Wing Tai Properties Limited
永泰地產有限公司

（Incorporated in Bermuda with limited liability）

（**Stock Code: 369**）

ANNOUNCEMENT OF 2012 ANNUAL RESULTS, FINAL DIVIDEND, CLOSURE OF REGISTER AND RECORD DATE

CHAIRMAN'S STATEMENT

Dear Shareholders,

2012 was an exciting and fruitful year for the Group as we continued our path of expansion. We made great strides in optimising our corporate structure and consolidating our business platform with a balanced and diversified property portfolio. Our strategic initiatives have successfully strengthened our financial capability, giving us flexibility to weather uncertainties and drive sustainable growth as a premium property group. These results were the culmination of the disciplined execution of the Group's strategies and expansion plans over the past few years.

The Group's revenue in 2012 was HK$3.0 billion, up 18%, and our net profit increased by 114% to HK$4.7 billion. The Board of Directors proposed to declare a final dividend of HK9.3 cents per share, together with an interim dividend of HK4.2 cents per share, making a total dividend of HK13.5 cents per share, a 17% increase from 2011.

We continued our transformation with the disposal of our non-core apparel branded business, Gieves & Hawkes. The transaction provided an attractive return to our shareholders and generated immediate cash inflow and potential long-term monetary entitlements for the Group. By employing an efficient and integrated restructuring scheme, we acquired approximately 90% of Winsor Properties' assets at a discount and with minimal acquisition funding. We completed the restructuring by disposing the listed holding company at a premium. As a result, we realised a total immediate accretion of HK$919.0 million to shareholders' equity as well as eliminated the holding company discount, while shareholders of Winsor Properties also monetized their investment at an attractive premium. With a simple and clear corporate structure now, and the quality investment properties directly under our control generating stable and growing recurring earnings, the Group has stronger financial capacity and flexibility to support its growth.

The Group proactively diversified its funding source to tap the regional capital market by setting up the US$1 billion Unsecured Medium Term Note Programme ("MTN Programme") in November 2012. A S$170 million tranche of 10-year unrated fixed rate debut bonds was immediately launched in the public market, receiving a positive response. A follow-on HK$480 million tranche of unrated 10-year fixed rate bonds was placed in the private market. Given such strong endorsement of our credibility for long-term bonds among debt investors, the MTN Programme will continue to serve as one of our financing platforms, allowing us to access a broader investor base as well as lengthen and stagger our financing maturity profile.

As of 31 December 2012, we had a land bank of approximately 2.95 million square feet, of which 19% was in residential developments and 81% in investment properties and hospitality. The Group has a stable and visible pipeline of luxury residential development projects targeted for completion in the coming years. Projects launched for sales continued to achieve good results. 97% of the units of The Pierre at the Mid-Levels were pre-sold within a short 2-week timeframe. The remaining units of Seymour and The Warren attracted good market response. The three developments in Tai Po made good progress. Over 53% and 80% of units have been sold to date at Providence Bay and Providence Peak respectively. The third development, The Graces, has obtained the pre-sale permit.

We continue to replenish our land bank through land acquisitions through a cautious yet proactive approach. Our successful bid for two residential sites at the prestigious Kau To area in Shatin through a 35% joint venture has strengthened our high-end residential development portfolio. With an aggregate GFA of 460,000 square feet, the sites will be earmarked for low-density luxury apartments and houses scheduled for completion in 2016.

Our portfolio of investment properties covering the Grade-A office, industrial and hospitality segments continued to generate healthy and diversified recurring income which accounted for over 22% of our total revenue. During the year, our investment properties recorded a fair value gain of HK$3.7 billion. Our office and industrial properties recorded high leasing rates with positive rental reversions, while maintaining almost full occupancy. At our flagship property Landmark East, we achieved close to full occupancy with spot rent continuing to increase. Approximately 16% of leases were renewed with an average rental reversion of approximately 70%.

For all the success we have had in the past year, we have proven that our long-term strategies are effective in enhancing our competitive position. We are well on track with our development roadmap, and the future holds great potential for us as an integrated property group – one known for developing and investing in premium residential, commercial and hospitality properties in Hong Kong, as well as other prime locations in gateway cities. With a balanced asset portfolio and a robust capital structure backed by diversified funding sources, we are confident that we will continue to enhance and unlock more value for our shareholders.

I would like to take this opportunity to thank our shareholders, employees and business partners for their continued support.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 22 March 2013

FINANCIAL RESULTS

The Board of Directors (the "Directors") of Wing Tai Properties Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (the "Group"), and its jointly controlled entities for the year ended 31 December 2012, together with comparative figures for the previous year, as follows:-

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December 2012 HK$'M	2011 HK$'M (re-presented)
Continuing operations			
Revenue	4	2,961.5	2,513.5
Cost of sales		(1,704.4)	(1,358.1)
Gross profit		1,257.1	1,155.4
Other gains, net		130.9	53.3
Selling and distribution costs		(151.2)	(109.3)
Administrative expenses		(291.5)	(265.7)
Change in fair value of investment properties		3,653.4	2,107.8
Gain on disposal of subsidiaries	12(b)	237.4	-
Profit from operations	5	4,836.1	2,941.5
Finance costs		(99.0)	(92.1)
Finance income		8.4	7.1
Share of results of associates		62.2	57.6
Profit before taxation from continuing operations		4,807.7	2,914.1
Taxation	6	(273.6)	(134.1)
Profit for the year from continuing operations		4,534.1	2,780.0
Discontinued operations			
Loss for the year from discontinued operations		(22.3)	(44.1)
Gain on disposal of subsidiaries		275.6	-
	12(a)	253.3	(44.1)
Profit for the year		4,787.4	2,735.9
Attributable to:			
Equity holders of the Company			
- From continuing operations		4,477.0	2,257.0
- From discontinued operations		253.3	(44.1)
		4,730.3	2,212.9
Non-controlling interests			
- From continuing operations		57.1	523.0
		4,787.4	2,735.9

CONSOLIDATED INCOME STATEMENT (Continued)

	Note	Year ended 31 December 2012 HK$'M	2011 HK$'M (re-presented)
Earnings/(loss) per share for profit attributable to equity holders of the Company (expressed in HK dollar per share)	7		
Basic earnings/(loss) per share			
- From continuing operations		HK$3.36	HK$1.70
- From discontinued operations		HK$0.19	(HK$0.03)
		HK$3.55	HK$1.67
Diluted earnings/(loss) per share			
- From continuing operations		HK$3.35	HK$1.69
- From discontinued operations		HK$0.19	(HK$0.03)
		HK$3.54	HK$1.66
Dividends (expressed in HK$'M)	8	180.2	153.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2012 HK$'M	2011 HK$'M
Profit for the year		4,787.4	2,735.9
Other comprehensive income			
Exchange differences on translation of foreign operations		25.5	4.2
Exchange differences realised upon disposal of subsidiaries	12(a)	(3.8)	-
Exchange differences released upon repayment of loans from an associate		-	(44.1)
Net fair value gain/(loss) arising from revaluation of available-for-sale financial assets		242.4	(128.1)
Investment revaluation reserve realised upon return of investment of an available-for-sale financial asset		(22.0)	-
Impairment on available-for-sale financial assets charged to the consolidated income statement		-	11.1
Investment revaluation reserve realised upon disposal of available-for-sale financial assets		(79.4)	-
Net (loss)/gain on cash flow hedge			
– Fair value losses		(55.6)	(41.2)
– Realised upon settlement		46.8	44.1
Net surplus arising on revaluation of other properties, plant and equipment upon transfer to investment properties		26.6	-
Other comprehensive income for the year, net of tax		180.5	(154.0)
Total comprehensive income for the year		4,967.9	2,581.9
Attributable to:			
Equity holders of the Company		4,889.3	2,092.0
Non-controlling interests		78.6	489.9
Total comprehensive income for the year		4,967.9	2,581.9
Total comprehensive income attributable to equity holders of the Company:			
- From continuing operations		4,638.6	2,135.7
- From discontinued operations		250.7	(43.7)
		4,889.3	2,092.0

