新創建 NWS

新創建集團有限公司*

NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 659)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2012

FINANCIAL HIGHLIGHTS

Revenue	:	**HK$14,954.3 million**
Profit attributable to shareholders	:	**HK$5,251.1 million**
Earnings per share – basic	:	**HK$1.53**
Proposed final dividend per share	:	**HK$0.25**

RESULTS

The board of directors (the "Board") of NWS Holdings Limited (the "Company") is pleased to announce the audited consolidated income statement, consolidated statement of comprehensive income of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2012 ("FY2012") and the consolidated statement of financial position of the Group as at 30 June 2012, together with comparative figures for the year ended 30 June 2011 ("FY2011") as follows:

Consolidated Income Statement
For the year ended 30 June

	Note	**2012** **HK$'m**	2011 HK$'m
Revenue	*2*	**14,954.3**	9,560.6
Cost of sales		**(11,876.2)**	(7,901.7)
Gross profit		**3,078.1**	1,658.9
Gain on deemed disposal of interest in a subsidiary	*8*	**1,842.7**	-
Other income/gains (net)	*3*	**571.7**	1,715.3
General and administrative expenses		**(654.5)**	(717.2)
Operating profit	*4*	**4,838.0**	2,657.0
Finance costs		**(580.1)**	(104.3)
Share of results of			
Associated companies		**557.2**	620.4
Jointly controlled entities		**1,237.5**	1,922.9
Profit before income tax		**6,052.6**	5,096.0
Income tax expenses	*5*	**(625.0)**	(440.4)
Profit for the year		**5,427.6**	4,655.6
Attributable to			
Shareholders of the Company		**5,251.1**	4,626.8
Non-controlling interests		**176.5**	28.8
		5,427.6	4,655.6
Dividends	*6*	**2,636.8**	2,345.2
Earnings per share attributable to the shareholders of the Company	*7*		
Basic		**HK$1.53**	HK$1.40
Diluted		**HK$1.52**	HK$1.40

Consolidated Statement of Comprehensive Income
For the year ended 30 June

	2012 HK$'m	2011 HK$'m
Profit for the year	**5,427.6**	4,655.6
Other comprehensive income		
Fair value changes on available-for-sale financial assets	**(271.3)**	51.2
Release of investment revaluation deficits to the consolidated income statement upon impairment of available-for-sale financial assets	**311.0**	63.1
Release of reserve upon disposal of available-for-sale financial assets	**(66.4)**	(63.5)
Release of reserves upon disposal of assets held for sale	**(0.5)**	(29.7)
Release of exchange reserve upon disposal of a subsidiary and an associated company	**(16.9)**	(10.0)
Share of other comprehensive loss of associated companies and jointly controlled entities	**(3.8)**	(13.8)
Cash flow hedges	**(115.8)**	1.4
Currency translation differences	**229.4**	873.2
Other comprehensive income for the year, net of tax	**65.7**	871.9
Total comprehensive income for the year	**5,493.3**	5,527.5
Total comprehensive income attributable to		
Shareholders of the Company	**5,307.4**	5,484.3
Non-controlling interests	**185.9**	43.2
	5,493.3	5,527.5

Consolidated Statement of Financial Position
As at 30 June

	Note	**2012 HK$'m**	2011 HK$'m
ASSETS			
Non-current assets			
Investment properties		**3,156.8**	3,121.2
Property, plant and equipment		**421.8**	332.5
Intangible concession rights		**16,747.5**	894.6
Intangible assets		**517.6**	548.8
Associated companies	*8*	**9,098.7**	4,136.0
Jointly controlled entities		**19,533.2**	21,136.1
Available-for-sale financial assets		**433.2**	1,654.9
Other non-current assets		**965.8**	814.3
		50,874.6	32,638.4
Current assets			
Inventories		**499.3**	340.6
Trade and other receivables	*9*	**4,686.6**	3,410.9
Available-for-sale financial assets		**583.5**	-
Financial assets at fair value through profit or loss		**1.5**	1.6
Cash and bank balances		**5,386.0**	4,500.5
		11,156.9	8,253.6
Assets held for sale	*10*	**54.7**	3,245.8
		11,211.6	11,499.4
Total assets		**62,086.2**	44,137.8

Consolidated Statement of Financial Position (continued)
As at 30 June

	Note	2012 HK$'m	2011 HK$'m
EQUITY			
Share capital		**3,581.6**	3,387.6
Reserves		**31,314.7**	26,571.9
Proposed final dividend		**898.0**	1,118.0
Shareholders' funds		**35,794.3**	31,077.5
Non-controlling interests		**838.5**	1,268.6
Total equity		**36,632.8**	32,346.1
LIABILITIES			
Non-current liabilities			
Borrowings		**15,110.0**	2,763.7
Deferred tax liabilities		**2,562.3**	269.0
Other non-current liabilities		**312.9**	194.7
		17,985.2	3,227.4
Current liabilities			
Borrowings		**2,556.1**	3,898.3
Trade and other payables	*11*	**4,464.0**	3,742.4
Taxation		**448.1**	322.6
		7,468.2	7,963.3
Liabilities directly associated with assets held for sale	*10*	**-**	601.0
		7,468.2	8,564.3
Total liabilities		**25,453.4**	11,791.7
Total equity and liabilities		**62,086.2**	44,137.8
Net current assets		**3,743.4**	2,935.1
Total assets less current liabilities		**54,618.0**	35,573.5

Notes:

1. Basis of preparation

(a) Adoption of new or revised standards

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"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, certain financial assets and financial liabilities (including derivative financial instruments) which have been measured at fair value.

During FY2012, the Group adopted the following revised standard, amendments to standards and interpretation which are relevant to the Group's operations and are mandatory for FY2012:

HKFRSs Amendments	Improvements to HKFRSs 2010
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
Amendment to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement

The adoption of these revised standard, amendments to standards and interpretation has no material effect on the results and financial position of the Group.

