademark	-	0.1
Depreciation of other properties, plant and equipment	10.9	13.4
Net fair value loss on derivative financial instruments	4.8	1.5
Share-based compensation expenses	5.3	4.4
Impairment loss on available-for-sale financial assets	0.5	18.2
Provision for diminution in value of inventories	-	2.8
Loss on disposal/write off of other properties, plant and equipment	0.4	8.3
Provision for trade receivables, net	-	0.2

5. Taxation

Hong Kong profits tax has been calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2011	2010
	HK$'M	HK$'M
		(As restated)
Current taxation		
– Hong Kong profits tax	35.1	31.3
– Taxation in other jurisdictions	0.8	0.1
	35.9	31.4
Deferred taxation		
– Change in fair value of investment properties	5.8	4.1
– Reversal upon disposals of investment properties and other properties, plant and equipment	-	(17.4)
– Other temporary differences	13.9	(6.4)
	19.7	(19.7)
	55.6	11.7

6. Earnings per share

The calculation of the basic and diluted earnings per share for profit attributable to equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2011	2010
	HK$'M	HK$'M
		(As restated)
Profit attributable to equity holders of the Company for the purpose of calculating basic and diluted earnings per share	1,363.5	809.3
Weighted average number of ordinary shares in issue	1,324,843,565	1,320,550,438
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	8,002,474	6,621,351
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,332,846,039	1,327,171,789

7. Dividends

	Six months ended 30 June	
	2011	2010
	HK$'M	HK$'M
2010 final dividend paid on 10 June 2011 of HK6.5 cents (2010: 2009 final dividend of HK4.0 cents) per ordinary share approved at annual general meeting held on 24 May 2011	86.2	52.9
Interim dividend of HK3.8 cents (2010: HK3.5 cents) per ordinary share	50.4	46.3
	136.6	99.2

8. Trade and other receivables, deposits and prepayments

	30 June 2011 HK$'M	31 December 2010 HK$'M
Trade receivables	355.4	64.0
Less: provision for impairment	(8.2)	(9.8)
Trade receivables (net of provision)	347.2	54.2
Other receivables, deposits and prepayments	101.9	132.3
Deferred rent receivables	17.1	18.6
	466.2	205.1

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with the industry practice. The following is an ageing analysis of the Group's trade receivables (net of provision) at the balance sheet date:

	30 June 2011 HK$'M	31 December 2010 HK$'M
Not yet due	327.6	6.3
1 – 30 days	12.0	25.4
31 – 90 days	2.7	19.2
Over 90 days	4.9	3.3
	347.2	54.2

9. Trade and other payables and accruals

	30 June 2011 HK$'M	31 December 2010 HK$'M
Trade payables	55.8	72.4
Other payables and accruals	597.7	615.9
Properties sale deposits received	209.6	209.6
	863.1	897.9

9. Trade and other payables and accruals (cont'd)

The following is an ageing analysis of the Group's trade payables at the balance sheet date:

	30 June 2011 HK$'M	31 December 2010 HK$'M
0 – 30 days	40.2	62.7
31 – 90 days	12.7	8.2
Over 90 days	2.9	1.5
	55.8	72.4

10. Acquisition of a subsidiary and non-controlling interests

On 30 June 2011, the Group through its listed subsidiary, Winsor Properties Holdings Limited, acquired the entire issued share capital of Dragon Eye Holding Limited ("Dragon Eye") at a cash consideration of HK$229.1 million. Dragon Eye holds directly 40% of the entire issued share capital of Fore Prosper Limited ("Fore Prosper") and the remaining 60% is held indirectly by the Group. The acquisition increases the Group's ownership in Fore Prosper to 91.7%.

	HK$'M
Shareholders' loan of Dragon Eye assumed by the Group	(27.5)
Fair value of additional interest of Fore Prosper acquired from a non-controlling shareholder	325.9
	298.4
Purchase consideration settled by cash	229.1
Gain on bargain purchase, gross	69.3
Share of non-controlling interests	(14.3)
Gain on bargain purchase attributable to equity holders of the Company recognised in equity, net of tax	55.0

The gain on bargain purchase was mainly attributable to the investment property owned by Fore Prosper.