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2012 HK$'M	2011 HK$'M
ASSETS AND LIABILITIES			
Non-current assets			
Land use rights		3.2	3.2
Investment properties		17,046.3	13,894.0
Other properties, plant and equipment		100.2	180.9
Investments in associates		281.3	469.5
Loans to associates		31.2	47.8
Deposits and loan receivables		209.0	306.1
Other financial assets		505.7	423.5
Deferred tax assets		13.5	9.4
Derivative financial instruments		0.2	0.2
		18,190.6	15,334.6
Current assets			
Inventories		16.8	68.8
Properties for sale	9	4,608.6	4,227.9
Deposits and loan receivables		0.6	175.0
Trade and other receivables, deposits and prepayments	10	758.5	874.0
Other financial assets		57.0	29.2
Sales proceeds held in stakeholders' accounts		456.8	146.4
Tax recoverable		0.7	0.8
Pledged and restricted bank deposits		11.4	3.5
Bank balances and cash		1,260.9	976.6
		7,171.3	6,502.2
Current liabilities			
Trade and other payables and accruals	11	1,242.4	908.2
Derivative financial instruments		52.4	45.8
Tax payable		156.0	90.7
Bank and other borrowings		1,584.8	1,704.6
		3,035.6	2,749.3
Net current assets		4,135.7	3,752.9
Total assets less current liabilities		22,326.3	19,087.5

CONSOLIDATED BALANCE SHEET (Continued)

	As at 31 December	
	2012	2011
	HK$'M	HK$'M
Non-current liabilities		
Bank and other borrowings	3,510.7	3,484.1
Other long-term liability	74.2	-
Derivative financial instruments	70.2	67.2
Deferred tax liabilities	295.8	153.5
	3,950.9	3,704.8
NET ASSETS	18,375.4	15,382.7
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	666.1	663.2
Reserves	17,707.3	12,284.5
	18,373.4	12,947.7
Non-controlling interests	2.0	2,435.0
TOTAL EQUITY	18,375.4	15,382.7

NOTES:

1. Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Hong Kong Companies Ordinance.

These consolidated financial statements are presented in millions of Hong Kong dollars (HK$'M).

2. General information

Key events

(a) The Company disposed of its segmental business of branded products distribution which primarily operated in the United Kingdom. The disposal was completed on 3 May 2012. The disposal is presented as discontinued operations and certain comparatives had been re-presented to conform with current presentation. Details of the disposal are disclosed in Note 12(a).

(b) (i) On 13 May 2012, the Company entered into a share sale agreement (the "Share Sale Agreement") with Vanke Property (Hong Kong) Company Limited (the "Purchaser"), relating to the sale of the Company's entire interest in Winsor Properties Holdings Limited ("Winsor") post the Group Reorganisation (as described in (ii) below) (the "Disposal"), distribution in specie by Winsor of the shares in Privateco (as defined in (ii) below) (the "Distribution In Specie") and the payment of a special cash dividend by Winsor (the "Special Cash Dividend"), followed by, amongst others, an offer for the shares in Privateco by Standard Chartered Bank (Hong Kong) Limited ("SCB") on behalf of the Group (other than those already owned or agreed to be acquired by the Company) (the "Privateco Offer"). The Purchaser is an independent third party of the Company and the aggregate cash consideration for the Disposal amounts to HK$1,156.7 million (including 13,900,000 option shares transferred from the option holder under an option agreement entered into in 2010), representing HK$5.6197 per sale share. The Share Sale Agreement is conditional upon, among other things, the approval of the Company's shareholders and the Winsor's independent shareholders for certain aspects of the transactions contemplated thereunder.

(ii) Pursuant to the Group Reorganisation, Winsor, among other things, reorganised its group to form two sub-groups called the Remaining Group (also called the "Disposal Group") and the Privateco Group respectively. The Remaining Group is engaged in the business of holding or relating to all those units and car park podium in Regent Centre owned by members of the Winsor group prior to the Group Reorganisation (excluding Units 505-510, 5/F, Tower B of Regent Centre, which is owned by a member of the Privateco Group) (the "Property"). The Privateco Group is engaged in all the other businesses of the Winsor group prior to the Group Reorganisation. Privateco is the holding company of the Privateco Group.

(iii) The Disposal Group was not a discontinued operation for the year ended 31 December 2012, as it did not represent a major line of business or geographical area of operations.

(iv) On 9 July 2012, Winsor's independent shareholders approved the Group Reorganisation, the Distribution In Specie and the payment of Special Cash Dividend (on the basis of HK$0.7803 for every share in Winsor held). On the same date, the Company's shareholders approved the Share Sale Agreement and the Privateco Offer (on the basis of HK$27.60 for each share of Privateco issued).

2. General information (Continued)

(v) On 16 July 2012, the Group Reorganisation, the Distribution In Specie and the Share Sale Agreement were completed and the Special Cash Dividend distribution was made.

(vi) Immediately after the Distribution In Specie, the Company had an indirect interest in 205,835,845 shares of Privateco, representing 79.26% of the issued share capital of Privateco through Wing Tai Properties Investment Limited ("WTPIL"), a wholly-owned subsidiary of the Company.

(vii) On 23 July 2012, SCB made the Privateco Offer on behalf of WTPIL.

(viii) On 3 September 2012, the Privateco Offer was closed and valid acceptance of 51,690,006 shares of Privateco was received, representing 19.91% of the total issued shares of Privateco. Taking into account (1) 51,690,006 shares of Privateco received from valid acceptances under the Privateco Offer and (2) 205,835,845 shares of Privateco already held by the Company through WTPIL, the Company held an interest in 257,525,851 shares of Privateco as at 3 September 2012, representing 99.17% of the issued shares of Privateco.

(ix) On 6 September 2012, compulsory redemption of remaining shares of Privateco not held by WTPIL were made, at redemption price of HK$27.60 for each share of Privateco issued ("Compulsory Redemption"). Immediately after the Compulsory Redemption completed on 20 September 2012, the Company was interested in 100% of the total issued shares of Privateco through WTPIL.

