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 2011

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 2011 as follows:

Results Highlights
(In HK$ million, unless specified otherwise)

	Year ended **31 December 2011**	31 December 2010	**Change**
Revenue	**478**	404	+18%
Core profit attributable to shareholders [Note]	**420**	646	-35%
Profit attributable to shareholders	**2,465**	2,460	–
Earnings per share			
– Based on core profit attributable to shareholders (HK$)	**1.62**	2.49	-35%
– Based on profit attributable to shareholders (HK$)	**9.49**	9.47	–
Dividend per share			
– Excluding special dividend (HK$)	**0.66**	0.58	+14%
– Including special dividend (HK$)	**0.66**	1.58	-58%

	At 31 December 2011	At 31 December 2010	**Change**
Equity attributable to shareholders of the Company	**11,319**	9,443	+20%
Net assets value per share (HK$)	**43.59**	36.36	+20%

Note:

Core profit attributable to shareholders of the Company excludes change in fair value of investment properties, change in fair value of derivative financial instruments and gain on acquisition of an associated company.

Consolidated Income Statement
For the year ended 31 December 2011

	Note	Year ended 31/12/2011 HK$'000	31/12/2010 HK$'000
Revenue	3	**478,330**	403,708
Cost of sales		**(110,797)**	(92,334)
Gross profit		**367,533**	311,374
Other income	3	**46,198**	35,828
Leasing and marketing expenses		**(8,814)**	(19,161)
Administrative expenses		**(42,356)**	(39,246)
Increase in fair value of investment properties		**1,958,533**	1,799,809
Gains on disposals of investment properties		**1,312**	147,011
Other gains, net		**35,242**	25,167
Operating profit	4	**2,357,648**	2,260,782
Finance income		**5,718**	520
Finance costs		**(71,603)**	(73,295)
		2,291,763	2,188,007
Share of profits less losses of associated companies	5	**151,221**	300,288
Gain on bargain purchase	6	**69,387**	–
Profit before taxation		**2,512,371**	2,488,295
Taxation charge	7	**(39,977)**	(23,437)
Profit for the year		**2,472,394**	2,464,858
Attributable to:			
Shareholders of the Company		**2,465,238**	2,460,044
Non-controlling interests		**7,156**	4,814
		2,472,394	2,464,858
		HK$	HK$
Earnings per share	8	**9.49**	9.47
		HK$'000	HK$'000
Dividends	9	**171,392**	410,303

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2011

	Year ended	
	31/12/2011	31/12/2010
	HK$'000	HK$'000
Profit for the year	**2,472,394**	2,464,858
Other comprehensive (loss)/income		
Exchange translation differences	**(5,627)**	59,895
Exchange differences released upon repayment of loans from an associated company	**(44,122)**	–
Fair value (losses)/gains on available-for-sale financial assets	**(128,185)**	82,749
Cash flow hedges		
– Fair value losses	**(33,326)**	(63,789)
– Realised upon settlement	**44,105**	44,427
Share of hedging reserve of an associated company	**(3,174)**	–
Other comprehensive (loss)/income for the year, net of tax	**(170,329)**	123,282
Total comprehensive income for the year	**2,302,065**	2,588,140
Attributable to:		
Shareholders of the Company	**2,294,909**	2,583,326
Non-controlling interests	**7,156**	4,814
	2,302,065	2,588,140