INTERIM DIVIDEND AND RECORD DATE

The Directors declared the payment of an interim dividend of HK3.8 cents per share for the year ending 31 December 2011 (2010: HK3.5 cents). The interim dividend will be distributed on or around 3 October 2011 to the shareholders whose names appear on the register of members of the Company at the close of business on 19 September 2011 (the Record Date).

In order to qualify for the entitlement of the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on 19 September 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2011, the Group reported consolidated profit attributable to equity holders of HK$1,363.5 million, compared with HK$809.3 million in 2010. The 68% increase in profit was mainly due to higher fair value gain and growing rental income from the investment properties, which was partly offset by gain on disposals of certain investment properties in 2010. Revenue for the Group was HK$1,025.8 million, compared with HK$1,356.6 million in 2010.

Property

The Group’s property division, which includes property development, property investment and management, and hospitality investment and management, recorded a segment profit of HK$1,861.5 million in the first half of 2011, compared with HK$1,089.8 million in 2010.

Property Development

Forfar was successfully relaunched in the first half of 2011. 12 units were sold generating HK$486.1 million revenue. There are only two special units remain unsold.

Superstructure works at Seymour is in progress according to schedule and the development is expected to be completed in the second half of 2011. 85% of the units, in which the Group has a 30% interest, have been successfully pre-sold since November 2009, generating approximately HK$3.0 billion revenue which will be recognised by the Group upon the granting of the occupation permit expected in the second half of 2011.

Providence Bay, the Pak Shek Kok development at Tai Po Town Lot Nos. 186, 187 and 188, in which the Group has a 15% interest, has submitted the application for presale consent and the development is expected to be completed in phases in 2012.

The residential development at No. 3-11 Warren Street and No. 1-11 Jones Street in Tai Hang, Causeway Bay, has been officially named 9 Warren Street. Overlooking Victoria Park and Victoria Harbour, this luxury residence offers a unique lifestyle combining tranquility from the neighborhood and vibrancy from Causeway Bay. The development offers over 100 apartment units with a gross floor area of approximately 68,000 square feet. Foundation works has been commenced in the second quarter of 2011 and the project is scheduled for completion between 2013 and 2014.

Foundation works at No. 1-2 Coronation Terrace in Mid-Levels West has been commenced in second quarter of 2011. This site, located at Hong Kong's traditionally sought-after Mid-Levels address, will be developed into a luxury boutique tower with a gross floor area of approximately 40,000 square feet. This project is also scheduled for completion between 2013 and 2014.

In April 2011, the Group formed a joint venture with the Nan Fung Group and acquired a premier residential development site at Ko Shan Road, Hung Hom. The Group has a 50% interest in this site which has a developable area of approximately 160,000 square feet. Wing Tai Properties Development Limited, a wholly-owned subsidiary of the Group, is appointed as the project manager. The development is scheduled for completion in 2015.

The Group's subsidiary, Winsor Properties Holdings Limited ("Winsor Properties"), has a 30% interest in Belle Vue Residences, a luxury residential development in Singapore. 78% of the units have been sold, of which 8% were sold in the first half of 2011.

The 50/50 joint venture with the Nan Fung Group formed in December 2010 acquired a property in Lujiazui, Shanghai Pudong's financial and commercial district fronting the Bund. The property is under construction and is scheduled for completion in 2013.

Property Investment and Management

Winsor Properties is the Group's investment holding arm of Hong Kong commercial, industrial and retail properties. As at 30 June 2011, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 1.3 million square feet of industrial buildings in the urban areas of Kowloon, had an aggregate fair market valuation of HK$11,639.0 million.

Landmark East, the Group's Grade-A twin-tower office development, continued to maintain a stable committed leasing rate of 92% with spot rent continuing to increase as a result of the positive market sentiment and the reducing supply of quality commercial properties. Furthermore, over 50% of the leases at W Square, another office and retail building, were successfully renewed in the first half of 2011 with good rental reversion.