The financial impact of (1) the Share Sale Completion, and (2) the Privateco Offer and the Compulsory Redemption are disclosed in Note 12(b) and Note 13 respectively.

3. Significant accounting policies

(a) Revised standards, amendments and improvements to standards and interpretations of HKFRS effective for the current accounting period beginning on 1 January 2012 and relevant to the Group

HKAS 12 (Amendment)	Deferred tax: recovery of underlying assets
HKFRS 7 (Amendment)	Disclosures – transfer of financial assets

HKAS 12 (Amendment) is effective from 1 January 2012, and has been early adopted by the Group since 2010.

Except for the above, the adoption of amendments to standards of HKFRS stated above did not have any significant impact to the Group's consolidated financial statements in the current and prior periods.

3. Significant accounting policies (Continued)

(b) New standards, revised standards and amendments that are not yet effective in 2012 and have not been early adopted by the Group

The following new or revised standards and amendments have been issued but are not effective for the year ended 31 December 2012:

		Effective for annual 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
HKAS 32 (Amendment)	Presentation – offsetting financial assets and financial liabilities	1 January 2014
HKFRS 7 (Amendment)	Financial instruments: disclosure offsetting financial assets and financial liabilities	1 January 2013
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosure	1 January 2015
HKFRS 9	Financial instruments	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
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, Joint arrangements and Disclosures of interest in other entities: transition guidance	1 January 2013
HKFRS 13	Fair value measurements	1 January 2013
HKFRS 10, HKFRS 12 and HKAS 27 (Amendment)	Investment entities	1 January 2014

The HKICPA has made amendments to HKFRS in June 2012 in response to the annual improvements project.

		Effective from
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2013
HKAS 16 (Amendment)	Property, plant and equipment	1 January 2013
HKAS 32 (Amendment)	Financial instruments: presentation	1 January 2013
HKAS 34 (Amendment)	Interim financial reporting	1 January 2013

HKFRS 10 “Consolidated Financial Statements” replaces the parts of HKAS 27 “Consolidated and Separate Financial Statements” that deal with consolidated financial statements and HK (SIC) – Int 12 “Consolidation – Special Purpose Entities”. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor’s returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 “Joint Arrangements” (effective on or after 1 January 2013) changes the definitions to reduce the types of joint arrangements to two, joint operations and joint ventures. The jointly controlled assets classification in HKAS 31, “Interests in Joint Ventures”, has been merged into joint operations, as both types of arrangements generally result in the same accounting outcome.

3. Significant accounting policies (Continued)

(b) New standards, revised standards and amendments that are not yet effective in 2012 and have not been early adopted by the Group (Continued)

A joint operation is a joint arrangement that gives parties to the arrangement direct rights to the assets and obligations for the liabilities. A joint operator will recognise its interest based on its involvement in the joint operation (that is, based on its direct rights and obligations) rather than on the participation interest it has in the joint arrangement.

A joint venture, in contrast, gives the parties rights to the net assets or outcome of the arrangement. A joint venturer does not have rights to individual assets or obligations for individual liabilities of the joint venture. Instead, joint venturers share the net assets and, in turn, the outcome (profit or loss) of the activity undertaken by the joint venture. Joint ventures are accounted for using the equity method in accordance with HKAS 28 (Revised 2011), "Investment in Associates and Joint Ventures". Entities can no longer account for an interest in a joint venture using the proportionate consolidation method.

Accordingly, effective from 1 January 2013, the Group will no longer present its share of each of the assets, liabilities, income and expenses of the joint ventures line by line in the consolidated financial statements. Instead, the joint ventures are accounted for using the equity method in accordance with HKAS 28 (Revised).

The Group has not early adopted any of the above standards and amendments to the existing standards. Except for HKFRS 11, management anticipate that application of the other standards and amendments to the existing standards will have no material impact on the results and the financial position of the Group.

4. Revenue and segment information

Revenue represents the amounts received and receivable from third parties net of discount in connection with the following activities:

	Year ended 31 December			
	Continuing operations		Discontinued operations	
	2012 HK$'M	2011 HK$'M (re-presented)	2012 HK$'M	2011 HK$'M (re-presented)
Sale of properties	1,884.1	1,426.8	-	-
Sale of garment and branded products	400.6	440.1	63.9	221.0
Rental and property management income	655.4	610.4	-	-
Dividend income from available-for-sale financial assets	21.4	36.2	-	-
	2,961.5	2,513.5	63.9	221.0

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by Executive Directors in order to allocate resources to the segment and to assess its performance. During the year, segment results of property development and property investment and management were reviewed and redefined in internal reports. Accordingly, comparative figures for 2011 results of property development and property investment and management segments have been restated.

Segment information reported to the Group's Executive Directors 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, investing activities and corporate). Branded products distribution, one of the operating segments and geographical area of operations was disposed of during the year and presented as discontinued operations.

4. Revenue and segment information (Continued)

	Continuing operations								Discontinued operations
	Property development HK$'M	Property investment and management HK$'M	Hospitality investment and management HK$'M	Garment manufacturing HK$'M	Investing activities HK$'M	Corporate HK$'M	Elimination HK$'M	Total HK$'M	Branded products distribution HK$'M
For the year ended 31 December 2012									
REVENUE									
External sales	1,884.1	516.9	138.5	400.6	21.4	-	-	2,961.5	63.9
Inter-segment sales	-	17.9	-	-	-	-	(17.9)	-	-
Total	1,884.1	534.8	138.5	400.6	21.4	-	(17.9)	2,961.5	63.9
RESULTS									
Segment profit/(loss) before change in fair value of investment properties, redundancy costs and gain on disposal of subsidiaries	556.0	353.3	57.8	7.2	84.8	(111.7)	-	947.4	(12.8)
Change in fair value of investment properties	-	3,349.2	303.2	1.0	-	-	-	3,653.4	-
Redundancy costs	-	-	-	-	-	-	-	-	(9.1)
Gain on disposal of subsidiaries	-	-	-	-	-	237.4	-	237.4	275.6
Reportable segment results	556.0	3,702.5	361.0	8.2	84.8	125.7	-	4,838.2	253.7
Reconciliation:									
Fair value loss on derivative financial instruments	-	(2.1)	-	-	-	-	-	(2.1)	-
Profit from operations	556.0	3,700.4	361.0	8.2	84.8	125.7	-	4,836.1	253.7
Finance costs	(1.2)	(71.9)	(18.5)	-	(0.3)	(7.1)	-	(99.0)	(0.1)
Finance income	1.5	3.6	0.9	-	-	2.4	-	8.4	-
Share of results of associates	33.5	9.5	19.2	-	-	-	-	62.2	-
Profit before taxation	589.8	3,641.6	362.6	8.2	84.5	121.0	-	4,807.7	253.6
Taxation								(273.6)	(0.3)
Profit for the year								4,534.1	253.3
Other items									
Depreciation and amortisation	15.7	3.9	0.1	5.7	-	3.2	-	28.6	3.5
Loss on financial liabilities classified at fair value through profit or loss	-	-	-	-	-	6.0	-	6.0	-
Loss/(gain) on disposal of other properties, plant and equipment, net	5.6	0.1	-	(0.1)	-	-	-	5.6	-
Write-off of other properties, plant and equipment	12.5	-	-	-	-	-	-	12.5	-
Provisions for trade receivables, net	-	-	-	0.1	-	-	-	0.1	-