Consolidated Balance Sheet

At 31 December 2011

	Note	**31/12/2011 HK$'000**	31/12/2010 HK$'000
Non-current assets			
Property, plant and equipment		**9,031**	11,249
Investment properties		**12,167,930**	10,227,930
Interests in associated companies		**696,144**	500,676
Amounts and loans receivable from associated companies		**39,369**	357,525
Available-for-sale financial assets		**319,402**	431,094
Held-to-maturity investments		**65,835**	37,877
Deferred tax assets		**4,020**	13,653
Derivative financial instruments		**179**	16,000
		13,301,910	11,596,004
Current assets			
Inventories		**362**	58
Trade and other receivables	10	**40,676**	55,668
Held-to-maturity investments		**29,252**	–
Tax recoverable		**435**	–
Bank balances and cash		**647,478**	595,167
		718,203	650,893
Current liabilities			
Trade and other payables and accruals	11	**215,567**	310,908
Short-term bank loans, secured		**561,682**	136,250
Derivative financial instruments		**42,130**	42,865
Tax payable		**26,334**	40,301
		845,713	530,324
Net current (liabilities)/assets		**(127,510)**	120,569
Total assets less current liabilities		**13,174,400**	11,716,573
Non-current liabilities			
Long-term bank loans, secured		**1,630,100**	1,920,600
Other long-term loans		**32,498**	32,498
Amounts and loans payable to associated companies		**23,552**	166,789
Derivative financial instruments		**62,942**	71,621
Deferred tax liabilities		**68,125**	51,331
		1,817,217	2,242,839
Net assets		**11,357,183**	9,473,734
Share capital		**2,596**	2,596
Reserves		**11,316,471**	9,440,287
Equity attributable to shareholders of the Company		**11,319,067**	9,442,883
Non-controlling interests		**38,116**	30,851
Total equity		**11,357,183**	9,473,734

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, AXA Tower, 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"), 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 ("HKFRSs"). They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets and derivative financial instruments.

The accounting policies are consistent with those described in the Group's audited financial statements for the year ended 31 December 2010, except for the changes set out below.

During the year, the Group has adopted the following revised standard, amendments and interpretations to existing standards which are effective for the current accounting period beginning on 1 January 2011.

HKFRSs (Amendments)	Third Improvements to HKFRSs 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 (Amendment)	Classification of Rights Issues
HK(IFRIC) - Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the revised standard, amendments and interpretations to existing standards has no significant impact on the Group's results and financial position in the current and prior years.

Notes (continued)

2. Basis of preparation and accounting policies (continued)

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

		Effective for accounting period beginning on or after
HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income	1 July 2012
HKAS 19 (Revised 2011)	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
HKAS 32 (Amendment)	Offsetting Financial Assets and Financial Liabilities	1 January 2014
HKFRS 1 (Amendment)	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 July 2011
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets	1 July 2011
HKFRS 7 (Amendment)	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
HKFRS 9	Financial Instruments	1 January 2015
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures	1 January 2015
HKFRS 10	Consolidated Financial Statements	1 January 2013
HKFRS 11	Joint Arrangements	1 January 2013
HKFRS 12	Disclosure of Interests in Other Entities	1 January 2013
HKFRS 13	Fair Value Measurement	1 January 2013

The Group is in the process of making an assessment on the impact of these new and revised standards and amendments 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	
	31/12/2011	31/12/2010
	HK$'000	HK$'000
Revenue		
Rental and property management	**462,558**	390,465
Warehousing	**15,772**	13,243
	478,330	403,708
Other income		
Dividend income from available-for-sale financial assets	**36,010**	23,776
Interest income on loans to associated companies	**3,177**	9,387
Others	**7,011**	2,665
	46,198	35,828
	524,528	439,536

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 represents the profit earned by each segment and excludes fair value losses/gains on derivative financial instruments, exchange differences released upon repayment of loans from an associated company, unallocated income less expenses, finance income, finance costs, share of profits less losses of associated companies, gain on bargain purchase 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 2011					
Revenue	**462,558**	**15,772**	**–**	**–**	**478,330**
Segment results before change in fair value and gains on disposals of investment properties	**354,767**	**2,544**	**45,655**	**–**	**402,966**
Increase in fair value of investment properties	**1,958,533**	**–**	**–**	**–**	**1,958,533**
Gains on disposals of investment properties	**1,312**	**–**	**–**	**–**	**1,312**
Segment results	**2,314,612**	**2,544**	**45,655**	**–**	**2,362,811**
Fair value losses on derivative financial instruments	**(1,365)**	**–**	**(15,821)**	**–**	**(17,186)**
Exchange differences released upon repayment of loans from an associated company	**–**	**–**	**–**	**44,122**	**44,122**
Unallocated income less expenses					**(32,099)**
Operating profit					**2,357,648**
Finance income	**5,718**	**–**	**–**	**–**	**5,718**
Finance costs	**(71,329)**	**–**	**(274)**	**–**	**(71,603)**
					2,291,763
Share of profits less losses of associated companies	**230**	**(3,199)**	**–**	**154,190**	**151,221**
Gain on bargain purchase	**–**	**–**	**–**	**69,387**	**69,387**
Profit before taxation					**2,512,371**
Taxation charge					**(39,977)**
Profit for the year					**2,472,394**
Capital expenditure	**7,810**	**14**	**–**	**–**	**7,824**
Depreciation	**1,962**	**670**	**–**	**–**	**2,632**