As at 30 June 2011, the Group's portfolio of industrial properties had an aggregate fair market valuation of HK$2,247.0 million. The average occupancy rate of these industrial properties was approximately 92% during the first half of 2011.

Hospitality Investment and Management

The Group's hospitality business under Lanson Place management recorded a solid growth in terms of both occupancy and rental rate in the first half of 2011 as compared to 2010. As at 30 June 2011, both Lanson Place Jinlin Tiandi Residences in Shanghai and Lanson Place Central Park Residences in Beijing achieved over 95% occupancy. The Lanson Place Hotel, the luxury boutique hotel in Hong Kong, continues to be well-recognised by travellers, winning various awards including the TripAdvisor "2011 Travellers' Choice Award", Asia Pacific Hotel Awards 2011 "Highly Commended Hotel" and the Travel & Leisure Magazine "2010 Best Design Hotel".

Apparel

The Group's apparel operation, which comprises garment manufacturing and branded products distribution, generated an aggregate revenue of HK$237.1 million in the first half of 2011, compared with HK$238.9 million in 2010. The segment loss for the period was HK$40.1 million, compared with HK$33.0 million loss in 2010.

The segment loss of manufacturing business for the period was mainly due to the seasonality of sweater business. The branded products distribution business continued to suffer an operating loss due to slow recovery of high-end retail market in the United Kingdom, where it operates.

Investing Activities

The Group's investing activities reported a segment profit of HK$12.9 million in the first half of 2011, compared with HK$8.2 million in 2010. The profit represents mainly dividend income from the Group's investments held through Winsor Properties.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK$14,585.6 million as at 30 June 2011 (31 December 2010: HK$13,271.4 million). The increase was mainly resulted from the profit for the period of HK$1,734.5 million, offset by the distribution of the 2010 final dividend of HK$86.2 million, dividend paid to non-controlling shareholders of HK$76.4 million and change in equity in relation to the acquisition of the non-controlling interest of Lanson Place Hotel of HK$256.6 million in the first half of 2011.

As at 30 June 2011, the Group's net borrowings (total bank loans and other long-term loans less bank balances and cash) was HK$4,387.2 million (31 December 2010: HK$3,313.7 million), representing 30% of the Group's net assets (31 December 2010: 25%). The increase in net borrowings and gearing ratio were mainly due to an increase in bank loans on property development projects in the first half of 2011. Interest for the Group's bank borrowings was mainly on a floating rate basis. Around 74% of the Group's bank borrowings was repayable in periods beyond one year. In addition to the term loan facilities, the Group has unutilised banking facilities in excess of HK$1,690.0 million as at 30 June 2011 (31 December 2010: HK$2,280.5 million).

Foreign Currencies

The Group principally operates in Hong Kong, and as a result, has minimal exposure to exchange rate fluctuation. The Group conducts its business mainly in Hong Kong Dollars, Renminbi, United States Dollars and UK pounds. For transactions in other foreign currencies, the Group will closely monitor the exposure, and if consider appropriate, hedge to the extent desirable.

Contingent Liabilities

At 30 June 2011, the Group did not have any contingent liabilities.

Pledge of Assets

At 30 June 2011, the Group's advances to associates/jointly controlled entities of HK$1,713.7 million (31 December 2010: HK$1,587.4 million) were subordinated to the loan facilities of associates/jointly controlled entities. The Group's advances to the associates/jointly controlled entities include amounts of HK$1,713.7 million (31 December 2010: HK$1,587.4 million) which are assigned, and the shares in these associates/jointly controlled entities beneficially owned by the Group are pledged to the financial institutions.

At 30 June 2011, certain of the Group's investment properties, other properties, plant and equipment, available-for-sale financial assets, properties for sale and deposits, loans and receivables with carrying values of HK$13,035.4 million, HK$76.3 million, HK$275.3 million, HK$3,704.7 million and HK$197.4 million respectively were pledged to secure credit facilities for the Group.