4. Revenue and segment information (Continued)

	Continuing operations								Discontinued operations
	Property development HK$'M	Property investment and management HK$'M	Hospitality investment and management HK$'M	Garment manufacturing HK$'M	Investing activities HK$'M	Corporate HK$'M	Elimination HK$'M	Total HK$'M	Branded products distribution HK$'M
For the year ended 31 December 2011 (re-presented)									
REVENUE									
External sales	1,426.8	474.9	135.5	440.1	36.2	-	-	2,513.5	221.0
Inter-segment sales	-	18.6	-	-	-	-	(18.6)	-	-
Total	1,426.8	493.5	135.5	440.1	36.2	-	(18.6)	2,513.5	221.0
RESULTS									
Segment profit/(loss) before change in fair value of investment properties	514.6	321.2	65.0	11.3	34.4	(95.6)	-	850.9	(43.6)
Change in fair value of investment properties	-	1,957.4	147.6	2.8	-	-	-	2,107.8	-
Reportable segment results	514.6	2,278.6	212.6	14.1	34.4	(95.6)	-	2,958.7	(43.6)
Reconciliation:									
Fair value loss on derivative financial instruments	-	(1.4)	-	-	(15.8)	-	-	(17.2)	-
Profit/(loss) from operations	514.6	2,277.2	212.6	14.1	18.6	(95.6)	-	2,941.5	(43.6)
Finance costs	(0.5)	(73.8)	(13.6)	-	(0.3)	(3.9)	-	(92.1)	-
Finance income	0.6	5.8	0.7	-	-	-	-	7.1	0.2
Share of results of associates	49.3	(3.0)	11.3	-	-	-	-	57.6	-
Profit/(loss) before taxation	564.0	2,206.2	211.0	14.1	18.3	(99.5)	-	2,914.1	(43.4)
Taxation								(134.1)	(0.7)
Profit/(loss) for the year								2,780.0	(44.1)
Other items									
Depreciation and amortisation	3.6	3.7	0.1	4.8	-	2.9	-	15.1	10.3
Loss/(gain) on disposal of other properties, plant and equipment, net	1.4	-	-	-	-	(0.3)	-	1.1	0.2
(Gain)/loss on disposal of investment properties, net	-	(1.3)	0.6	(2.2)	-	-	-	(2.9)	-
Provisions for trade receivables, net	-	-	-	0.1	-	-	-	0.1	-

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions mutually agreed among group companies.

4. Revenue and segment information (Continued)

The segment assets and liabilities at 31 December 2012 and 2011 and capital expenditure for the years then ended are as follows:

	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$'M	Total HK$'M
At 31 December 2012								
ASSETS								
Segment assets	5,914.7	15,418.4	2,235.5	241.7	-	565.0	659.7	25,035.0
Investments in associates and loans to associates	206.7	18.8	87.0	-	-	-	-	312.5
Other assets								14.4
Consolidated total assets								25,361.9
LIABILITIES								
Segment liabilities	(615.7)	(488.5)	(23.4)	(67.1)	-	(0.1)	(117.5)	(1,312.3)
Other liabilities								(5,674.2)
Consolidated total liabilities								(6,986.5)
Capital expenditure	18.3	351.6	105.0	1.6	1.0	-	1.8	479.3
At 31 December 2011								
ASSETS								
Segment assets	5,225.6	13,227.7	1,849.3	233.2	133.2	419.5	220.8	21,309.3
Investments in associates and loans to associates	401.1	49.0	67.2	-	-	-	-	517.3
Other assets								10.2
Consolidated total assets								21,836.8
LIABILITIES								
Segment liabilities	(343.5)	(256.5)	(23.3)	(72.0)	(50.9)	(0.4)	(192.4)	(939.0)
Other liabilities								(5,515.1)
Consolidated total liabilities								(6,454.1)
Capital expenditure	34.8	227.3	59.0	6.3	12.2	-	3.7	343.3

Segment assets consist primarily of land use rights, investment properties, other properties, plant and equipment, other financial assets, deposits and loan receivables, inventories, properties for sale, trade and other receivables, deposits and prepayments, sales proceeds held in stakeholders' accounts, pledged and restricted bank deposits and bank balances and cash. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.

Segment liabilities comprise operating liabilities. Other liabilities include tax payable, borrowings, deferred tax liabilities and derivative financial instruments.

Capital expenditure comprises additions to land use rights, investment properties and other properties, plant and equipment, including additions resulting from acquisitions through business combinations, and deposits paid for acquisition of investment properties.

4. Revenue and segment information (Continued)

The Group's operations are principally located in Hong Kong, the People's Republic of China other than Hong Kong (the "PRC") and the United Kingdom.

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 Year ended 31 December			
	Continuing operations		Discontinued operations	
	2012 HK$'M	2011 HK$'M (re-presented)	2012 HK$'M	2011 HK$'M (re-presented)
Hong Kong	2,517.0	2,037.7	8.9	-
North America	337.6	367.9	-	-
United Kingdom	1.2	3.1	55.0	221.0
Others	105.7	104.8	-	-
	2,961.5	2,513.5	63.9	221.0

The followings are analysis of the Group's total assets, non-current assets other than financial instruments (including other financial assets, and derivative financial instruments) and deferred tax assets, and capital expenditure by geographical areas in which the assets are located.

	Total assets At 31 December		Non-current assets other than financial instruments and deferred tax assets At 31 December		Capital expenditure Year ended 31 December	
	2012 HK$'M	2011 HK$'M	2012 HK$'M	2011 HK$'M	2012 HK$'M	2011 HK$'M
Hong Kong	23,000.4	19,960.7	15,879.3	13,561.1	48.9	65.2
The PRC	1,347.6	810.7	1,269.4	749.2	333.9	216.2
Singapore	663.0	722.1	205.9	399.2	-	-
United Kingdom	151.0	211.3	140.9	99.6	16.2	17.9
North America	13.7	27.9	-	-	-	-
Others	186.2	104.1	175.7	92.4	80.3	44.0
	25,361.9	21,836.8	17,671.2	14,901.5	479.3	343.3