1. Basis of preparation (continued)

(b) Standards, amendments and interpretation which are not yet effective

The following new standards, amendments to standards and interpretation are mandatory for accounting periods beginning on or after 1 July 2012 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2013 ("FY2013")

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income

Effective for the year ending 30 June 2014 or after

HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
HKFRSs Amendments	Improvements to HKFRSs issued in June 2012
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

The Group has already commenced an assessment of the impact of these new standards, amendments to standards and interpretation, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the financial statements. The Group is not yet in a position to ascertain their impact on its results of operations and financial position.

2. Revenue and segment information

The Group's revenue is analyzed as follows:

	2012	2011
	HK$'m	HK$'m
Roads	**1,903.5**	254.3
Energy & Water	**-**	0.6
Ports & Logistics	**41.3**	-
Facilities Management	**7,177.4**	5,792.8
Construction & Transport	**5,832.1**	3,505.3
Strategic Investments	**-**	7.6
	14,954.3	9,560.6

Management has determined the operating segments based on the reports reviewed by the Executive Committee of the Company that are used to make strategic decisions. Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers the business of the Group from product and service perspectives, which comprise (i) Roads; (ii) Energy & Water; (iii) Ports & Logistics; (iv) Facilities Management; (v) Construction & Transport; and (vi) Strategic Investments.

The Executive Committee assesses the performance of the operating segments based on a measure of attributable operating profit. This measurement basis excludes the effects of head office and non-recurring items. Corporate interest income, finance costs and expenses are not allocated to segments.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2012 is as follows:

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Total
2012							
Total revenue	**1,903.5**	**-**	**41.3**	**7,193.1**	**5,891.1**	**-**	**15,029.0**
Inter-segment	**-**	**-**	**-**	**(15.7)**	**(59.0)**	**-**	**(74.7)**
Revenue – external	**1,903.5**	**-**	**41.3**	**7,177.4**	**5,832.1**	**-**	**14,954.3**
Attributable operating profit							
Company and subsidiaries	**535.9**	**-**	**18.4**	**1,181.8**	**261.1**	**231.6**	**2,228.8**
Associated companies	**27.9**	**30.0**	**30.2**	**-**	**118.6**	**317.1 (ii)**	**523.8 (b)**
Jointly controlled entities	**646.3**	**591.5**	**252.8**	**2.2**	**(45.5) (i)**	**7.7**	**1,455.0 (b)**
	1,210.1	**621.5**	**301.4**	**1,184.0**	**334.2**	**556.4**	**4,207.6**
Reconciliation							
Net gain on deemed disposals of interests in a subsidiary and an associated company							**1,833.4**
Gain on disposal of projects, net of tax							**108.7**
Gain on fair value of investment properties							**93.3**
Share of profit from Harbour Place							**51.8**
Assets impairment losses							**(316.5) (iii)**
Share of impairment loss from a jointly controlled entity							**(200.0) (iv)**
Corporate net exchange gain							**14.0**
Corporate interest income							**51.8**
Corporate finance costs							**(333.8)**
Corporate expenses and others							**(259.2)**
Profit attributable to shareholders							**5,251.1**

(i) The amount includes the Group's share of attributable operating profit of HK$146.0 million from its Transport business.

(ii) The amount includes the Group's share of profits of HK$264.2 million from three associated companies engaged in investment activities.

(iii) Assets impairment losses mainly include HK$259.2 million impairment loss of available-for-sale financial assets under the Strategic Investments segment due to volatile and adverse market conditions.

(iv) The amount represents the Group's share of an impairment loss of HK$200.0 million from an investment in an expressway in the Guangdong Province under the Roads segment due to its under-performance and uncertain future prospects.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2012 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
2012										
Depreciation	**8.7**	**-**	**-**	**55.9**	**31.7**	**-**	**96.3**	**6.3**	**-**	**102.6**
Amortization of intangible concession rights	**554.2**	**-**	**-**	**-**	**-**	**-**	**554.2**	**-**	**-**	**554.2**
Amortization of intangible assets	**-**	**-**	**-**	**31.2**	**-**	**-**	**31.2**	**-**	**-**	**31.2**
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	**16,225.8**	**-**	**-**	**78.1**	**81.2**	**-**	**16,385.1**	**13.6**	**-**	**16,398.7**
Interest income	**91.0**	**13.8**	**0.4**	**0.6**	**6.6**	**199.4**	**311.8**	**51.8**	**(17.9)**	**345.7**
Finance costs	**244.6**	**-**	**10.6**	**2.0**	**7.0**	**-**	**264.2**	**333.8**	**(17.9)**	**580.1**
Income tax expenses	**323.7**	**28.0**	**7.9**	**238.9**	**14.1**	**4.7**	**617.3**	**7.7**	**-**	**625.0**
As at 30 June 2012										
Company and subsidiaries	**18,101.3**	**122.4**	**2,003.6**	**4,074.7**	**3,649.4**	**1,699.4**	**29,650.8**	**3,803.5**	**-**	**33,454.3**
Associated companies	**420.9**	**637.8**	**270.3**	**-**	**1,274.1**	**6,420.2**	**9,023.3**	**75.4**	**-**	**9,098.7**
Jointly controlled entities	**5,992.6**	**6,897.3**	**3,809.7**	**19.6**	**1,488.1** (i)	**1,292.1**	**19,499.4**	**33.8**	**-**	**19,533.2**
Total assets	**24,514.8**	**7,657.5**	**6,083.6**	**4,094.3**	**6,411.6**	**9,411.7**	**58,173.5**	**3,912.7**	**-**	**62,086.2**
Total liabilities	**6,345.0**	**25.7**	**129.8**	**1,315.7**	**2,653.8**	**304.0**	**10,774.0**	**14,679.4**	**-**	**25,453.4**

