萬科置業（海外）有限公司

Vanke Property (Overseas) Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 01036)

Results Announcement for the Year Ended 31 December 2012

RESULTS

The Board of Directors of Vanke Property (Overseas) Limited (the "Company", formerly known as "Winsor Properties Holdings Limited") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2012 as follows:

Consolidated Income Statement
For the year ended 31 December 2012

	Note	**2012**	2011
		HK$'000	*HK$'000*
			Re-presented
Continuing operations:			
Turnover	*3*	**77,574**	66,373
Cost of services		**(17,645)**	(17,421)
Gross profit		**59,929**	48,952
Other income	*4*	**379**	1,457
Leasing and marketing expenses		**(377)**	(46)
Administrative expenses		**(17,393)**	(7,055)
Increase in fair value of investment properties		**130,240**	103,314
Gain on disposal of investment properties		**–**	1,312
Operating profit		**172,778**	147,934
Finance income	*5(a)*	**–**	48
Finance costs	*5(a)*	**(654)**	(1,268)
Profit before taxation	*5*	**172,124**	146,714
Taxation charge	*6*	**(9,233)**	(7,016)
Profit for the year from continuing operations		**162,891**	139,698
Discontinued operations:			
Profit for the year from discontinued operations	*7*	**344,543**	2,332,696
Profit for the year		**507,434**	2,472,394

Consolidated Income Statement (Continued)
For the year ended 31 December 2012

	Note	2012 HK$'000	2011 HK$'000 Re-presented
Attributable to:			
Shareholders of the Company			
— Continuing operations		**161,718**	133,196
— Discontinued operations		**344,475**	2,332,042
		506,193	2,465,238
Non-controlling interests			
— Continuing operations		**1,173**	6,502
— Discontinued operations		**68**	654
		1,241	7,156
		507,434	2,472,394
		HK$	*HK$*
Earnings per share — basic and diluted	*8*		
— Continuing operations		**0.62**	0.51
— Discontinued operations		**1.33**	8.98

Details of dividends paid and payable to shareholders of the Company attributable to the profit for the year are set out in note 9.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2012

	2012	2011
	HK$'000	*HK$'000*
Profit for the year	**507,434**	2,472,394
Other comprehensive income for the year (after tax and reclassification adjustments):		
Exchange differences on translation of the financial statements of overseas subsidiaries	**6,283**	(5,627)
Exchange differences released upon repayment of loans from an associate	**–**	(44,122)
Changes in fair value of available-for-sale financial assets	**106,599**	(128,185)
Transferred to consolidated income statement upon derecognition of investment in an available-for-sale financial asset	**(79,073)**	–
Share of hedging reserve of an associate	**(1,774)**	(3,174)
Cash flow hedges		
— Fair value losses	**(7,010)**	(33,326)
— Realised upon settlement	**21,415**	44,105
	46,440	(170,329)
Total comprehensive income for the year	**553,874**	2,302,065
Attributable to:		
Shareholders of the Company		
— Continuing operations	**161,718**	133,196
— Discontinued operations	**390,915**	2,161,713
	552,633	2,294,909
Non-controlling interests		
— Continuing operations	**1,173**	6,502
— Discontinued operations	**68**	654
	1,241	7,156
Total comprehensive income for the year	**553,874**	2,302,065

There is no tax effect relating to each of the components in the other comprehensive income.

Consolidated Balance Sheet
At 31 December 2012

	Note	2012 HK$'000	2011 HK$'000
Non-current assets			
Property, plant and equipment		–	9,031
Investment properties		**1,259,590**	12,167,930
Interests in associates		–	735,513
Available-for-sale financial assets		–	319,402
Held-to-maturity investments		–	65,835
Deferred tax assets		**1,994**	4,020
Derivative financial instruments		–	179
		1,261,584	13,301,910
Current assets			
Inventories		–	362
Trade and other receivables	*10*	**15,883**	40,676
Held-to-maturity investments		–	29,252
Tax recoverable		**17**	435
Bank balances and cash		**50,151**	647,478
		66,051	718,203
Current liabilities			
Trade and other payables and accruals	*11*	**(20,248)**	(215,567)
Bank loans due within one year, secured		–	(561,682)
Derivative financial instruments		–	(42,130)
Tax payable		**(2,503)**	(26,334)
		(22,751)	(845,713)
Net current assets/(liabilities)		**43,300**	(127,510)
Total assets less current liabilities		**1,304,884**	13,174,400
Non-current liabilities			
Bank loans due after one year, secured		–	(1,630,100)
Amount due to a non-controlling shareholder		–	(32,498)
Amounts due to associates		–	(23,552)
Derivative financial instruments		–	(62,942)
Deferred tax liabilities		**(25,940)**	(68,125)
		(25,940)	(1,817,217)
Net assets		**1,278,944**	11,357,183
Capital and reserves			
Share capital		**2,596**	2,596
Reserves		**1,276,348**	11,316,471
Total equity attributable to shareholders of the Company		**1,278,944**	11,319,067
Non-controlling interests		–	38,116
Total equity		**1,278,944**	11,357,183

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 registered office of the Company is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands and the address of its principal office in Hong Kong is 55/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong.