5. Profit from operations

	Continuing operations		Discontinued operations	
	2012	2011	2012	2011
	HK$'M	HK$'M (re-presented)	HK$'M	HK$'M (re-presented)
Profit from operations has been arrived at after charging/(crediting) the following:				
Staff costs including directors' remuneration	273.7	250.9	18.9	49.9
Retirement benefits costs, net of negligible forfeited contributions	9.9	8.0	1.1	3.9
Total staff costs (Note)	283.6	258.9	20.0	53.8
Share-based compensation expenses (Note)	11.3	9.7	-	-
Auditor's remuneration	5.9	6.2	0.2	0.6
Cost of inventories included in cost of sales	255.4	296.6	30.3	116.3
Cost of sales of properties included in cost of sales	1,224.1	846.2	-	-
Amortisation of trademark	0.1	0.1	-	-
Amortisation of land use rights	-	0.1	-	-
Depreciation of other properties, plant and equipment	28.5	14.9	3.5	10.3
Direct operating expenses arising from investment properties	127.4	102.7	-	-
Gain on disposal of available-for-sale financial assets	(101.6)	-	-	-
Gain on return of investment of an available-for-sale financial asset	(22.0)	-	-	-
Gain on disposal of subsidiaries	(237.4)	-	(275.6)	-
Net loss on disposal of other properties, plant and equipment	5.6	1.1	-	0.2
Write-off of other properties, plant and equipment	12.5	-	-	-
Net loss/(gain) on disposal of investment properties	1.7	(2.9)	-	-
Impairment losses on available-for-sale financial assets	-	11.6	-	-
Net fair value loss on derivative financial instruments	2.1	17.2	-	-
Provision for receivables, net	0.1	0.1	-	-

Note:

Share-based compensation expenses recognised in the consolidated income statement in respect of share options and incentive shares granted to certain directors and employees are not included in the total staff costs above.

6. Taxation

Hong Kong profits tax has been calculated at 16.5% (2011: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated income statement attributable to continuing operations represents:

	2012	2011
	HK$'M	HK$'M
		(re-presented)
Current taxation		
– Hong Kong profits tax	112.9	99.6
– Under/(over)-provision in prior years	0.1	(2.2)
– Taxation in other jurisdictions	0.2	0.8
	113.2	98.2
Deferred taxation		
– Change in fair value of investment properties	120.8	8.9
– Temporary differences on tax depreciation	14.7	17.6
– Utilisation of tax losses	13.8	9.4
– Withholding tax	11.1	-
	160.4	35.9
Income tax expenses relating to continuing operations	273.6	134.1

Income tax expenses related to discontinued operations are disclosed in Note 12(a).

7. Earnings/(loss) per share

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2012	2011
		(re-presented)
Profit/(loss) attributable to equity holders of the Company (expressed in HK$'M)		
- From continuing operations	4,477.0	2,257.0
- From discontinued operations	253.3	(44.1)
	4,730.3	2,212.9
Weighted average number of ordinary shares in issue	1,331,320,417	1,325,609,577
Basic earnings/(loss) per share		
- From continuing operations	HK$3.36	HK$1.70
- From discontinued operations	HK$0.19	(HK$0.03)
	HK$3.55	HK$1.67

7. Earnings/(loss) per share (Continued)

(b) Diluted

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares at the beginning of the year. The Company has share options and incentive shares outstanding during the year which are dilutive potential ordinary shares. Calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average daily market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options and incentive shares.

	2012	2011
		(re-presented)
Profit/(loss) attributable to the equity holders of the Company (expressed in HK$'M)		
- From continuing operations	4,477.0	2,257.0
- From discontinued operations	253.3	(44.1)
	4,730.3	2,212.9
Weighted average number of ordinary shares in issue	1,331,320,417	1,325,609,577
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	6,042,634	7,711,275
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,337,363,051	1,333,320,852
Diluted earnings/(loss) per share		
- From continuing operations	HK$3.35	HK$1.69
- From discontinued operations	HK$0.19	(HK$0.03)
	HK$3.54	HK$1.66

8. Dividends

	2012	2011
	HK$'M	HK$'M
Interim dividend paid on 3 October 2012 of HK4.2 cents (2011: HK3.8 cents) per ordinary share	56.0	50.4
Proposed final dividend of HK9.3 cents (2011: HK7.7 cents) per ordinary share	124.2	102.6
	180.2	153.0

The final dividend is not accounted for until it has been approved at the forthcoming annual general meeting of the Company. The amount will be accounted for as an appropriation of reserves for the year ending 31 December 2013.

9. Properties for sale

	2012	2011
	HK$'M	HK$'M
Properties under development held for sale	3,185.4	4,024.6
Completed properties	1,423.2	203.3
	4,608.6	4,227.9

10. Trade and other receivables, deposits and prepayments

	2012	2011
	HK$'M	HK$'M
Trade receivables	641.8	778.5
Less: provision for impairment	(0.3)	(1.1)
Trade receivables (net of provision)	641.5	777.4
Deferred rent receivables	14.5	15.6
Amounts due from associates	3.5	2.2
Other receivables, deposits and prepayments	99.0	78.8
	758.5	874.0

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with industry practice. Sales proceeds receivable from sale of properties are settled in accordance with the terms of respective contracts. The following is an ageing analysis of the Group's trade receivables (net of provision) at 31 December, based on the due dates:

	2012	2011
	HK$'M	HK$'M
Not yet due	587.5	757.0
1 – 30 days	2.7	8.1
31 – 90 days	7.3	8.6
Over 90 days	44.0	3.7
	641.5	777.4

11. Trade and other payables and accruals

	2012	2011
	HK$'M	HK$'M
Trade payables	46.6	75.2
Properties sale deposits received	290.0	117.7
Rental deposits received	123.4	126.6
Construction costs payable	497.9	148.3
Obligations in respect of an option agreement	-	172.3
Provision for other costs arising from disposal of subsidiaries	18.9	-
Amounts due to associates	0.3	0.3
Other creditors and accruals	265.3	267.8
	1,242.4	908.2

11. Trade and other payables and accruals (Continued)

The ageing analysis of the Group's trade payables at 31 December is as follows:

	2012	2011
	HK$'M	HK$'M
0 – 30 days	41.1	68.1
31 – 90 days	3.7	4.8
Over 90 days	1.8	2.3
	46.6	75.2

12. Disposal of subsidiaries

(a) Under discontinued operations

On 11 April 2012, a wholly-owned subsidiary of the Company entered into an agreement with a third party to dispose its entire interest in Gieves and Hawkes International (BVI) Limited and Marvinbond Limited (collectively, the "G&H Group"), wholly-owned subsidiaries of the Group, which carried out branded products distribution business. The total consideration is the aggregate of (i) an initial purchase price of UK pound 32.5 million payable in cash and (ii) a subsequent purchase price payment for each subsequent purchase price periods (from 2012 to 2030). The total of the subsequent purchase price payments shall not exceed UK pound 60.0 million.

For each subsequent purchase price periods, the purchaser shall pay to the Group a subsequent purchase price payment which is determined by a percentage of certain future sales made by the purchaser.

The disposal of G&H Group was completed on 3 May 2012. As a result, certain comparative figures in the consolidated income statement had been re-presented to conform with the current presentation of discontinued operations.