(i) The balance includes the Group's investment in its Transport business of HK$1,783.4 million.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2012 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport		Strategic Investments		Total	
2011										
Total revenue	254.3	0.6	-	5,808.7	3,897.1		7.6		9,968.3	
Inter-segment	-	-	-	(15.9)	(391.8)		-		(407.7)	
Revenue – external	254.3	0.6	-	5,792.8	3,505.3		7.6		9,560.6	
Attributable operating profit										
Company and subsidiaries	72.7	-	0.7	875.9	164.1		319.9		1,433.3	
Associated companies	2.7	-	25.7	-	85.0		510.2	(ii)	623.6	(b)
Jointly controlled entities	1,059.5	650.1	255.5	1.0	30.0	(i)	3.2		1,999.3	(b)
	1,134.9	650.1	281.9	876.9	279.1		833.3		4,056.2	
Reconciliation										
Gain on fair value of investment properties									479.9	
Gain on disposal of projects, net of tax									343.9	(iii)
Excess of fair value of net assets acquired over the cost of acquisition of interests of a jointly controlled entity									26.8	
Share of profit from Harbour Place									1.2	
Corporate net exchange gains									109.3	
Corporate interest income									40.1	
Corporate finance costs									(102.8)	
Corporate expenses and others									(327.8)	
Profit attributable to shareholders									4,626.8	

(i) The amount included the Group's share of attributable operating profit of HK$115.0 million from its Transport business.

(ii) The amount included the Group's share of profits of HK$430.1 million from three associated companies engaged in investment activities.

(iii) The amount represented the net gain on the disposal of certain non-core businesses under a management buyout arrangement.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2012 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
2011										
Depreciation	3.6	-	-	47.5	24.8	1.3	77.2	6.1	-	83.3
Amortization of land use rights	-	-	-	-	0.1	-	0.1	-	-	0.1
Amortization of intangible concession rights	69.6	-	-	-	-	-	69.6	-	-	69.6
Amortization of intangible assets	-	-	-	31.2	-	-	31.2	-	-	31.2
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	8.7	-	589.2	52.2	27.6	2,886.9	3,564.6	2.8	-	3,567.4
Interest income	44.3	1.0	0.8	0.3	8.1	8.3	62.8	40.1	(7.3)	95.6
Finance costs	0.1	-	0.8	1.1	6.6	0.2	8.8	102.8	(7.3)	104.3
Income tax expenses	67.4	12.7	4.9	178.7	58.4	119.0	441.1	(0.7)	-	440.4
As at 30 June 2011										
Company and subsidiaries	2,086.9	3.6	1,939.6	3,714.2	3,367.8	5,415.7	16,527.8	2,337.9	-	18,865.7
Associated companies	420.5	-	363.7	-	1,154.5	2,127.8	4,066.5	69.5	-	4,136.0
Jointly controlled entities	7,680.3	6,449.0	3,861.2	18.8	1,654.7 (i)	1,373.7	21,037.7	98.4	-	21,136.1
Total assets	10,187.7	6,452.6	6,164.5	3,733.0	6,177.0	8,917.2	41,632.0	2,505.8	-	44,137.8
Total liabilities	425.8	23.4	176.3	1,111.0	2,234.0	886.3	4,856.8	6,934.9	-	11,791.7

(i) The balance included the Group's investment in its Transport business of HK$1,672.1 million.

2. Revenue and segment information (continued)

(b) Reconciliation of attributable operating profit from associated companies and jointly controlled entities to the consolidated income statement:

	Associated companies		Jointly controlled entities	
HK$'m	**2012**	2011	**2012**	2011
Attributable operating profit	**523.8**	623.6	**1,455.0**	1,999.3
Corporate associated companies, jointly controlled entities and non-recurring items				
Harbour Place	**-**	-	**51.8**	1.2
Impairment	**-**	-	**(200.0)**	-
Others	**33.4**	(3.2)	**(69.3)**	(77.6)
Share of results of associated companies and jointly controlled entities	**557.2**	620.4	**1,237.5**	1,922.9

(c) Information by geographical areas:

	Revenue		Non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	
HK$'m	**2012**	2011	**2012**	2011
Hong Kong	**12,786.4**	8,716.1	**4,014.2**	3,935.6
Mainland China	**1,971.7**	609.1	**16,815.3**	943.0
Macau	**195.3**	234.8	**14.2**	18.5
Others	**0.9**	0.6	**-**	-
	14,954.3	9,560.6	**20,843.7**	4,897.1

3. Other income/gains (net)

	2012 **HK$'m**	2011 HK$'m
Profit on disposal of a subsidiary	**73.4**	21.4
Profit on disposal of an associated company	**86.9**	-
Profit on disposal of investment properties	**1.7**	-
Net profit on disposal of available-for-sale financial assets	**39.1**	336.7
Profit on disposal of assets held for sale	**8.8**	499.6
Gain on fair value of investment properties	**93.3**	479.9
Interest income	**345.7**	95.6
Management fee income	**53.0**	71.2
Machinery hire income	**84.3**	42.8
Net exchange gains	**80.6**	214.6
Dividends and other income	**21.4**	16.6
Assets impairment losses	**(316.5)**	(63.1)
	571.7	1,715.3

4. Operating profit

Operating profit of the Group is arrived at after crediting and charging the following:

	2012 **HK$'m**	2011 HK$'m
Crediting		
Gross rental income from investment properties	**51.1**	47.6
Less: outgoings	**(12.1)**	(12.2)
	39.0	35.4
Charging		
Auditor's remuneration	**17.2**	16.0
Cost of inventories sold	**2,420.3**	1,936.1
Cost of services rendered	**9,455.9**	5,965.6
Depreciation	**102.6**	83.3
Amortization of land use rights	**-**	0.1
Amortization of intangible concession rights	**554.2**	69.6
Amortization of intangible assets	**31.2**	31.2
Operating lease rental expenses		
Properties	**48.4**	40.5
Other equipment	**2.8**	2.8
Staff costs (including directors' emoluments)	**1,442.6**	1,115.5

5. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the year. Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profits for the year at the rates of tax prevailing in the countries in which the Group operates. These rates range from 9% to 25% (2011: 9% to 25%).