Notes (continued)

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

Operating segments (continued)

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					2,260,782
Finance income	519	–	1	–	520
Finance costs	(73,285)	–	(10)	–	(73,295)
					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

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 2011					
Segment assets	**12,847,600**	**13,902**	**419,078**	**–**	**13,280,580**
Interests in associated companies	**14,867**	**181**	**–**	**681,096**	**696,144**
Amounts and loans receivable from associated companies	**11,557**	**22,355**	**–**	**5,457**	**39,369**
Other assets					**4,020**
Total assets					**14,020,113**
Segment liabilities	**244,219**	**3,286**	**22,084**	**–**	**269,589**
Amounts and loans payable to associated companies	**–**	**–**	**–**	**23,552**	**23,552**
Other liabilities					**2,369,789**
Total liabilities					**2,662,930**
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

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			
	31/12/2011	31/12/2010	**31/12/2011**	31/12/2010	**31/12/2011**	31/12/2010
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Hong Kong	**478,330**	403,708	**2,327,412**	2,234,140	**13,328,989**	11,215,158
Singapore	**–**	–	**35,399**	31,546	**646,886**	984,511
Mainland China	**–**	–	**–**	–	**44,238**	47,228
	478,330	403,708	**2,362,811**	2,265,686	**14,020,113**	12,246,897
Fair value (losses)/gains on derivative financial instruments			**(17,186)**	16,959		
Exchange differences released upon repayment of loans from an associated company			**44,122**	–		
Unallocated income less expenses			**(32,099)**	(21,863)		
Operating profit			**2,357,648**	2,260,782		
Finance income			**5,718**	520		
Finance costs			**(71,603)**	(73,295)		
			2,291,763	2,188,007		

4. Operating profit

Operating profit has been arrived at after (charging)/crediting the following:

	Year ended	
	31/12/2011	31/12/2010
	HK$'000	HK$'000
Amortised income from held-to-maturity investments	**9,028**	7,380
Auditor's remuneration	**(1,768)**	(1,489)
Depreciation of property, plant and equipment	**(2,632)**	(2,267)
Direct operating expenses arising from investment properties generating rental income	**(100,633)**	(82,656)
Direct operating expenses for generating warehousing income	**(5,789)**	(5,619)
Exchange differences released upon repayment of loans from an associated company	**44,122**	–
Other exchange (loss)/gain, net	**(1,350)**	929
Fair value (losses)/gains on derivative financial instruments	**(17,186)**	16,959
Gains/(losses) on disposals of property, plant and equipment	**11**	(101)
Operating lease rentals in respect of land and buildings	**(3,571)**	(3,698)
Staff costs included in leasing, marketing and administrative expenses (including Directors' emoluments)	**(32,999)**	(28,691)

Notes (continued)

5. Share of profits less losses of associated companies

Included the Group's share of increase in fair value of an investment property held by an associated company of HK$38,890,000 (2010: Nil).