Financial information relating to the discontinued operations is as follows:

	2012	2011
	HK$'M	HK $'M
Revenue	63.9	221.0
Cost of sales	(31.2)	(116.3)
Other gains/(losses), net	0.2	(0.9)
Selling and distribution costs	(28.9)	(84.5)
Administrative expenses	(16.8)	(62.9)
Redundancy costs	(9.1)	-
Gain on disposal of G&H Group	275.6	-
Profit/(loss) from operations	253.7	(43.6)
Finance costs	(0.1)	-
Finance income	-	0.2
Profit/(loss) before taxation from discontinued operations	253.6	(43.4)
Taxation	(0.3)	(0.7)
Profit/(loss) for the year from discontinued operations	253.3	(44.1)
Profit/(loss) for the year from discontinued operations attributable to equity holders of the Company	253.3	(44.1)

12. Disposal of subsidiaries (Continued)

(a) Under discontinued operations (Continued)

The net cash flows attributable to the discontinued operations are as follows:

	2012	2011
	HK$'M	HK $'M
Net cash generated from/(used in) operating activities	8.8	(28.4)
Net cash used in investing activities	(1.0)	(11.0)
Net cash generated from financing activities	3.3	47.3
Total net cash inflows	11.1	7.9

The assets and liabilities of G&H Group disposed of at the completion date comprise:

	HK $'M
Other properties, plant and equipment	24.0
Trade and other receivables, deposits and prepayments	33.1
Inventories	57.3
Bank balances and cash	36.6
Trade and other payables and accruals	(85.7)
Tax payable	(0.3)
Net assets	65.0
Translation reserve realised	(3.8)
Net assets disposed of	61.2
Net consideration	(336.8)
Gain on disposal	275.6
Consideration	
Cash consideration	407.8
Consideration receivables	21.5
Disposal related costs	(2.2)
Provisions for other costs and financial liabilities assumed in relation to disposal of subsidiaries (Note)	(90.3)
Net consideration	336.8
Net cash flow on disposal of subsidiaries	
Consideration settled in cash	407.8
Disposal related costs	(2.2)
Bank balances and cash of subsidiaries disposed of	(36.6)
Net cash inflow in respect of the disposal	369.0

Note:

Provisions for other costs and financial liabilities assumed in relation to disposal of subsidiaries mainly represent pension cost liability assumed and provisions for claims liability in accordance with the sales and purchase agreement under which the Group is required to indemnify the purchaser against the cost of winding up the pension scheme of G&H Group. The pension cost liability was valued by an independent acturialist at 31 December 2012, and is classified as long term liability.

12. Disposal of subsidiaries (Continued)

(b) Under continuing operations

In respect to the Share Sale Completion as disclosed in Note 2(b), the assets and liabilites of Disposal Group disposed of at the completion date comprise:

	HK $'M
Investment properties	1,129.4
Deferred tax assets	2.2
Trade and other receivables, deposits and prepayments	8.3
Bank balances and cash	37.4
Trade and other payables and accruals	(18.2)
Tax payable	(4.6)
Deferred tax liabilities	(25.1)
Net assets	1,129.4
Non-controlling interests	(230.7)
Share of net assets disposed of	898.7
Net consideration	1,136.1
Gain on disposal	237.4

Consideration	
Cash consideration	1,156.7
Disposal related costs	(20.6)
Net consideration	1,136.1

Net cash flow on disposal of subsidiaries	
Consideration settled in cash	1,156.7
Disposal related costs	(20.6)
Bank balances and cash of subsidiaries disposed of	(37.4)
Net cash inflow in respect of the disposal	1,098.7

13. Acquisition of non-controlling interests

(i) As disclosed in Note 2(b) to the consolidated financial statements, the Company owns 100% interests in Privateco at 31 December 2012 through Privateco Offer and Compulsory Redemption.

	HK $'M
Fair value of additional interest of Privateco acquired from non-controlling shareholders	2,179.4
Purchase consideration settled by cash	(1,486.2)
Disposal related costs	(11.6)
Gain on bargain purchase attributable to equity holders of the Company recognised in equity, net of tax	681.6

(ii) The Group purchased the 4.76% remaining interest in a non-wholly owned subsidiary from a non-controlling shareholder at a consideration of HK$14.3M. Such acquisition does not have any impact on the profit or loss nor equity.

14. Scope of Work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2012 have been agreed by the Group auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year ended 31 December 2012. 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.

FINAL DIVIDENDS AND RECORD DATE

The Directors recommend the payment of a final dividend of HK9.3 cents (2011: HK7.7 cents) per share for the year ended 31 December 2012. Including the interim dividend of HK4.2 cents (2011: HK3.8 cents) per share distributed on 3 October 2012, the total dividend payout for the year ended 31 December 2012 shall be HK13.5 cents (2011: HK11.5 cents) per share. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be distributed on or around 5 June 2013 to shareholders whose names appear on the register of members of the Company at the close of business on 21 May 2013 (the Record Date).

In order to qualify for the entitlement of the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrars, 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 21 May 2013.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of ascertaining shareholders' entitlement to attend and vote at the coming annual general meeting, the register of members of the Company will be closed from 14 May 2013 to 15 May 2013, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the forthcoming annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrars, 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 13 May 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2012, the Group reported a consolidated profit attributable to equity holders of HK$4,730.3 million, compared with HK$2,212.9 million in 2011. The 114% increase in profit was mainly due to a higher fair value gain from investment properties, gain on disposal of subsidiaries, higher aggregate sales of residential properties being recognised and growing rental income from investment properties. The Group’s revenue was HK$2,961.5 million, an increase of 18% compared with HK$2,513.5 million in 2011.

Property

The Group’s property division, which includes property development, property investment and management, as well as hospitality investment and management, recorded a segment profit of HK$4,619.5 million in 2012, an increase of 54% compared with HK$ 3,005.8 million in 2011. The fair value gain of the investment properties was HK$3,652.4 million for the year under review, compared with HK$2,105.0 million in 2011.

Property Development

The Group has a 15% interest in the Pak Shek Kok development at Tai Po Town Lot Nos. 186, 187 and 188. Around 73% of the units of Town Lot No. 188, Providence Peak and 51% of the units of Town Lot No. 186, Providence Bay had been pre-sold as at 31 December 2012. Presale consent has also been obtained for Town Lot No. 187, The Graces. Occupation permits of all the sites were obtained in the second half of 2012 and revenue attributable to the Group of HK$1,560.0 million arising from Providence Peak and Providence Bay was recognised in 2012. Delivery of the sold units is scheduled to complete in 2013.

Revenue from the sale of two units at Forfar, the Group’s wholly-owned project, of HK$208.9 million was recognised in 2012. The development is completely sold out with the exception of a few car-parking spaces.

Revenue from sale of six units at Seymour of HK$113.4 million, being 30% attributable to the Group, was recognised in 2012. Over 90% of residential units at the development have been sold to-date.

The Warren, located on Warren Street, Causeway Bay, is a residential project wholly-owned by the Group. The gross floor area of the development approximates 73,700 square feet and is Hong Kong’s first-ever “Lanson Place Lifestyle Services” Residence at which services provided by

Lanson Place can be offered to residents. The Warren was launched for pre-sale and over 68% of the units have been sold as at 31 December 2012. Superstructure works are in progress. The project is scheduled for completion in 2014.

The Pierre, located on Coronation Terrace, Mid-Levels West, is a residential project wholly-owned by the Group. The gross floor area of the development approximates 40,000 square feet. Over 97% of the units were sold within two weeks during the initial launch in September 2012. Superstructure works are in progress. The project is scheduled for completion in 2014.