The amount of income tax charged to the consolidated income statement represents:

	2012	2011
	HK$'m	HK$'m
Current income tax		
Hong Kong profits tax	**256.4**	259.1
Mainland China and overseas taxation	**389.0**	86.8
Deferred income tax (credit)/ charge	**(20.4)**	94.5
	625.0	440.4

Share of taxation of associated companies and jointly controlled entities of HK$33.1 million (2011: HK$24.5 million) and HK$416.2 million (2011: HK$310.2 million) respectively are included in the consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

6. Dividends

	2012	2011
	HK$'m	HK$'m
Interim dividend paid of HK$0.50 (2011: HK$0.37) per share	**1,738.8**	1,226.9
Final dividend proposed of HK$0.25 (2011: paid of HK$0.33) per share	**898.0**	1,118.3
	2,636.8	2,345.2

At a meeting held on 25 September 2012, the Board recommended a final dividend of HK$0.25 per share in scrip form with a cash option. This proposed dividend is not reflected as a dividend payable in the financial statements but will be reflected as an appropriation of the retained profits in FY2013.

7. Earnings per share

The calculation of basic and diluted earnings per share for the year is based on earnings of HK$5,251.1 million (2011: HK$4,626.8 million) and the weighted average of 3,443,310,740 and 3,445,195,803 (2011: 3,301,983,204 and 3,303,701,813) ordinary shares outstanding during the year respectively, calculated as follows:

	2012	2011
	HK$'m	HK$'m
Profit attributable to shareholders of the Company and for calculation of basic and diluted earnings per share	**5,251.1**	4,626.8

	Number of shares	
	2012	2011
Weighted average number of shares for calculating basic earnings per share	**3,443,310,740**	3,301,983,204
Effect of dilutive potential ordinary shares		
Share options	**1,885,063**	1,718,609
Weighted average number of shares for calculating diluted earnings per share	**3,445,195,803**	3,303,701,813

8. Associated companies

As at 30 June 2011, the Group had an effective interest of approximately 60% in Newton Resources Ltd ("Newton Resources"), a subsidiary of the Group, and classified as assets held for sale/liabilities directly associated with assets held for sale as The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") had approved the separate listing of Newton Resources on the Main Board in FY2011. On 4 July 2011, the spin-off of Newton Resources was completed and dealings in shares of Newton Resources on the Main Board of the Hong Kong Stock Exchange commenced on the same day. Upon its listing, the Group's effective interest in Newton Resources diluted to 48%. Newton Resources therefore ceased to be a subsidiary and became an associated company of the Group. As a result, a gain of HK$1,842.7 million on the deemed disposal of interest was recorded in the consolidated income statement in FY2012.

9. Trade and other receivables

Included in trade and other receivables are trade receivables which are further analyzed as follows:

	2012	2011
	HK$'m	HK$'m
Under 3 months	**947.8**	528.4
4 to 6 months	**21.9**	9.8
Over 6 months	**35.8**	119.3
	1,005.5	657.5

The Group has various credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiaries operate.

10. Assets held for sale/liabilities directly associated with assets held for sale

Assets held for sale

	Note	**2012** **HK$'m**	2011 HK$'m
Listed securities			
Equity securities listed in Hong Kong		**7.8**	13.3
Equity securities listed in Mainland China		**46.9**	57.0
Assets of Newton Resources reclassified as held for sale	*8*	**-**	3,175.5
		54.7	3,245.8

Liabilities directly associated with assets held for sale

	Note	**2012** **HK$'m**	2011 HK$'m
Liabilities of Newton Resources reclassified as held for sale	*8*	**-**	(601.0)

11. Trade and other payables

Included in trade and other payables are trade payables which are further analyzed as follows:

	2012	2011
	HK$'m	HK$'m
Under 3 months	**425.5**	297.6
4 to 6 months	**2.7**	7.3
Over 6 months	**20.4**	18.2
	448.6	323.1

FINAL DIVIDEND

The Board has resolved to recommend a final dividend for FY2012 in scrip form equivalent to HK$0.25 per share (2011: HK$0.33 per share) with a cash option to the shareholders whose names appear on the register of members of the Company on 26 November 2012. Together with the interim dividend of HK$0.50 per share (2011: HK$0.37 per share) paid in May 2012, total distribution of dividend by the Company for FY2012 will thus be HK$0.75 per share (2011: HK$0.70 per share).

Subject to the passing of the relevant resolution at the 2012 annual general meeting of the Company ("AGM") and the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholders could elect to receive in cash and they will be given the option of electing to receive payment in cash of HK$0.25 per share instead of the allotment of shares. Full details of the final scrip dividend will be set out in a circular to be sent to the shareholders together with a form of election for cash dividend on or about 28 November 2012.

BOOK CLOSE DATES

<u>For ascertaining shareholders' right to attend and vote at the AGM:</u>

Book close dates (both days inclusive)	16 to 20 November 2012
Latest time to lodge transfers	4:30 pm on 15 November 2012
Record date	20 November 2012
AGM	20 November 2012

<u>For ascertaining shareholders' entitlement to the proposed final dividend:</u>

Book close date	26 November 2012
Latest time to lodge transfers	4:30 pm on 23 November 2012
Record date	26 November 2012
Final dividend payment date	on or about 28 December 2012

FINANCIAL REVIEW

Group overview

The Group hit a new profit record of HK$5.251 billion for FY2012, representing an increase of HK$624.3 million or 13%, as compared to HK$4.627 billion for FY2011. Attributable Operating Profit ("AOP") increased by 4% to HK$4.208 billion in FY2012. Infrastructure division generated an AOP of HK$2.133 billion, an increase of 3% as compared to HK$2.067 billion in FY2011. The AOP of Services division recorded an increase of 4% to HK$2.075 billion.