On 13 May 2012, Wing Tai Properties Limited entered into an agreement (the "Share Sale Agreement") relating to the sale of no more than 205,835,845 shares of the Company to Vanke Property (Hong Kong) Company Limited ("Vanke HK") or Wkland Investments Company Limited ("Wkland Investments"), a wholly-owned subsidiary of Vanke HK, at a price of HK$5.6197 per share. As conditions precedent to completion of the Share Sale Agreement, the Company was required, among other things, to carry out a group reorganisation (the "Group Reorganisation"), to effect a distribution in specie of shares in a wholly-owned subsidiary of the Company (the "Privateco") (the "Distribution In Specie") and to pay a special cash dividend of HK$0.7803 per share to the shareholders of the Company (the "Special Cash Dividend"). The transactions contemplated under the Share Sale Agreement (the "Transactions") were approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 9 July 2012. Upon satisfaction of other conditions, completion of the Share Sale Agreement took place on 16 July 2012.

Pursuant to the Group Reorganisation, the Company, among other things, reorganised its subsidiaries into two subgroups, the Remaining Group and the Privateco Group. 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 the 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 "Retained Businesses"). The Privateco Group is engaged in all businesses of the Group prior to the Group Reorganisation, other than the Retained Businesses (the "Distributed Businesses").

Upon completion of the Share Sale Agreement, Wkland Investments became the registered shareholder of 205,835,845 shares of the Company, representing approximately 79.26% of the issued share capital of the Company.

The Privateco Group having a net asset value of approximately HK$10,270,354,000 as at 16 July 2012 was distributed to the shareholders of the Company, whose names appeared on the register of members of the Company on 13 July 2012 (the "Record Date Shareholders"), by way of the Distribution In Specie and the Special Cash Dividend totaling HK$202,632,430 was made to the Record Date Shareholders.

On 23 July 2012, CITIC Securities Corporate Finance (HK) Limited ("CITIC") on behalf of Wkland Investments made an unconditional mandatory cash offer to acquire all the issued shares in the Company other than those shares already owned or agreed to be acquired by Vanke HK, Wkland Investments and parties acting in concert with any of them at a price of HK$5.6197 per share (the "Listco Offer").

The Listco Offer was closed on 13 August 2012 with valid acceptances in respect of a total of 15,935,988 shares, representing 6.14% of the total issued share capital of the Company. Upon completion of the Listco Offer, Wkland Investments was interested in 221,771,833 shares of the Company, representing approximately 85.4% of the issued share capital of the Company.

On 21 August 2012, Wkland Investments entered into a placing agreement with CITIC pursuant to which CITIC agreed to place on a fully underwritten basis 27,007,867 shares of the Company held by Wkland Investments to independent placees at a price of HK$5.6197 per share. Completion of the placing took place on 24 August 2012. Immediately after completion of the placing, Wkland Investments has become interested in 194,763,966 shares of the Company, representing 75.0% of the issued share capital of the Company.

Notes (Continued)

1. GENERAL INFORMATION (Continued)

As approved by way of special resolutions at an extraordinary general meeting of the Company held on 31 December 2012, the English name of the Company was changed from Winsor Properties Holdings Limited to Vanke Property (Overseas) Limited with effect from 31 December 2012, the date of passing the relevant special resolution, and 萬科置業(海外)有限公司 was adopted as its new Chinese name to replace 南聯地產控股有限公司 with effect from 2 January 2013, the date of issue of the Certificate of Incorporation on Change of Name bearing such dual foreign name by the Registrar of Companies in the Cayman Islands.

The Company is an investment holding company. Following the completion of the Distribution In Specie, the principal subsidiaries of the Company are engaged in property investment and management. China Vanke Co., Ltd., a joint stock company with limited liability incorporated in the People's Republic of China and the issued shares of which are listed on the Shenzhen Stock Exchange, has become the ultimate holding company of the Company upon completion of the Share Sale Agreement.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. They have been prepared under the historical cost basis except that investment properties, available-for-sale financial assets and derivative financial instruments are stated at their fair value.