6. Gain on bargain purchase

On 30 June 2011, the Group completed the acquisition of the entire issued share capital of Dragon Eye Holding Ltd. ("Dragon Eye") at a consideration of HK$229,097,000. Dragon Eye holds 40% equity interest in Fore Prosper Limited ("Fore Prosper"), which is the owner of a boutique hotel property situated in Hong Kong. Details of the net assets of Dragon Eye acquired by the Group and the gain on bargain purchase were as follows:

	HK$'000
Purchase consideration in cash	**229,097**
Less: Fair value of net assets acquired	**298,484**
Gain on bargain purchase	**69,387**

7. Taxation charge

	Year ended	
	31/12/2011	31/12/2010
	HK$'000	HK$'000
Current taxation		
Hong Kong profits tax	**(15,699)**	(24,492)
Overseas taxation	**(120)**	(312)
Over/(under) provision in prior years	**2,269**	(4,167)
	(13,550)	(28,971)
Deferred taxation		
Temporary differences	**(26,427)**	5,534
	(39,977)	(23,437)

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) on the estimated assessable profits for the year. Overseas taxation has been provided on the estimated assessable profits for the year at rates prevailing in the countries in which the subsidiaries operate.

Notes (continued)

8. Earnings per share

The calculation of earnings per share is based on profit attributable to shareholders of the Company for the year of HK$2,465,238,000 (2010: HK$2,460,044,000) and 259,685,288 shares (2010: 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 (2010: Nil).

9. Dividends

	Year ended	
	31/12/2011	31/12/2010
	HK$'000	HK$'000
Interim dividend, paid, of HK$0.19 (2010: HK$0.16) per share	**49,340**	41,550
Special dividend, of nil (2010: HK$1.00) per share	–	259,685
Final dividend, proposed, of HK$0.47 (2010: HK$0.42) per share	**122,052**	109,068
	171,392	410,303

At a meeting held on 28 March 2012, the Directors recommended a final dividend of HK$0.47 per share. This proposed dividend is not reflected as a dividend payable in the Group's financial statements until it has been approved by the shareholders of the Company and will be reflected as an appropriation of reserves in the year 2012.

10. Trade and other receivables

	31/12/2011	31/12/2010
	HK$'000	HK$'000
Trade receivables	**6,975**	8,688
Amortised rent receivables	**15,568**	18,627
Other receivables	**4,351**	13,877
Deposits	**9,100**	9,162
Prepayments	**4,682**	5,314
	40,676	55,668

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:

	31/12/2011	31/12/2010
	HK$'000	HK$'000
Current to 30 days	**1,650**	2,480
31 to 90 days	**5,033**	5,416
Over 90 days	**292**	792
	6,975	8,688

Notes (continued)

10. Trade and other receivables (continued)

The trade receivables of HK$6,975,000 (2010: HK$8,688,000) were past due but not impaired. These relate to a number of independent customers having good track records and there is no recent history of default, and the majority of the debts are covered by the rental deposits received as set out in note 11.

11. Trade and other payables and accruals

	31/12/2011 HK$'000	31/12/2010 HK$'000
Trade payables	**8,570**	7,957
Other payables	**71,392**	169,433
Deposits received	**123,380**	109,123
Accruals	**12,225**	24,395
	215,567	310,908

The ageing analysis of trade payables is as follows:

	31/12/2011 HK$'000	31/12/2010 HK$'000
Current to 30 days	**6,181**	4,016
31 to 90 days	**1,070**	3,620
Over 90 days	**1,319**	321
	8,570	7,957

12. Scope of work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2011 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 2011. 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 2011 was HK$478 million (2010: HK$404 million). The increase was mainly due to increase in average occupancy of Landmark East to approximately 91% during the year.

The Group's profit attributable to shareholders for the year ended 31 December 2011 was HK$2,465 million (2010: HK$2,460 million). Excluding change in fair value of investment properties, change in fair value of derivative financial instruments and gain on acquisition of an associated company, the Group's core profit was HK$420 million (2010: HK$646 million). The decrease was mainly due to decrease in gain on disposals of investment properties and decrease in share of profit in property development associates. Unimix Industrial Centre and Lucky Industrial Building were disposed of in the prior year at a capital gain of HK$146 million. The development of Forfar and Belle Vue Residences, in which the Group has a respective interest of 20% and 30%, were completed with the issue of occupation permit in the prior year. The Group's share of profit in the two associates dropped from HK$301 million to HK$106 million, as a majority of the units in the projects had been sold in the prior year.