During FY2012, the Group acquired 95% effective interest in Hangzhou Ring Road ("HZRR"). This acquisition was partially financed by a bridging loan and subsequently by the United States Dollar bonds issued in February 2012. The performance of HZRR was in line with management's expectation and stood out as the most significant AOP contributor under the Roads segment in FY2012.

The Group's effective interest in Newton Resources diluted from approximately 60% to 48% following its listing on the Main Board of the Hong Kong Stock Exchange on 4 July 2011. As a result, Newton Resources ceased to be a subsidiary of the Group and a dilution gain of approximately HK$1.8 billion was recorded.

Assets impairment losses mainly composed of a HK$259.2 million provision for the Group's securities investments under the Strategic Investments segment due to the volatile and adverse market conditions. In addition, the Group shared an impairment loss of HK$200.0 million from an investment in an expressway in Guangdong Province under the Roads segment due to its under-performance and uncertain future prospects.

Contribution by Division **For the year ended 30 June**	**2012** **HK$'m**	2011 HK$'m
Infrastructure	**2,133.0**	2,066.9
Services	**2,074.6**	1,989.3
Attributable operating profit	**4,207.6**	4,056.2
Head office and non-operating items		
Net gain on deemed disposals of interests in a subsidiary and an associated company	**1,833.4**	-
Gain on disposal of projects, net of tax	**108.7**	343.9
Gain on fair value of investment properties	**93.3**	479.9
Excess of fair value of net assets acquired over the cost of acquisition of interests of a jointly controlled entity	**-**	26.8
Share of profit from Harbour Place	**51.8**	1.2
Assets impairment losses	**(316.5)**	-
Share of impairment loss from a jointly controlled entity	**(200.0)**	-
Corporate net exchange gain	**14.0**	109.3
Corporate interest income	**51.8**	40.1
Corporate finance costs	**(333.8)**	(102.8)
Corporate expenses and others	**(259.2)**	(327.8)
	1,043.5	570.6
Profit attributable to shareholders	**5,251.1**	4,626.8

Contributions from operations in Hong Kong accounted for 53% of AOP in FY2012 as compared to 54% in FY2011. Mainland China and Macau & others contributed 36% and 11% respectively, as compared to 38% and 8% respectively in FY2011.

Final dividend for FY2012 of HK$0.25 per share (2011: HK$0.33) is recommended by the Board. The total dividend for FY2012 represents payout ratio of approximately 50.2% which is in line with the dividend policy of the Company.

Earnings per share

The basic earnings per share in FY2012 increased from HK$1.40 to HK$1.53, representing a 9% increase.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the year ended 30 June

	2012 **HK$'m**	2011 HK$'m	Change % Fav./(Unfav.)
Roads	**1,210.1**	1,134.9	7
Energy	**262.2**	352.4	(26)
Water	**359.3**	297.7	21
Ports & Logistics	**301.4**	281.9	7
Total	**2,133.0**	2,066.9	3

Roads

The acquisition of HZRR during FY2012 has further extended the Group's footprint of Roads projects to the Yangtze River Delta Region. After the completion of the fourth phase of acquisition in January 2012, the Group owns 95% effective interest in the project. This 103.4km long expressway boasted an average daily traffic volume of over 100,000 vehicles and contributed significantly to the segment's AOP in FY2012.

AOP from Tangjin Expressway (Tianjin North Section) dropped in FY2012 which was mainly due to a decrease of approximately HK$264.3 million in gain on extra profit recognition when compared to FY2011. To capture the high rate of economic growth in Tianjin Binhai New Area, the entire expressway will be expanded to six driving lanes. Partial closure of the expressway began in June 2012 to pave way for the expansion works. Its average daily traffic flow in FY2012 maintained at a similar level as FY2011.

In the Pearl River Delta Region, average daily traffic flow of Guangzhou City Northern Ring Road grew by 13%, as benefited from the repairs and maintenance being undertaken by a competing road during FY2012. Average daily traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Shenzhen-Huizhou Expressway (Huizhou Section) increased by 7% and 9% respectively when compared to FY2011. Phase two of Guangzhou-Zhaoqing Expressway, which was completed in September 2010, has greatly enhanced the project competitiveness in the Pearl River Delta Region and reported a traffic growth of 17% in FY2012. Guangzhou Dongxin Expressway, which started operation in December 2010, registered an Attributable Operating Loss ("AOL") in its early stage of operation. Despite a 7% growth in traffic volume, Guangzhou City Nansha Port Expressway recorded an AOL mainly due to the increase in finance costs.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel rose by 3% compared to FY2011.

Energy

Surging coal price continued to put pressure on the profitability of power producers in FY2012.

Due to system upgrade and overhaul works carried out during FY2012, Zhujiang Power Plants registered a decrease in electricity sales of 5%. Electricity sales of Chengdu Jintang Power Plant grew by 6% when compared with FY2011. The on-grid tariff increase in December 2011 mitigated the impact of high fuel costs on the Group's power plants in Mainland China.

Trading revenue of Guangzhou Fuel Company grew by 17% but its AOP was under pressure as a result of lower gross margin and higher finance costs in relation to the investment in a coal mine in Mainland China.

In Macau, electricity sales of Macau Power reported a healthy growth of 9% with more entertainment and hotel facilities commencing operations during FY2012. The permitted return of Macau Power has been reduced from 12% to 9.5% per annum following the renewal of the concession rights in November 2010.

Water

Sales volume of Chongqing Water Plant and Sanya Water Plant increased by 6% and 8% respectively. Waste water treated by Chongqing Tangjiatuo Waste Water Plant reported a growth of 13%. Apart from a notable increase of 13% in water sales revenue, the tax refund obtained by Shanghai SCIP Water Treatment Plants after the project was certified as a hi-tech enterprise also contributed to the growth in AOP. The new Chongqing CCIP Water Treatment Plants commenced operation in September 2011. Water sales volume of Macau Water Plant rose by 6% when compared to FY2011.