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. These include the amendments to HKAS 12, *Income taxes — Deferred tax: Recovery of underlying assets*, which the Group has early adopted in preparing its financial statements for the year ended 31 December 2010. None of the other amendments are relevant to the current year's financial statements.

The accounting policies and methods of computation used in the preparation of the current year's financial statements are consistent with those described in the Group's audited financial statements for the year ended 31 December 2011, except that the Group has adopted HKFRS 5, *Non-current assets held for sale and discontinued operations* to account for the operations discontinued during the year.

Discontinued operations

A discontinued operation is a component of the group's business, the operations and cash flows of which can be clearly distinguished from the rest of the group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

— the post-tax profit or loss of the discontinued operation; and

— the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

2. **SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (Continued)**

Certain comparative figures in the consolidated income statement, segmental results and notes to the financial statements have been re-presented into continuing operations and discontinued operations for the purpose of complying the disclosure requirements as a result of adoption of this standard.

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and five new standards which are not yet effective for the year ended 31 December 2012 and which have not been adopted in these financial statements. Of these, the following which may be relevant to the Group:

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*	1 July 2012
HKFRS 10, *Consolidated financial statements*	1 January 2013
HKFRS 13, *Fair value measurement*	1 January 2013
HKAS 27 (2011), *Separate financial statements*	1 January 2013

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

3. **TURNOVER AND SEGMENT INFORMATION**

Turnover recognised during the year are as follows:

	2012	2011
	HK$'000	*HK$'000*
		Re-presented
Continuing operations:		
Rental and property management	**77,574**	66,373
Discontinued operations:		
Rental and property management	**247,578**	396,185
Warehousing	**5,923**	15,772
	253,501	411,957

Operating segment

The Group's chief operating decision maker assesses the performance of the operating segment primarily based on segment profit. Segment profit represents the profit earned by the segment and excludes head office and corporate expenses (net of unallocated income), finance income, finance costs and taxation charge.

As a result of the Group Reorganisation as mentioned in note 1, the Group has only one operating business segment — rental and property management.

Notes (Continued)

3. TURNOVER AND SEGMENT INFORMATION (Continued)

The segment results from continuing operations are as follows:

	2012 ***HK$'000***	2011 *HK$'000* Re-presented
Rental and property management		
Turnover	**77,574**	66,373
Segment results before change in fair value and gain on disposal of investment properties	**59,218**	50,177
Increase in fair value of investment properties	**130,240**	103,314
Gain on disposal of investment properties	**–**	1,312
Segment results	**189,458**	154,803
Head office and corporate expenses (net of unallocated income)	**(16,680)**	(6,869)
Operating profit	**172,778**	147,934
Finance income	**–**	48
Finance costs	**(654)**	(1,268)
Profit before taxation from continuing operations	**172,124**	146,714
Taxation charge	**(9,233)**	(7,016)
Profit for the year from continuing operations	**162,891**	139,698

Geographical information

No geographical information is shown as turnover and operating profit of the Group's continuing operations are all derived from activities in Hong Kong.

4. OTHER INCOME

	2012 ***HK$'000***	2011 *HK$'000* Re-presented
Continuing operations:		
Others	**379**	1,457
Discontinued operations:		
Dividend income from listed available-for-sale financial assets	**9,739**	18,537
Dividend income from unlisted available-for-sale financial assets	**–**	17,473
Interest income on loans to associates	**–**	3,177
Others	**930**	5,554
	10,669	44,741

Notes (Continued)

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	2012	2011
	HK$'000	*HK$'000*
		Re-presented
(a) Finance income and costs		
Continuing operations:		
Finance income		
Interest income on bank deposits and balances	**–**	(48)
Finance costs		
Interest expenses on bank loans and overdrafts	**654**	1,268
Discontinued operations:		
Finance income		
Interest income on bank deposits and balances	**(3,313)**	(5,670)
Finance costs		
Interest expenses on bank loans and overdrafts	**38,067**	70,335
(b) Staff costs (including directors' emoluments)		
Continuing operations:		
Contributions to defined contribution plan	**48**	58
Salaries, wages and other benefits	**3,023**	4,226
	3,071	4,284
Discontinued operations:		
Contributions to defined contribution plan	**1,171**	2,028
Salaries, wages and other benefits	**28,001**	49,256
	29,172	51,284

Notes to the financial statements (Continued)