Rental and property management

The Group's investment properties, comprising 1.5 million square feet of Grade A office buildings and 1.3 million square feet of industrial buildings in Hong Kong, were fair valued at HK$12,168 million as at 31 December 2011 (31 December 2010: HK$10,228 million). The appreciation in capital value of the Group's properties held as at 31 December 2011 has resulted in a fair value gain of HK$1,959 million for the year (2010: HK$1,800 million).

The Group's rental and property management businesses recorded revenue of HK$463 million (2010: HK$390 million). Excluding change in fair value of investment properties and gains on disposals of investment properties, the segment profit was HK$355 million (2010: HK$287 million).

Our office spaces in Hong Kong achieved satisfactory occupancy during the year. Landmark East and W Square attained an average occupancy of 91% and 87%, respectively. These two properties in aggregate contributed revenue of HK$327 million for the year (2010: HK$218 million).

Revenue from the Group's industrial properties was HK$131 million for the year (2010: HK$124 million, excluding revenue of HK$44 million from the properties being disposed of in the prior year). Average occupancy of the Group's industrial properties, being Regent Centre, Winner Godown Building and Shui Hing Centre, was approximately 93% during the year.

The increase in segment profit to HK$355 million was in tandem with the growth in revenue, which was mainly attributable to the lease-up of Landmark East towards its full occupancy.

Warehousing

The Group operates warehousing businesses in Hong Kong. The businesses delivered a better performance this year, with revenue and segment profit up to HK$16 million (2010: HK$13 million) and HK$2.5 million (2010: HK$0.3 million) respectively.

The Group's cold storage business in Mainland China is operated through China Merchants International Cold Chain (Shenzhen) Company Limited ("CMCC") in which the Group has a 30% interest. CMCC reported a net loss of RMB9 million (2010: RMB3.7 million) for the year. The loss was mainly due to the poor performance of the cold storage godown business in the Qianhaiwan Bonded Port Zone since operation in November 2010.

Investment

The Group's investment activities recorded a segment profit of HK$46 million (2010: HK$31 million). Profit from this segment comprised mainly dividend income from available-for-sale financial assets and income from held-to-maturity investments.

The Group's available-for-sale financial assets were fair valued at HK$319 million as at 31 December 2011 (31 December 2010: HK$431 million). The decrease was mainly attributable to the decrease in market value of the financial assets at year end, which resulted in an unrealised loss of HK$128 million (2010: unrealised gain of HK$83 million) being taken up in "Investment Revaluation Reserve" in equity during the year.

The Group's held-to-maturity investments were stated at amortised cost of HK$95 million as at 31 December 2011 (31 December 2010: HK$38 million), which increase was mainly attributable to purchase of treasury products for investment purpose.

Finance income and finance costs

Net finance costs amounted to HK$66 million in the year (2010: HK$73 million). The decrease was mainly due to finance income of HK$6 million (2010: HK$0.5 million) from deposits placed with banks during the year. The Group has surplus cash on hand following completion of the disposals of the two industrial properties in the fourth quarter of 2010.

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 2011 (31 December 2010: HK$1,000 million). The IRS Contracts were fair valued at a loss of HK$105 million as at 31 December 2011 (31 December 2010: HK$114 million). A loss of HK$44 million (2010: HK$44 million), arising from cash settlement of the IRS Contracts, was transferred from "Hedging Reserve" to the income statement as finance costs during the year. An unrealised loss of HK$35 million (2010: HK$63 million) arose from fair valuation of the IRS Contracts at year end. Of which, an amount of HK$33 million (2010: HK$64 million) relating to the hedged portion was taken up in "Hedging Reserve" in equity.