Chongqing Water Group continued to be a key AOP contributor to the Water segment in FY2012.

Ports and Logistics

The throughput of Xiamen New World Xiangyu Terminals Co., Ltd. rose by 29% to 1,000,000 TEUs due to additional shipping routes obtained in FY2012. The new Xiamen Haicang Xinhaida Container Terminals commenced operation in September 2011.

The throughput of Tianjin Five Continents International Container Terminal Co., Ltd. and Tianjin Orient Container Terminals Co., Ltd. grew by 10% to 2,172,000 TEUs and 3% to 886,000 TEUs respectively in FY2012.

ATL Logistics Centre continued to make stable AOP contribution to the Group. Average occupancy rate increased from 96% to 98% in FY2012.

The eight operating rail container terminals of China United International Rail Containers Co., Ltd. ("CUIRC") reported a throughput growth of 20% to 1,508,000 TEUs during FY2012, which was mainly due to the increase in business volume of Kunming and Chongqing terminals and full-period effect of operations of several terminals.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the year ended 30 June

	2012	2011	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Facilities Management	**1,184.0**	876.9	35
Construction & Transport	**334.2**	279.1	20
Strategic Investments	**556.4**	833.3	(33)
Total	**2,074.6**	1,989.3	4

Facilities Management

The Facilities Management segment comprises mainly the Hong Kong Convention and Exhibition Centre ("HKCEC") and Free Duty.

The Group continued to benefit from the growth of exhibition and convention industry in FY2012. During the year, 1,224 events were held at HKCEC with total patronage of approximately 5.6 million. With the recent upgrade of its facilities and equipment, HKCEC will endeavour to enhance its services, and to maintain its leading position in the market. Significant increase in restaurant and catering turnover was notable in FY2012, food and beverage business will be an important growth driver in the years ahead.

Strong patronage of affluent travellers, especially Mainland Chinese visitors, contributed to the significant growth of Free Duty's tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong. Expanded liquor sales have successfully offset the drop in tobacco sales resulting from high cigarette duty.

Construction & Transport

The Construction business recognized an AOP of HK$188.2 million in FY2012, representing a 15% increase from FY2011, despite provisions made in respect of a number of construction projects amounting to approximately HK$248.3 million. As at 30 June 2012, the gross value of contracts on hand for the Construction business was approximately HK$21.4 billion. Close monitoring of tender bidding continues to be the key area of risk management. In order to enhance service quality, deliver client oriented services and improve customer satisfaction, more focus and resources have been put in place to enhance staff training, industrial safety and environmental protection.

The Group's Transport business reported an AOP of HK$146.0 million in FY2012, representing a 27% increase over FY2011. This was mainly attributable to the gain on the disposals of the Macau ferry operation and the bus operation in Kunming, the PRC.

Two new 10-year franchises were granted to New World First Bus Services Limited and Citybus Limited's Airport and North Lantau Bus Network (Franchise 2) during the year and will take effect when the current franchises expire on 1 July 2013 and 1 May 2013 respectively.

Strategic Investments

This segment includes contributions from Tricor Holdings Limited ("Tricor"), Haitong International Securities Group Limited ("Haitong International"), Newton Resources, Hyva Holding B.V. ("Hyva") and other securities investments held by the Group for strategic investment purposes.

The Strategic Investments segment achieved an AOP of HK$556.4 million in FY2012. However, the period also saw impairment losses amounting to HK$259.2 million for available-for-sale financial assets under this segment.

Tricor recorded a steady growth in its corporate services and investor services businesses during FY2012. It captured about 52% of the total share of new listings in Hong Kong in FY2012. Its business operations in Hong Kong, Singapore and Mainland China together contributed about 80% of the total profit in FY2012.

Due to the bleak investment sentiment and market condition in the second half of 2011, business of Haitong International suffered inevitably to some extent. Although the market condition during the first half of 2012 was still affected by the European debt crisis which is unlikely to recover in the short term, Haitong International achieved an increase in total revenue by 10% as compared with the corresponding period last year.

On 4 July 2011, the spin-off of Newton Resources was completed and dealings in shares of Newton Resources on the Main Board of the Hong Kong Stock Exchange commenced on that date. Since its listing, Newton Resources has experienced a number of execution problems which led to the temporary cessation of commercial production. These include disputes relating to land expropriation and staff issue. Appropriate announcements detailing these events were made by Newton Resources. In the meantime, various infrastructure development works for Phase One and Phase Two have been completed to enable commercial production to resume on a gradual basis. In addition to the production of iron concentrates, Newton Resources has also obtained the mining permit for gabbro-diabase recently, the production of which is expected to commence by the fourth quarter of 2012.

The Group held an effective interest of approximately 38% in Hyva, a company engaged in the manufacturing and supply of components used in hydraulic loading and unloading systems on trucks and trailers. Revenue in Mainland China has been affected by a slowdown in heavy truck sales. In Europe, however, despite the general negative market sentiments, replacement needs continue to support sales.

BUSINESS OUTLOOK

In the 12th Five-Year Plan, the reinforcement of expressway network is an important target for Mainland China. Toll road operators have benefited from this policy by not only having greater investment opportunities but also enjoying a more developed and comprehensive road network. However, increasing public concerns on toll rate have attracted more government interventions. Further to the Joint Notification issued by the Five Ministries and Commissions of the Central Government in June 2011 to review toll rates and policies adopted by road operators, a series of toll rate standardization measures were implemented in Guangdong Province in June 2012. On 24 July 2012, the State Council of Mainland China also approved passenger cars with seven seats or less and motorcycles to travel through toll roads for free during four statutory holiday (including adjoining holiday) periods, namely, the Chinese New Year, Ching Ming Festival, Labour Day and National Day. These measures are likely to present a negative impact on toll income and cast uncertainties to the industry. The Group will continue to monitor the situation closely and make every endeavour to manage any negative impact these policies may present.