5. PROFIT BEFORE TAXATION (Continued)

	2012 *HK$'000*	2011 *HK$'000* Re-presented
(c) Others		
Continuing operations:		
Auditors' remuneration	**716**	956
Impairment loss on trade receivables	**31**	–
Depreciation	**20**	39
Loss on disposal of property, plant and equipment	**96**	–
Legal and professional fees directly attributable to the Transactions	**9,871**	–
Rental receivables from investment properties less direct outgoings of HK$17,625,000 (2011 (Re-presented): HK$17,382,000)	**(59,949)**	(48,991)
Discontinued operations:		
Amortised income from held-to-maturity investments	**(5,988)**	(9,028)
Auditors' remuneration	**324**	812
Depreciation	**1,268**	2,593
Direct operating expenses for generating warehousing income	**2,202**	5,789
Exchange differences released upon repayment of loans from an associate	**–**	(44,122)
Fair value losses on derivative financial instruments	**1,574**	17,186
Foreign exchange loss, net	**143**	1,350
Impairment losses on amount due from an associate	**2,565**	–
Interest income from held-to-maturity investments	**–**	(617)
Transferred to consolidated income statement upon derecognition of investment in an available-for-sale financial asset	**(79,073)**	–
Loss/(gain) on disposal of property, plant and equipment	**45**	(11)
Operating leases charges: minimum lease payments — property rental	**1,896**	3,571
Rentals receivable from investment properties less direct outgoings of HK$47,840,000 (2011 (Re-presented): HK$83,251,000)	**(199,738)**	(312,934)

Notes (Continued)

6. TAXATION CHARGE

	2012	2011
	HK$'000	*HK$'000*
		Re-presented
Continuing operations:		
Current tax		
Hong Kong Profits Tax	**7,189**	6,175
Under/(over) provision in prior years	**20**	(25)
	7,209	6,150
Deferred tax		
Origination and reversal of temporary differences	**2,024**	866
	9,233	7,016
Discontinued operations:		
Current tax		
Hong Kong Profits Tax	**8,274**	9,524
Overseas taxation	**–**	120
Over provision in prior years	**(1,879)**	(2,244)
	6,395	7,400
Deferred tax		
Origination and reversal of temporary differences	**15,125**	25,561
	21,520	32,961

Provision for Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year.

Overseas taxation was calculated at rates of tax applicable in countries in which the Group operated.

Notes (Continued)

7. DISCONTINUED OPERATIONS

As described in note 1, the Privateco Group was distributed to the Record Date Shareholders on 16 July 2012. Thereafter, the Group is engaged in holding and leasing of properties for industrial purpose. The Privateco Group is engaged in (i) holding and leasing of properties for commercial and warehouse purpose; (ii) warehousing; and (iii) investment holding. Therefore, the businesses operated by the Privateco Group (i.e. Distributed Businesses) have been classified as discontinued operations.

(a) The results of the Distributed Businesses for the years ended 31 December 2012 and 2011 are set out below.

		2012	2011
		HK$'000	*HK$'000*
Turnover	*3*	**253,501**	411,957
Cost of services		**(52,592)**	(93,376)
Gross profit		**200,909**	318,581
Other income	*4*	**10,669**	44,741
Leasing and marketing expenses		**(4,071)**	(8,768)
Administrative expenses		**(17,790)**	(35,301)
Increase in fair value of investment properties		**36,626**	1,855,219
Other gains, net		**81,967**	35,242
Operating profit		**308,310**	2,209,714
Finance income	*5(a)*	**3,313**	5,670
Finance costs	*5(a)*	**(38,067)**	(70,335)
		273,556	2,145,049
Share of profits less losses of associates		**92,507**	151,221
Gain on bargain purchase		**–**	69,387
Profit before taxation	*5*	**366,063**	2,365,657
Taxation charge	*6*	**(21,520)**	(32,961)
Profit for the year from discontinued operations		**344,543**	2,332,696

Notes (Continued)

7. DISCONTINUED OPERATIONS (Continued)

(b) The assets and liabilities of the Distributed Businesses as at 16 July 2012 are set out below.

	HK$'000
Property, plant and equipment	**7,745**
Investment properties	**11,075,780**
Interests in associates	**737,094**
Available-for-sale financial assets	**398,666**
Held-to-maturity investments	**132,088**
Deferred tax assets	**1,597**
Derivative financial instruments	**179**
Inventories	**361**
Trade and other receivables	**32,845**
Tax recoverable	**126**
Bank balances and cash	**74,901**
Total assets	**12,461,382**
Trade and other payables and accruals	**(202,945)**
Bank loans, secured	**(1,772,901)**
Derivative financial instruments	**(92,241)**
Tax payable	**(34,261)**
Amounts due to associates	**(29,775)**
Deferred tax liabilities	**(58,905)**
Total liabilities	**(2,191,028)**
Net assets	**10,270,354**

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to shareholders of the Company from the continuing operations and discontinued operations of HK$161,718,000 and HK$344,475,000 (2011 (Re-presented): HK$133,196,000 and HK$2,332,042,000), respectively, and 259,685,288 shares (2011: 259,685,288 shares) in issue during the year.