PROSPECTS

Due to the weakening US and European economies, the global economy will likely remain volatile, with the possibility of a marked slowdown for the rest of 2011. However, given Hong Kong's still solid economic fundamentals and as Hong Kong continues to benefit from China's support and steady-though-slower growth, we remain cautiously optimistic about the prospects for Hong Kong's property market in the second half of the year. The combination of rising inflationary expectations, a low interest rate environment, continued demand from mainland buyers, and the government's pledge to increase land supply will likely result in the healthy and sustained growth of the local property market, particularly at the luxury end of the spectrum.

We will closely monitor the market in the next six months in order to seize the right windows to launch the pre-sales of "9 Warren Street" in Tai Hang, Coronation Terrace in Mid-Levels West and Providence Bay in Tai Po, as well as to sell the remaining units of our other luxury residential projects. At the same time, we will actively explore opportunities for acquisition and redevelopment in order to replenish our land bank and to sustain our growth momentum.

The Group's investment property portfolio is expected to perform well given strong demand and higher rents for quality commercial space in Hong Kong. The Group expects to benefit from positive rental reversions when its tenants at W Square and other properties renew or sign new leases in the second half of the year. Our strong and diversified investment portfolio, which includes hospitality assets, will continue to contribute to the Group's recurring revenue and cash flow.

As for the China market, apart from the development of our luxurious river-view project in Lujiazui, Shanghai, the Group will also keep a close eye on suitable development projects in first tier cities.

With its strong brand reputation and outstanding management team, Lanson Place will continue to benefit from the strong demand for premium serviced residences and hospitality services in the region. We are confident that Lanson Place will secure further growth in operating performance and market presence.

All in all, despite the fundamental strength of Hong Kong's economy, we will remain vigilant against any near term global market volatility. We shall maintain our focus on developing projects in our pipeline in order to accelerate our growth while prudently exploring new opportunities that would generate stable returns for our shareholders.

EMPLOYEES

As at 30 June 2011, the Group had about 1,800 staff and workers. The Group offers comprehensive remuneration and benefit packages to its employees, which are structured according to the prevailing salary levels in the market, individual merit and performance. The Group has a mandatory provident fund scheme to provide retirement benefits for all of its employees in Hong Kong. In addition, there is a defined contribution top-up scheme for qualifying employees of certain Hong Kong subsidiaries of the Group. The Group also operates a funded defined benefit pension scheme for certain overseas employees engaged prior to May 2001.

Employees, including directors, are eligible under the Company's share option scheme and share incentive scheme in which the share options and incentive shares are generally exercisable in stages within a period of ten years.

CORPORATE GOVERNANCE

The Company has complied throughout the six months ended 30 June 2011 with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules except that the non-executive directors (including independent non-executive directors) were not appointed for specific terms but they are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Bye-laws of the Company and the internal policy adopted by the Company.

The Company's Bye-laws provide that any director appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for election at the meeting, and that one third or the number nearest one third of directors shall retire from office by rotation (save for Chairman or managing director) at each annual general meeting.

It is a policy of the Company that any director (including Chairman or managing director) who is not required by the Bye-laws of the Company to retire by rotation at the annual general meeting in the third year since his last election, will be reminded to retire from office voluntarily.

In light of the Company's Bye-laws and policy as aforesaid, all directors will retire at least once every three years.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the six months ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

PUBLICATION OF INTERIM REPORT

The 2011 interim report will be dispatched to shareholders of the Company and available on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.wingtaiproperties.com respectively by mid-September 2011.

By Order of the Board
WING TAI PROPERTIES LIMITED
Fung Ching Man, Janet
Company Secretary and Chief Financial Officer

Hong Kong, 30 August 2011

As at the date of this announcement, the directors of the Company are:

Executive Directors:
Cheng Wai Chee, Christopher, Cheng Wai Sun, Edward, Cheng Man Piu, Francis, Chow Wai Wai, John and Au Hing Lun, Dennis

Non-Executive Directors:
Kwok Ping Luen, Raymond, Yung Wing Chung (also an alternate to Kwok Ping Luen, Raymond), Hong Pak Cheung, William, Loh Soo Eng and Ng Tak Wai, Frederick

Independent Non-Executive Directors:
Simon Murray, Fang Hung, Kenneth and Yeung Kit Shing, Jackson