To capture the high economic growth trend of Tianjin Binhai New Area, the expansion works of Tangjin Expressway (Tianjin North Section) have begun during FY2012 and are scheduled for completion in FY2015. Shenzhen Huizhou Expressway (Huizhou Section) is also targeted for expansion works from four to six driving lanes in FY2013. The acquisition of an aggregate 95% effective interest in HZRR marked an important milestone in strengthening the Group's toll road portfolio. This operating expressway is expected to bring significant AOP and cash flow in the years to come.

National power consumption achieved a growth of 11.7% in 2011 but slowed down to 5.5% in the first half of 2012 on a period-to-period basis. Coal price dropped recently but still remains at a comparatively high level. The on-grid tariff increase in December 2011 is expected to mitigate the impact of high fuel costs on the Group's power plants in Mainland China. In Macau, the electricity demand is expected to grow stably in 2012. The Group's investment through a joint venture in a coal mine project in Shanxi conducted trial run during FY2012 and is expected to provide a secure coal supply to the Group.

Environmental protection remains to be the top priority of local government's agenda in Mainland China as the Central Government continues to increase its support for environmental initiatives. The success in operating wastewater and sludge treatment plants by Sino French Water Development Company Limited ("Sino French Water"), a 50/50 joint venture with Suez Environnement, will allow the Group to be one of the prime movers to capture these opportunities. Water demand is expected to grow healthily along with the continuous development in Mainland China. During FY2012, Chongqing CCIP Water Treatment Plants commenced operation in September 2011. A new investment to build treatment plants and provide exclusive water and wastewater treatment services in Wuhan Chemical Industry Park was also made by Sino French Water. The construction of Changshu Water Plant Phase II has been completed and is expected to be operational in the second half of 2012.

With the support of Ministry of Railways and Ministry of Transport, the development of sea-rail intermodal transportation is expected to fuel the throughput growth of rail containers in Mainland China. In addition, block train services from Chongqing to Germany commencing in 2011 will foster international container transportation along the Euro-Asia Land Bridge. CUIRC, with its eight operating terminals under phase one development, has formed a scale and achieved operational efficiency. In light of CUIRC's throughput growth, expansion has been planned to increase the handling capacity of the Chengdu and Chongqing terminals in the near term. Development of the remaining terminals under phase two is in progress. It is expected that CUIRC will be well positioned to capture the foreseeable growth in rail freight volume.

HKCEC will continue to benefit from the growth of exhibition and convention industry globally. However, space saturation at HKCEC during peak seasons is restricting further growth of existing mega exhibitions. Rapid growth in food and beverages turnover has become a major driver of the business. The Group is confident that the business of HKCEC will continue to sustain healthy growth as the utilization rate and service level continue to improve by making full use of the Atrium Link expansion and providing multi-purpose venues through upgrading works.

Free Duty's business is expected to thrive with the increase in the number of high-spending visitors from Mainland China. Despite the loss of the concession contract at the Hong Kong International Airport after the expiry of the existing contract in November 2012, the Group remains optimistic regarding the prospects of its duty free business, especially with the successful renewal of concession contracts at all the land border crossings for five years. These duty free concessions, which serve commuters between Hong Kong and Shenzhen, will continue to bring in strong cash flow for the Group.

Hong Kong construction industry sees a rising demand in light of the booming property market and large infrastructure projects, presenting ample business opportunities on one hand while facing the challenge of increasing labour and materials costs on the other. The Group's Construction business will continue to focus on sizeable employers that demand high quality services. More resources will have to be deployed on tendering, contract execution and staff training in order to cope with these challenges.

The profit of the Transport business is highly dependable on fuel prices which have been affected by the financial derivatives in addition to the supply and demand in the energy markets. Management has hedged the fuel prices to relieve part of the pressure for fare increase in the coming financial year. As the Hong Kong government adopts the policy of using "Railways as the Backbone" of passenger transport system, the growth of local franchised bus services is limited to the consolidation and service improvement of existing routes. The Group will however continue to introduce more environmental friendly buses in the coming years to further increase passenger comfort with minimal environmental impact.

The record profit in FY2012 was characterized by a substantial dilution gain from the successful listing of Newton Resources at the start of the financial year followed by the timely acquisition of HZRR which stood out as a major growth driver in terms of revenue and AOP under the Roads segment. While the business outlook continues to be mixed, the Group is confident that future full-year contribution from HZRR will be able to defuse the potential negative impact arising from the recently introduced unfavourable toll road policies in Mainland China. Having successfully renewed all the land border duty free concession contracts, the Group stands to benefit directly from the high patronage growth at the land border crossings which should in time make up for the loss of the airport concession.

Despite challenging global economic conditions, the Group expects the economic growth in Mainland China and Hong Kong to remain relatively firm and views the Group's overall prospect positively. The Group is confident that our overall strategic direction and resilient business model will continue to deliver stable and sustainable growth.

FINANCIAL RESOURCES

Treasury management and cash funding

The Group's funding and treasury policy is designed to maintain a comprehensively diversified and balanced debt profile to minimize the Group's financial risks. Management of the Group's financing and treasury activities is centralized at the corporate level. The Group's treasury function regularly reviews the funding requirements in order to enhance the cost-efficiency of funding initiatives. With adequate cash deposits and available banking facilities, the Group maintains a strong liquidity position to provide sufficient financial resources to finance its operations and potential investments.

Liquidity

As at 30 June 2012, the Group's total cash and bank balances amounted to HK$5.386 billion, as compared to HK$4.501 billion as at 30 June 2011. The Group's Net Debt as at 30 June 2012 was HK$12.280 billion, as compared to HK$2.162 billion as at 30 June 2011. The capital structure of the Group was 33% debt and 67% equity as at 30 June 2012, as compared to 17% debt and 83% equity as at 30 June 2011.