Diluted earnings per share for the continuing operations and discontinued operations equals to the basic earnings per share for the continuing operations and discontinued operations as the Company had no dilutive potential shares in issue during the year (2011: nil).

Notes (Continued)

9. DIVIDENDS

	2012	2011
	HK$'000	*HK$'000*
Special Cash Dividend, declared and paid of HK$0.7803 per share (2011: nil) *(Note (a))*	**202,632**	–
2012 interim dividend, nil (2011: HK$0.19 per share paid on 29 September 2011)	**–**	49,340
2012 final dividend, proposed of HK$0.03 per share (2011: HK$0.47 per share paid on 5 June 2012) *(Note (b))*	**7,791**	122,052
	210,423	171,392

Notes:

(a) The Distribution In Specie and the payment of the Special Cash Dividend were approved by the independent shareholders of the Company on 9 July 2012 and reflected as appropriations of reserves upon distribution/payment on 16 July 2012.

(b) At a meeting held on 22 February 2013, the Directors recommended a final dividend of HK$0.03 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 2013.

10. TRADE AND OTHER RECEIVABLES

	2012	2011
	HK$'000	*HK$'000*
Trade receivables, net of allowance for doubtful debts	**619**	6,975
Amortised rent receivables	**594**	15,568
Other receivables	**11,744**	4,351
Deposits	**2,393**	9,100
Prepayments	**533**	4,682
	15,883	40,676

Trade receivables represent mainly rent receivables from tenants of the Group's properties. The Group maintains a defined policy in respect of rent collection. Reminders are issued bi-weekly 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 (net of allowance for doubtful debts) is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 to 30 days	**570**	1,650
31 to 90 days	**49**	5,033
Over 90 days	**–**	292
	619	6,975

Notes (Continued)

10. TRADE AND OTHER RECEIVABLES (Continued)

Trade and other receivables relating to continuing operations and discontinued operations as at 31 December 2011 amounted to HK$5,115,000 and HK$35,561,000 respectively.

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	2012	2011
	HK$'000	*HK$'000*
Trade payables	**–**	8,570
Other payables	**1,632**	71,392
Deposits received	**16,852**	123,380
Accruals	**1,764**	12,225
	20,248	215,567

The ageing analysis of trade payables is as follows:

	2012	2011
	HK$'000	*HK$'000*
0 to 30 days	**–**	6,181
31 to 90 days	**–**	1,070
Over 90 days	**–**	1,319
	–	8,570

Trade and other payables and accruals relating to continuing operations and discontinued operations as at 31 December 2011 amounted to HK$18,923,000 and HK$196,644,000 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF CONTROLLING SHAREHOLDER

On 13 May 2012, Wing Tai Properties Limited ("Wing Tai Properties") entered into an agreement (the "Share Sale Agreement") with Vanke Property (Hong Kong) Company Limited ("Vanke HK") pursuant to which Wing Tai Properties agreed to sell and Vanke HK agreed to purchase or procure Wkland Investments Company Limited ("Wkland Investments") to purchase Wing Tai Properties' entire direct and indirect shareholding interest in the Company at a cash consideration of HK$5.6197 per share. The transactions contemplated under the Share Sale Agreement (the "Transactions") included sale and purchase of up to 205,835,845 shares of the Company, a group reorganisation (the "Group Reorganisation"), a distribution in specie by the Company of shares in a private company holding all assets of the Group other than various units and the carpark podium in Regent Centre (the "Distribution In Specie") and the payment of a special cash dividend of HK$0.7803 per share (the "Special Cash Dividend").

The Transactions were approved by the independent shareholders of the Company at an extraordinary general meeting of the Company held on 9 July 2012. Completion of the Share Sale Agreement (the "Share Sale Completion") took place immediately following completion of the Group Reorganisation, completion of the Distribution In Specie and payment of the Special Cash Dividend on 16 July 2012. As a result, Wkland Investments became the registered shareholder of 205,835,845 shares of the Company and was required to make an unconditional mandatory cash offer to acquire all the shares of the Company not already owned by it, Vanke HK and their respective concerted parties at a price of HK$5.6197 per share (the "Listco Offer"). Upon the close of the Listco Offer on 13 August 2012, Wkland Investments became interested in 221,771,833 shares of the Company, representing approximately 85.4% of the issued share capital of the Company.