The Group has a 50% interest in the Ko Shan Road residential project. The project is located near the Ho Man Tin MTR station that is currently under construction and has a gross floor area of approximately 153,000 square feet. The Group is the lead project manager and the lead sales and marketing manager. The project is scheduled for completion in 2015.

In August 2012 and January 2013, the Group through a consortium acquired two premier residential development sites at Kau To, Shatin. The two sites have an aggregate gross floor area of approximately 460,000 square feet. The Group has a 35% interest in each of the two sites. The Group will act as a joint project manager and the lead sales and marketing manager for two developments. These projects are scheduled for completion between 2016 and 2017.

The Group has a 30% interest in Belle Vue Residences, a luxury residential development in Singapore. 95% of the units have been sold, of which 13% were sold in 2012.

Property Investment and Management

As at 31 December 2012, the Group's portfolio of investment properties, comprising 1.5 million square feet of Grade-A office buildings and 0.7 million square feet of industrial buildings in the urban areas, had an aggregate fair market valuation of HK$14,148.0 million.

Landmark East is the Group's flagship property located in Kowloon East. As at 31 December 2012, the property achieved occupancy of about 98%, with only approximately 60 tenants occupying over 1.3 million square feet of office space. In 2012, approximately 16% of leases were renewed with an average rental reversion of approximately 70%. Approximately 51% of the leases will expire or subject to rent review in 2013.

W Square comprises approximately 129,000 square feet of office and retail spaces and is located on Hennessy Road in the heart of Wan Chai. As at 31 December 2012, W Square achieved an occupancy rate of 100%. In 2012, approximately 15% of leases were renewed with an average rental reversion of approximately 12%. Approximately 29% of the leases will expire in 2013.

The Group has two industrial buildings, Winner Godown Building and Shui Hing Centre, with an aggregate gross floor area of approximately 684,000 square feet. As at 31 December 2012, the two properties achieved an average occupancy of about 98%. In 2012, approximately 37% of leases were renewed with an average rental reversion of approximately 14%. Approximately 58% of the leases will expire in 2013.

The Group has a 50% interest in the Lujiazui project. The property is located in Lujiazui at Pudong, Shanghai and comprises 97 apartment units and a gross floor area of approximately 210,000 square feet. The Group is the lead project manager and lead sales and marketing manager. Interior fitting out works are in progress. The project is scheduled for completion in early 2014.

Hospitality Investment and Management

The Group's hospitality business under Lanson Place management recorded a steady growth in average rental rate in 2012 as compared to 2011, despite the refurbishment of Lanson Place Hotel. As at 31 December 2012, Lanson Place Central Park Residences in Beijing achieved occupancy of over 95%. Lanson Place Jinlin Tiandi Residences in Shanghai achieved occupancy of approximately 90%. The Lanson Place Hotel, our luxury boutique hotel in Hong Kong, continues to be well-recognised by travellers, being crowned "Asia's Leading Boutique Hotel" in the World Travel Awards 2012.

Apparel

The Group's garment manufacturing operations recorded a segment profit of HK$8.2 million in 2012, compared with HK$14.1 million in 2011. The segment revenue was HK$400.6 million in 2012, compared with HK$440.1 million in 2011.

In April 2012, the Group disposed its entire equity interest in Gieves & Hawkes Group, its non-core branded products distribution business, to Trinity Limited. The disposal is for an initial cash consideration of £32.5 million (approximately HK$407.8 million). In addition, the Group is entitled to subsequent payments over 18 years, capped at £60 million (approximately HK$747.0 million) depending on revenue growth from the existing licensed territories.

The Group completed the disposal in May 2012 and recorded a disposal gain of HK$275.6 million in 2012.

Investing Activities

The Group's investment activities reported a segment profit of HK$84.8 million in 2012, compared with HK$34.4 million in 2011. The increase in profit represents mainly gain on disposal of non-core investments of HK$51.1 million in 2012.

Key Events

On 14 May 2012, the Group announced a series of transactions (the Transactions") that allowed Winsor's independent shareholders to realise their investments at a premium and on an all-cash basis.

The Transactions comprised the following:
1. Group reorganisation of Winsor ("Group Reorganisation") whereby its asset portfolio be separated and held under two entities: one entity consisting of its interests in Regent Centre and the second entity consisting of all other existing assets of Winsor ("Privateco");
2. Distribution of Privateco's unlisted shares ("Distribution in specie") and a special cash dividend payable to all of Winsor's shareholders;
3. Sale of the Group's entire 79.26% interest in the re-organised Winsor to Vanke Property (Hong Kong) Company Limited (the "Purchaser") (the "Disposal");
4. Unconditional mandatory cash offer by the Purchaser for all remaining Winsor shares at the same price received by the Group; and
5. Unconditional voluntary cash offer by the Group for the remaining unlisted shares in Privateco that it had not already own ("Privateco Offer").

In aggregate, Winsor's independent shareholders were entitled to HK$34 per Winsor share upon completion of the Transactions. Through the Transactions, the Group aimed to streamline the corporate structure and reduce the holding company's discount in the asset portfolio then held by Winsor and enhance the Group's financial strength.

On 9 July 2012, Winsor's independent shareholders approved the Group Reorganisation, Distribution in specie and payment of special cash dividend. The Company's shareholders approved the Disposal and Privateco Offer.

On 16 July 2012, the Disposal was completed.

The Privateco Offer commenced on 23 July 2012 and closed on 3 September 2012. Immediately after the Privateco Offer, the Group was interested in 99.17% of the issued shares of Privateco.

On 6 September 2012, the compulsory redemption of remaining shares of Privateco not held by the Group took place ("Compulsory Redemption"). Immediately after the Compulsory Redemption on 20 September 2012, the Group was interested in 100% of the issued shares of Privateco.

The related gain on the Disposal amounting to HK$237.4 million and gain on bargain purchase through Privateco Offer and Compulsory Redemption amounting to HK$681.6 million were credited to the Group's consolidated income statement and reserve respectively in the second half of 2012, resulting in an aggregate accretion of HK$919.0 million to the Group's shareholders' equity.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK$18,375.4 million as at 31 December 2012 (31 December 2011: HK$15,382.7 million). The increase by HK$2,992.7 million was mainly resulted from the profit for the year of HK$4,787.4 million and gain on bargain purchase of HK$681.6 million arising from acquisition of non-controlling interests through Privateco Offer and Compulsory Redemption, offset by the decrease in non-controlling interests of HK$2,433.0 million, distribution of 2011 final dividend and 2012 interim dividend totaled HK$158.6 million.

As at 31 December 2012, the Group's bank and other borrowings totaled HK$5,095.5 million (31 December 2011: HK$5,188.7 million). The maturity profile of the Group's bank and other borrowings is set out below:

	31 December 2012		31 December 2011	
	HK$ million		HK$ million	
Repayable:				
Within one year	1,584.8	31%	1,704.6	33%
Between one to two years	1,259.0	25%	1,023.3	20%
Between two to five years	1,048.5	20%	2,288.6	44%
After five years	1,203.2	24%	172.2	3%
	5,095.5	100%	5,188.7	100%

The Group has diversified its funding source by setting up the US$1 billion Unsecured Medium Term Note Program in November 2012. The maturity profile was lengthened after issuing a S$170 million 10-year unrated fixed rate bond in November.