Share of profits less losses of associated companies

On 8 May 2011, the Company announced the acquisition of the entire issued share capital of Dragon Eye Holding Ltd. ("Dragon Eye") from an independent third party at a consideration of HK$229 million. Dragon Eye holds 40% equity interest in Fore Prosper Limited ("Fore Prosper") and the remaining 60% in Fore Prosper is held by Wing Tai Properties Limited ("Wing Tai Properties"). Fore Prosper owns the property at 133 Leighton Road, Causeway Bay, Hong Kong at which Lanson Place Hotel is situated. Completion of the acquisition took place on 30 June 2011 and, since then, Fore Prosper has become a 40% associated company of the Group. A gain of HK$69 million (the "Gain") arose from the acquisition, as the net assets of Fore Prosper were acquired at a discount to their fair value. Lanson Place Hotel maintained a high occupancy during the year. It is expected that this investment will generate steady profit to the Group.

Excluding the Gain and change in fair value of the property held by Fore Prosper, the Group's share of net profit in associated companies amounted to HK$112 million in the year (2010: HK$300 million). Profit in the associated companies came mainly from sale of units at Forfar and Belle Vue Residences. A majority of the units at Forfar and Belle Vue Residences were pre-sold, with the profit being taken up upon issuance of occupation permit in the prior year.

Taxation

Taxation charge for the year of HK$40 million (2010: HK$23 million) comprised mainly provision for Hong Kong profits tax of HK$14 million (2010: HK$29 million) and deferred taxation charge of HK$26 million arising from accelerated depreciation and utilisation of previously recognised tax losses (2010: deferred taxation credit of HK$6 million arising from 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. 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. Approximately 95% of the units were sold as at 31 December 2011 (31 December 2010: 65%).

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. Approximately 82% of the units were sold as at 31 December 2011 (31 December 2010: 70%).

Repayment of shareholder loans from Belle Vue Residences has resulted in a gain of HK$44 million (2010: Nil) being transferred from "Exchange Fluctuation Account" in equity to the income statement as exchange gain during the year.

EMPLOYEES

The Group employed 259 employees as at 31 December 2011 (31 December 2010: 241 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 31 December 2011 was HK$11,319 million (31 December 2010: HK$9,443 million). The increase was mainly due to the profit attributable to shareholders for the year of HK$2,465 million, offset partly by dividend distributions of HK$418 million. The Group's total equity, including non-controlling interests, was HK$11,357 million as at 31 December 2011 (31 December 2010: HK$9,474 million).

The Group's total bank borrowings as at 31 December 2011 were HK$2,192 million (31 December 2010: HK$2,057 million). After deducting the bank balances and cash of HK$647 million (31 December 2010: HK$595 million), the Group's net borrowings as at 31 December 2011 were HK$1,545 million (31 December 2010: HK$1,462 million).

The gearing ratio of the Group was 14% as at 31 December 2011 (31 December 2010: 15%), calculated based on the net borrowings of HK$1,545 million and total equity of HK$11,357 million.

Liquidity and debt maturity profile

The maturity profile of the Group's bank borrowings as at 31 December 2011 and 2010 is set out as below.

	At 31 December 2011		At 31 December 2010	
	HK$ million	**%**	HK$ million	%
Within one year	**562**	**26**	136	7
In the second year	**992**	**45**	283	14
In the third to fifth years inclusive	**638**	**29**	1,638	79
	2,192	**100**	2,057	100

Treasury policies

The Group principally operates in Hong Kong and, as a result, has minimal exposure to exchange rate fluctuation. The Group's investments in associated companies and financial assets are principally denominated in Singapore Dollars. No forward exchange contracts have been entered to hedge for these foreign currency assets, which exposure will continue to be monitored by the Group and, if considered appropriate, hedged to the extent desirable. The Group's bank borrowings are principally denominated in Hong Kong dollars and match with the underlying securities.

The Group manages its interest rate exposure closely. In previous years, the Group entered into the IRS Contracts to hedge its floating interest rate exposure. The purpose of the IRS Contracts was to maintain a balanced portfolio of fixed and floating rate debts so that the Group could guard against any unexpected interest rate hikes. The Group had outstanding IRS Contracts in the notional amount totaling HK$1,000 million as at 31 December 2011. Against total bank borrowings of HK$2,192 million which were all on a floating rate basis, the IRS Contracts converted 46% 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 2011 (31 December 2010: Nil).