On 21 August 2012, Wkland Investments as the seller entered into an agreement with CITIC Securities Corporate Finance (HK) Limited as the placing agent, pursuant to which 27,007,867 shares of the Company were placed to independent placees at a price of HK$5.6197 per share. Completion of the placing took place on 24 August 2012. Since then, Wkland Investments has been interested in 194,763,966 shares of the Company, representing 75.0% of the issued share capital of the Company, and the public float of the Company has been restored to 25.0%.

China Vanke Co., Ltd. ("China Vanke"), a joint stock company with limited liability incorporated in the People's Republic of China and the issued shares of which are listed on the Shenzhen Stock Exchange, has become the ultimate holding company of the Company with effect from 16 July 2012. Wkland Investments is a wholly-owned subsidiary of Vanke HK, which in turn is a wholly-owned subsidiary of China Vanke.

BUSINESS REVIEW

Following completion of the Group Reorganisation and the Distribution In Specie, the Group is only engaged in the business of holding, and the operation and management of, various portions of Regent Centre in Kwai Chung (the "Continuing Operations"). Other assets and businesses comprising (i) the rental business in relation to Landmark East in Kwun Tong, W Square in Wan Chai, Winner Godown Building in Tsuen Wan, Shui Hing Centre in Kowloon Bay and Units 505-510, 5/F, Tower B of Regent Centre in Kwai Chung and the property management business, (ii) the warehousing business, (iii) investment holding and (iv) property development activities undertaken by the Group (collectively, the "Discontinued Operations") were distributed to the shareholders of the Company on 16 July 2012. Results relating to the Discontinued Operations for the year ended 31 December 2012 have been presented as a single amount in the Group's consolidated income statement in accordance with Hong Kong Financial Reporting Standards and certain comparative figures have been re-presented to conform to the current year's presentation.

The Group's turnover for the year was HK$78 million (2011: HK$66 million), comprising revenue from units and car parking spaces in Regent Centre. The Group's profit for the year was HK$507 million (2011: HK$2,472 million), comprising profit from Continuing Operations of HK$163 million (2011: HK$139 million) and profit from Discontinued Operations of HK$344 million (2011: HK$2,333 million).

Continuing operations

The Group owns certain units and the carpark podium in Regent Centre (the "Property") situated at 63 Wo Yi Hop Road and 70 Ta Chuen Ping Street, Kwai Chung, New Territories, Hong Kong with a gross floor area of approximately 657,000 square feet, representing approximately 64% of the total gross floor area of Regent Centre. The Property was fair valued at HK$1,260 million as at 31 December 2012 (31 December 2011: HK$1,129 million).

Turnover and segment profit from the Property amounted to HK$78 million (2011: HK$66 million) and HK$59 million (2011: HK$50 million), respectively. During the year, the Property was leased up satisfactorily with an increase in both average occupancy and passing rent. Occupancy of the Property was 93% as at 31 December 2012.

Excluding the change in fair value of investment properties and gain on disposal of investment properties, net profit from Continuing Operations for the year was HK$33 million (2011: HK$35 million). The drop in net profit was mainly due to legal and professional fees of HK$10 million being incurred in relation to the Transactions.

Discontinued Operations

The results of the Discontinued Operations were consolidated up to 16 July 2012, the date of completion of the Distribution In Specie. Excluding the change in fair value of investment properties and gain on bargain purchase of an associate, net profit from Discontinued Operations for the period from 1 January 2012 to 16 July 2012 amounted to HK$308 million (2011 full year: HK$408 million). On a full year basis, the Discontinued Operations recorded an increase in profitability as compared to the prior year. The increase was mainly due to strong leasing performance in Landmark East, the Group's previous flagship property in Kowloon East, and an exceptional profit of HK$79 million released from the investment revaluation reserve to the consolidated income statement upon derecognition of investment in an available-for-sale financial asset.

All assets and liabilities relating to the Discontinued Operations were distributed to the shareholders on 16 July 2012. The distribution with a net asset value of HK$10,270 million was reflected as an appropriation of reserves during the year.