As at 31 December 2012, the Group's net borrowings (bank and other borrowings less bank balances and cash) was HK$3,834.6 million (31 December 2011: HK$4,212.1 million), representing 20.9% of the Group's net assets (31 December 2011: 27.4%). The decrease in gearing ratio was mainly attributable to profit for the year. Interest for the Group's bank borrowings is mainly on a floating rate basis while interest for the Group's bond is on a fixed rate basis.

The Group's bank balances and cash as well as unutilised revolving loan facilities are set out as follows:

	31 December 2012	31 December 2011
	HK$ million	HK$ million
Bank balances and cash	1,260.9	976.6
Unutilised revolving loan facilities	2,346.4	2,291.7
	3,607.3	3,268.3

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, Singapore 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 31 December 2012, the Group had contingent liabilities of HK$112.5 million as at 31 December 2012 (31 December 2011: HK$112.8 million) in respect of a guarantee given by the Company for banking facilities granted to an associated company. The guarantee was given severally and in proportional to the Group's equity interest in the associated company. In addition, the Group had contingent liabilities of HK$1,069.3 million as at 31 December 2012 (31 December 2011: Nil) in respect of guarantees given by the Company to fixed rate bond holders.

Pledge of Assets

At 31 December 2012, the Group's advances to associates/jointly controlled entities of HK$526.5 million (31 December 2011: HK$2,192.6 million) were subordinated to loan facilities of associates/jointly controlled entities and assigned. The shares in these associates/jointly controlled entities beneficially owned by the Group are pledged to financial institutions.

At 31 December 2012, certain of the Group's investment properties, other properties, plant and equipment, other financial assets, properties for sale, pledges bank deposits and deposits and loan receivables with total carrying values of HK$17,737.3 million were pledged to secure credit facilities for the Group.

PROSPECTS

Despite the weak recovery of the global economy, China's growth story is likely to stay on track, which we believe will continue to benefit our business growth in Hong Kong and Southeast Asia. The government's recent policies on Hong Kong's property market, including the Buyer's Stamp Duty (BSD) and the Double Stamp Duty (DSD), have made potential property buyers more cautious. While it takes time for the market to adjust to these cooling measures, the government's moves to increase land supply in Hong Kong, while interest rates are low, will continue to contribute to a favorable environment for the Group's business development. While we remain vigilant to any near-term market volatility, we are now in a better position to weather market challenges, being backed by a stronger and more robust capital structure in addition to our balanced asset portfolio.

Amid the recent government measures in the property market, we will closely monitor the market development while preparing the launching of our projects. Given our established development pipeline, we believe it will contribute to a stable stream of earnings and cash flow in the coming years. In addition, we will continue to grow our residential property development operations by replenishing our land bank in a cautious but proactive manner.

We believe our diversified property investment business in the commercial and hospitality sectors will continue to provide stable recurring income which is set to grow, in particular with major investment properties now wholly owned by the Group after the completion of our restructuring scheme on Winsor Properties. We expect positive rental reversion from our Hong Kong leasing properties, which will continue to boost our leasing revenue. In particular, Landmark East has a significant number of leases up for renewal or rent review, which were concluded when the market was slow in 2009 to 2010. The development will benefit from the continued strong demand for Grade A office space in Kowloon East. The earnings base of our hospitality properties will be further expanded with our new luxurious serviced residences in Kuala Lumpur's Bukit Ceylon, scheduled to commence operations in the second quarter of 2013. We will continue to acquire and enhance our investment portfolio with quality assets and build upon our strong and quality tenant base.

Despite current market uncertainties, we will stay disciplined. Through prudent financial management and our diversified financing sources, while leveraging our strengthened balance sheet and solid business platform, we will grow our presence in the luxury residential, prime commercial and hospitality property sectors, and actively capture the opportunities that arise.

EMPLOYEES

As at 31 December 2012, the Group had about 1,500 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.

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

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with regulatory requirements, including the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Stock Exchange of Hong Kong Limited announced certain amendments to Appendix 14 ("Code on Corporate Governance Practices") to the Listing Rules and Appendix 23 ("Corporate Governance Report") to the Listing Rules (the "Amendments") and the merge of these 2 appendices to form the new Appendix 14 ("Corporate Governance Code and Corporate Governance Report"). The Amendments took effect from 1 April 2012.

The provisions contained in Appendix 14 to the Listing Rules pre the Amendments are referred to as “the Pre-Amendment CG Code” whereas the provisions contained in Appendix 14 to the Listing Rules post the Amendments are referred to as “the Post-Amendment CG Code”.

The Company met the code provisions of the Pre-Amendment CG Code during the period from 1 January 2012 to 31 March 2012, except that the non-executive directors (including independent non-executive directors) of the Company were not appointed for specific terms in accordance with code provision A.4.1 of the Pre-Amendment CG Code. A formal letter of appointment with effect from 1 April 2012 was signed by each of the non-executive directors of the Company. Under such letter of appointment, each non-executive director of the Company is appointed for a fixed term. As all directors of the Company are subject to retirement by rotation at the annual general meetings of the Company in accordance with the Bye-Laws of the Company or the internal policy of the Company, all directors of the Company will retire at least once every three years.

The Company met the code provisions of the Post-Amendment CG Code during the period from 1 April 2012 to 31 December 2012, except that the Company did not establish a nomination committee pursuant to code provisions A.5.1 to A.5.4 of the Post-Amendment CG Code until 1 February 2013. Prior to the nomination committee was established, the board of directors of the Company (the “Board”) was responsible for reviewing the structure, size and composition of the Board and the appointment of new directors from time to time to ensure that the Board had a balanced composition of skills and experience appropriate for the requirement of the business of the Company. Two non-executive directors of the Company were unable to attend the annual general meeting of the Company held on 18 May 2012 pursuant to code provision of A.6.7 of the Post-Amendment CG Code due to other engagements. One executive director, two non-executive directors and one independent non-executive director of the Company were not able to attend the special general meeting of the Company held on 9 July 2012 pursuant to code provision of A.6.7 of the Post-Amendment CG Code due to other engagements.

Save as disclosed herein, the Company applied the principles, and complied with all code provisions contained, in the Pre-Amendment CG Code and the Post-Amendment CG Code during the period from 1 January 2012 to 31 March 2012 and the period from 1 April 2012 to 31 December 2012 respectively.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2012, including the accounting principles and practices adopted by the Group.

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

During the year ended 31 December 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

ANNUAL REPORT

The 2012 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of the Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.wingtaiproperties.com and copies will be dispatched to shareholders of the Company on or about 12 April 2013.

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

Hong Kong, 22 March 2013

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, Ng Tak Wai, Frederick and Chen Chou Mei Mei, Vivien

Independent Non-Executive Directors:
Simon Murray, Fang Hung, Kenneth, Yeung Kit Shing, Jackson, Haider Hatam Tyebjee Barma and Cheng Hoi Chuen, Vincent