Contingent liabilities and financial guarantees

The Group had contingent liabilities of HK$228 million as at 31 December 2011 (31 December 2010: Nil) in respect of a guarantee given by the Company for banking facilities granted to an associated company. The guarantee was given severally and in proportion to the Group's equity interest in the associated company.

Other than the above, the Group had no significant contingent liabilities as at 31 December 2011 (31 December 2010: Nil).

Pledge of assets

Certain of the Group's assets with a carrying value of HK$12,258 million as at 31 December 2011 (31 December 2010: HK$10,354 million) were pledged to secure banking facilities of the Group.

OUTLOOK

Despite the uncertain global economic outlook, the overall outlook for the local economy is expected to remain positive with the support of its strong fundamentals such as strong inbound tourism and the low unemployment rate. The trend of office decentralisation will continue as tenants seek to relocate their offices to non-core business areas to achieve cost savings.

Approximately 30% of the floor area of the Group's rental properties under lease will expire this year. In view of the progress of the new and renewed leases to date, the Group's rental properties are expected to maintain high levels of occupancy in 2012. Landmark East, our Grade-A premium office in Kowloon East, will continue to benefit from the transformation of the area into a new core business district.

With regard to property development, sales of the remaining units of our two luxury residential projects, Forfar in Hong Kong and Belle Vue Residences in Singapore, will contribute further to the Group's income and cash flows in 2012.

The Group will continue to manage and expand its portfolio by capturing investment opportunities as they arise, to achieve the objective of delivering sustainable returns to shareholders.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.47 per share (2010: HK$0.42 per share) to the shareholders whose names appear on the Register of Members of the Company on 25 May 2012. Together with the interim dividend of HK$0.19 per share (2010: HK$0.16 per share) paid on 29 September 2011, the recurring dividend payout for the year will be HK$0.66 per share (2010: HK$0.58 per share). Subject to the passing of the relevant resolution at the annual general meeting of the Company to be held on 18 May 2012 (the "2012 AGM"), the final dividend will be payable to the shareholders on or about 5 June 2012.

At the board meeting approving the results of the Group for the year ended 31 December 2010, the Directors declared a special dividend of HK$1 per share to the shareholders in view of the exceptional profit of the Group. The dividend was paid on 28 April 2011.

CLOSURE OF REGISTER OF MEMBERS AND THE TRANSFER BOOKS

The Register of Members and the Transfer Books of the Company will be closed during the following periods:

(i) For ascertaining the shareholders' entitlement to attend and vote at the 2012 AGM

The Register of Members and the Transfer Books of the Company will be closed from Thursday, 17 May 2012 to Friday, 18 May 2012, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to attend and vote at the 2012 AGM. In order to be eligible to attend and vote at the 2012 AGM, 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") at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 16 May 2012.

(ii) For ascertaining the shareholders' entitlement to the proposed final dividend

The Register of Members and the Transfer Books of the Company will be closed from Thursday, 24 May 2012 to Friday, 25 May 2012, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with Computershare at the abovementioned address not later than 4:30 p.m. on Wednesday, 23 May 2012.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance in the conduct of its business. 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 (the "CG Code") as set out in Appendix 14 to the Listing Rules on the Stock Exchange throughout the year ended 31 December 2011.

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 as set out in Appendix 10 to the Listing Rules (the "Model Code") as its own code of conduct regarding Directors' securities transactions. The Company has made specific enquiry of all Directors and received confirmation from all Directors that they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2011. 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 CG Code) 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 2011, 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 2011.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Company at www.winsorprop.com and the website of the Stock Exchange at www.hkexnews.hk. The annual report of the Company will be despatched to shareholders and will be published on the aforesaid websites in due course.

BOARD OF DIRECTORS

As at the date of this Announcement, the Directors of the Company are :-

Executive Directors

Mr. Chow Wai Wai, John, Mrs. Chen Chou Mei Mei, Vivien and Mr. Au Hing Lun, Dennis

Non-Executive Directors

Mr. Cheng Wai Chee, Christopher* and Mr. Cheng Wai Sun, Edward*

Independent Non-Executive Directors

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, 28 March 2012