EMPLOYEES

The Group had no employees as at 31 December 2012 (31 December 2011: 259 employees). All former employees were employed by companies within the Discontinued Operations (the "Privateco Group"). To ensure continuing operation of the Group's existing businesses without interruption, the Group entered into a management agreement with Cherrytime Investments Limited, a wholly-owned subsidiary of Wing Tai Properties, in relation to ongoing provision of administrative, property management, brokerage, agency and leasing services by the Privateco Group to the Group in a manner and on terms consistent with the provision of such services over the twelve months immediately preceding the date of the Share Sale Agreement. The agreement, with effect from the date of the Share Sale Completion, is terminable by either party on giving one month's notice. Total remuneration amounting to HK$2,247,000 was paid for such services provided by the Privateco Group during the year. Vanke HK, as the holding company of the Company, also provides administrative support to the Group on a cost basis.

The Group is in course of recruiting employees and will fill up vacant positions through selection of candidates having the right caliber. In so doing, the Group will align remuneration and benefit packages with pay levels and practices prevailing in the market and recognise individual responsibility and performance. All eligible employees in Hong Kong will be enrolled to a defined contribution mandatory provident fund scheme.

FINANCIAL REVIEW

Gearing

The Group's shareholders' equity as at 31 December 2012 was HK$1,279 million (31 December 2011: HK$11,319 million). The decrease was mainly due to completion of the Distribution In Specie, the payment of the 2011 final dividend and the Special Cash Dividend during the year. All non-controlling interests have either been bought out or distributed as part of the Group Reorganisation (31 December 2011: HK$38 million).

As a condition precedent to the Share Sale Completion, all corporate guarantees and securities given by the remaining entities within the Group (including but not limited to the Company) were released and discharged in full and all banking facilities and other indebtedness relating to the remaining entities within the Group (including but not limited to the Company) were repaid in full and cancelled at the time of Share Sale Completion.

On 28 December 2012, the Group obtained a three-year term and revolving loan facility up to an aggregate amount of HK$600 million (the "Facility") for general working capital purpose. The Facility was undrawn as at 31 December 2012. As a result, the Group did not have any outstanding bank borrowings as at 31 December 2012 (31 December 2011: HK$2,192 million). Bank balances and cash amounted to HK$50 million as at 31 December 2012 (31 December 2011: HK$647 million), which decrease was mainly due to completion of the Distribution In Specie.

The Group is in a healthy financial condition. Net gearing ratio, being net borrowings as a percentage of total equity, was nil as at 31 December 2012 (31 December 2011: 14%, calculated based on net borrowings of HK$1,545 million and total equity, including non-controlling interests, of HK$11,357 million).

Treasury policies

The Group principally operates in Hong Kong and, as a result, has minimal exposure to exchange rate fluctuation. In previous years, the Group entered into interest rate swap contracts (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 IRS Contracts were entered into by members of the Privateco Group. Following completion of the Distribution In Specie, the Group ceased to be liable for any payment obligation under the IRS Contracts.

Capital commitments

The Group had no significant capital commitments as at 31 December 2012 (31 December 2011: nil).

Contingent liabilities and financial guarantees

The Group had no significant contingent liabilities as at 31 December 2012.

In the prior year, there was a guarantee given on a pro rata and several basis by the Company for banking facilities granted to an associate. The guarantee in the amount of HK$228 million was released upon completion of the Distribution In Specie.

Pledge of assets

The Group's investment properties with a carrying value of HK$1,260 million as at 31 December 2012 (31 December 2011: certain of the Group's assets with a carrying value of HK$12,258 million) were pledged to secure banking facilities of the Group.

OUTLOOK

The outlook of the Hong Kong economy is expected to remain stable in 2013 on the back of continued economic growth in the Mainland China, despite uncertainties on the pace of recovery of the United States economy and the persistent sovereign debt crisis in Europe. Under such economic environment, the Group's property in Hong Kong is expected to maintain a high level of occupancy and produce a stable income stream to the Group.

In July 2012, China Vanke, the largest residential property developer in the Mainland China, made its first significant move overseas by acquiring a controlling stake in the Company. With the support from China Vanke, the Group will seek for suitable opportunities to expand its business activities from property investment to property development in Hong Kong, in order to generate value and deliver sustainable returns to shareholders in the long run.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.03 per share (2011: HK$0.47 per share) to the shareholders whose names appear on the Register of Members of the Company on 23 May 2013. Subject to the passing of the relevant resolution at the annual general meeting of the Company to be held on 23 May 2013 (the "2013 AGM"), the final dividend will be payable to the shareholders on or about 7 June 2013.

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 2013 AGM

The Register of Members and the Transfer Books of the Company will be closed from Wednesday, 22 May 2013 to Thursday, 23 May 2013, both days inclusive, for the purpose of ascertaining the shareholders' entitlement to attend and vote at the 2013 AGM. In order to be eligible to attend and vote at the 2013 AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited ("Computershare") at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 21 May 2013.