Debt profile and maturity

As at 30 June 2012, the Group's Total Debt increased to HK$17.666 billion from HK$6.662 billion as at 30 June 2011. This was mainly due to the loans utilized to finance the purchase consideration for HZRR, the consolidation of indebtedness of Chinese Future Corporation ("CFC", the intermediate holding company which holds a 95% interest in the project company operating HZRR), the issuance of CNY1.0 billion 2.75% guaranteed bonds due in 2014 and the issuance of USD500.0 million 6.50% guaranteed bonds due in 2017 during FY2012. Long-term loans and borrowings increased to HK$15.110 billion as at 30 June 2012 from HK$2.764 billion as at 30 June 2011, with HK$850.5 million maturing in the second year; HK$12.851 billion in the third to fifth year and the remainder after the fifth year. Bank loans were denominated in Hong Kong dollars or Renminbi, while bonds were denominated in Renminbi or United States Dollars. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. The Group used cross currency swaps and interest rate swaps to hedge part of the Group's underlying exchange risk and interest rate exposure respectively. The Group did not have any material exposure to exchange risk other than Renminbi during FY2012. As at 30 June 2012, concession rights of HZRR were pledged as securities for a banking facility of the Group.

Commitments

The Group's commitments for capital expenditure were HK$922.5 million as at 30 June 2012 as compared to HK$1.390 billion as at 30 June 2011. This represented commitment for capital contributions to/acquisition of certain associated companies and jointly controlled entities of HK$889.2 million as at 30 June 2012 as compared to HK$1.373 billion as at 30 June 2011; and commitments for properties and equipment, intangible concession rights or other investments of HK$33.3 million as at 30 June 2012 as compared to HK$16.9 million as at 30 June 2011. The share of commitments for capital expenditure committed by jointly controlled entities was HK$1.572 billion as at 30 June 2012 as compared to HK$1.083 billion as at 30 June 2011. Sources of funding for capital expenditure include internally generated resources and banking facilities.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK$714.1 million as at 30 June 2012, as compared to HK$753.5 million as at 30 June 2011. These composed of guarantees for credit facilities granted to an associated company, jointly controlled entities and related companies of HK$2.2 million, HK$600.2 million and HK$111.7 million respectively as at 30 June 2012, as compared to HK$11.9 million, HK$593.1 million and HK$148.5 million respectively as at 30 June 2011. The share of contingent liabilities of a jointly controlled entity was HK$14.7 million as at 30 June 2012 and HK$2.6 million as at 30 June 2011.

MAJOR ACQUISITION AND DISPOSAL

On 4 July 2011, the spin-off of Newton Resources was completed and dealings in shares of Newton Resources on the Main Board of the Hong Kong Stock Exchange commenced on the same day. Upon its listing, the Group's effective interest in Newton Resources diluted to 48%. Newton Resources therefore ceased to be a subsidiary and became an associated company of the Group. As a result, a gain of HK$1,842.7 million on the deemed disposal of interest was recorded in the consolidated income statement in FY2012.

The Group acquired 95% effective interest of HZRR in Zhejiang Province, the PRC under four phases since June 2011 at a total consideration of US$1,073.0 million (equivalent to approximately HK$8,358.0 million), out of which HK$1,588.9 million was paid as deposit during FY2011 and HK$6,769.1 million was paid during FY2012. Phase 4 of acquisition was completed on 6 January 2012.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2012, approximately 28,000 staff were employed by entities under the Group's management of which approximately 9,000 staff were employed in Hong Kong. Total staff related costs, including provident funds and staff bonus but excluding directors' remunerations, were HK$1.457 billion (2011: HK$1.204 billion). Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and the audited financial statements of the Company for FY2012.

The figures in respect of the preliminary announcement of the Group's results for FY2012 have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC Hong Kong"), to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PwC Hong Kong 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 HKICPA and consequently no assurance has been expressed by PwC Hong Kong on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance practices within the Group and devotes considerable effort to identify and formalize best practices. We believe that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders, and enhance shareholders' value.

In October 2011, the Hong Kong Stock Exchange made an announcement in relation to the amendments to the corporate governance related provisions provided in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules") and the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules (the "Former CG Code"). The Former CG Code was renamed as Corporate Governance Code (the "New CG Code") and became effective on 1 April 2012. Immediately after the announcement, the Board carried out an extensive review on the corporate governance practices of the Group. Certain guidelines, policies, manuals and terms of reference of various board committees were revised and adopted by the Board in February 2012 in order to strengthen the Group's corporate governance framework and adopt the code provisions, as well as some of the recommended best practices as applicable to the Group, under the New CG Code.

Throughout FY2012, the Company has fully complied with all the applicable code provisions in the Former CG Code and the New CG Code for the relevant periods in which they are in force.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 13 February 2012 (the "Redemption Date"), CFC, an indirect wholly-owned subsidiary of the Company, redeemed the outstanding US$225.0 million 12% senior notes due 2015 (the "Notes", which was issued by CFC and listed on the Mainboard of the Singapore Exchange Securities Trading Limited) in its entirety at the redemption price of 107.5% of the principal amount of the Notes redeemed, plus accrued and unpaid interest up to the Redemption Date. The amount of interest paid with respect to the Notes on the Redemption Date was US$24 per US$1,000 in principal amount of the Notes.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2012.

THE BOARD

As at the date of this announcement, (a) the executive directors of the Company are Dr Cheng Kar Shun, Henry, Mr Tsang Yam Pui, Mr Lam Wai Hon, Patrick, Mr Cheung Chin Cheung, Mr William Junior Guilherme Doo and Mr Cheng Chi Ming, Brian; (b) the non-executive directors of the Company are Mr Doo Wai Hoi, William, Mr To Hin Tsun, Gerald and Mr Dominic Lai; and (c) the independent non-executive directors of the Company are Mr Kwong Che Keung, Gordon, Dr Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham and Mr Wilfried Ernst Kaffenberger (alternate director to Mr Wilfried Ernst Kaffenberger: Mr Yeung Kun Wah, David).

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 25 September 2012

* *For identification purposes only*