(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 on Wednesday, 29 May 2013 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 no later than 4:30 p.m. on Tuesday, 28 May 2013.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012) contained in Appendix 14 of the Listing Rules during the year ended 31 December 2012, except for the following deviations:

Code provision A.2.1

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive should be clearly established and in writing.

Cheng Wai Chee, Christopher resigned as Chairman and Chow Wai Wai, John resigned as Managing Director both with effect from 1 September 2012. From 1 September 2012 onwards, the Company has not appointed Chairman of the Board and Managing Director. The duties of chairman and chief executive under code provisions A.2.2 to A.2.9 are shared amongst Zhang Xu and Que Dong Wu, the Executive Directors.

The Board will consider appointing Chairman and Managing Director at an appropriate stage when the Group has increased the size of operation.

Code provision A.4.2

Code provision A.4.2 stipulates that all directors appointed to fill a causal vacancy should be subject to election by shareholders at the first general meeting after appointment.

The existing Directors did not offer themselves for appointment at the extraordinary general meeting of the Company held on 31 December 2012. Instead, they will retire at the 2013 AGM in accordance with the Company's Articles of Association and offer themselves for re-election by the shareholders thereat.

Code provision A.5.2

Code provision A.5.2 stipulates that the nomination committee is required to make recommendations to the board on the appointment of directors.

Lo Ka Shui, Haider Hatam Tyebjee Barma and Cheng Wai Chee, Christopher, the former members of the Nomination Committee, resigned with effect from 1 September 2012. A Nomination Committee Meeting had not been held by the former committee members regarding the appointment of Chan Wai Hei, William, Chung Wai Sum, Patrick and Shium Soon Kong as Independent Non-Executive Directors with effect from 1 September 2012. Instead, their appointment was discussed and approved by the Directors at a board meeting of the Company held on 1 September 2012.

Code provision A.6.7

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.

Due to other business engagements,

(i) Lo Ka Shui, a former Independent Non-Executive Director, did not attend the annual general meeting of the Company held on 18 May 2012 and the extraordinary general meeting of the Company held on 9 July 2012;

(ii) Cheng Wai Sun, Edward, a former Non-Executive Director, did not attend the annual general meeting of the Company held on 18 May 2012.

Other Non-Executive Directors and Independent Non-Executive Directors had been present at the respective general meetings to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

Code provision F.1.3

Code provision F.1.3 stipulates that the company secretary should report to the board chairman and/or the chief executive.

During the period from 1 April 2012 (i.e. the effective date of this code provision) to 9 September 2012, the Company Secretary reported to the Chief Financial Officer as the Board believed that such arrangement would facilitate review, supervision, cooperation and coordination of works.

Commencing from 10 September 2012, Ms. Ivy Lai, the Company Secretary, reports to Que Dong Wu, an Executive Director. Ms. Lai is not an employee of the Group but is given access to both Que Dong Wu and Luk Chi Chung, Peter, the Chief Financial Officer, from time to time in order to have an up-to-date knowledge about the Group's affairs.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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. Having made specific enquiry to the Directors, all the Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2012. The Company has also established written guidelines on no less exacting terms than the Model Code for relevant employees (at such term as defined in the Corporate Governance Code) in respect of their dealings in the securities of the Company.

REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") with written terms of reference in compliance with the code provisions under the Corporate Governance Code.

The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2012, including the accounting policies and practices adopted by the Group, and also discussed with management internal control and financial reporting matters applicable to the Group.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares during the year ended 31 December 2012.

SCOPE OF WORK OF KPMG

The financial figures in respect of this results announcement for the year ended 31 December 2012 have been compared by the Company's auditors, KPMG, Certified Public Accountants, to the amounts set out in the Group's financial statements for the year ended 31 December 2012 and the amounts were found to be in agreement. The work performed by KPMG in this respect was limited and 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 HKICPA and consequently no assurance has been expressed by the auditors on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the website of the Company at www.vankeoverseas.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. Zhang Xu, Ms. Que Dong Wu

Non-Executive Directors:
Mr. Wang Wen Jin, Mr. Chan Chi Yu

Independent Non-Executive Directors (in alphabetical order):
Mr. Chan Wai Hei, William, Mr. Chung Wai Sum, Patrick, Mr. Shium Soon Kong

By order of the Board
Vanke Property (Overseas) Limited
Que Dong Wu
Executive Director

22 February 2013, Hong Kong