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 2013

FINANCIAL HIGHLIGHTS

Revenue	**:**	**HK$16,247.9 million**
Profit attributable to shareholders	**:**	**HK$4,008.0 million**
Earnings per share – basic and diluted	**:**	**HK$1.11**
Proposed final dividend per share	**:**	**HK$0.26**

RESULTS

The board of directors (the "Board") of NWS Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2013 ("FY2013") together with comparative figures for the year ended 30 June 2012 ("FY2012") as follows:

Consolidated Income Statement
For the year ended 30 June

	Note	**2013**	2012
		HK$'m	HK$'m
Revenue	*2*	**16,247.9**	14,954.3
Cost of sales		**(13,114.0)**	(11,876.2)
Gross profit		**3,133.9**	3,078.1
Gain on deemed disposal of interest in a subsidiary		**-**	1,842.7
Other income/gains (net)	*3*	**1,251.3**	571.7
General and administrative expenses		**(747.1)**	(654.5)
Operating profit	*4*	**3,638.1**	4,838.0
Finance costs		**(768.7)**	(580.1)
Share of results of			
Associated companies		**438.0**	557.2
Jointly controlled entities		**1,415.8**	1,237.5
Profit before income tax		**4,723.2**	6,052.6
Income tax expenses	*5*	**(640.9)**	(625.0)
Profit for the year		**4,082.3**	5,427.6
Attributable to			
Shareholders of the Company		**4,008.0**	5,251.1
Non-controlling interests		**74.3**	176.5
		4,082.3	5,427.6
Dividends	*6*	**2,012.4**	2,636.8
Earnings per share attributable to the shareholders of the Company	*7*		
Basic		**HK$1.11**	HK$1.53
Diluted		**HK$1.11**	HK$1.52

Consolidated Statement of Comprehensive Income
For the year ended 30 June

	2013	2012
	HK$'m	HK$'m
Profit for the year	**4,082.3**	5,427.6
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Fair value changes of available-for-sale financial assets	**(13.5)**	(271.3)
Release of investment revaluation deficit to the consolidated income statement upon impairment of available-for-sale financial assets	**-**	311.0
Release of reserve upon disposal of available-for-sale financial assets	**-**	(66.4)
Release of reserves upon disposal of assets held for sale	**(2.4)**	(0.5)
Release of exchange reserve upon disposal of a subsidiary and an associated company	**-**	(16.9)
Share of other comprehensive income/(loss) of an associated company and jointly controlled entities	**25.7**	(3.8)
Cash flow hedges	**55.1**	(115.8)
Currency translation differences	**1,165.2**	229.4
Other comprehensive income for the year, net of tax	**1,230.1**	65.7
Total comprehensive income for the year	**5,312.4**	5,493.3
Total comprehensive income attributable to		
Shareholders of the Company	**5,207.2**	5,307.4
Non-controlling interests	**105.2**	185.9
	5,312.4	5,493.3

Consolidated Statement of Financial Position
As at 30 June

	Note	**2013** **HK$'m**	2012 HK$'m
ASSETS			
Non-current assets			
Investment properties		**3,443.1**	3,156.8
Property, plant and equipment		**454.1**	421.8
Intangible concession rights		**16,660.4**	16,747.5
Intangible assets		**486.3**	517.6
Associated companies		**9,686.2**	9,098.7
Jointly controlled entities		**19,861.7**	19,533.2
Available-for-sale financial assets		**424.1**	433.2
Other non-current assets		**1,073.4**	965.8
		52,089.3	50,874.6
Current assets			
Inventories		**366.3**	499.3
Trade and other receivables	*8*	**5,463.3**	4,686.6
Available-for-sale financial asset		**583.5**	583.5
Financial assets at fair value through profit or loss		**0.8**	1.5
Cash and bank balances		**7,768.2**	5,386.0
		14,182.1	11,156.9
Assets held for sale	*9*	**751.4**	54.7
		14,933.5	11,211.6
Total assets		**67,022.8**	62,086.2

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

	Note	**2013** **HK$'m**	2012 HK$'m
EQUITY			
Share capital		**3,675.6**	3,581.6
Reserves		**35,551.8**	31,314.7
Proposed final dividend		**955.7**	898.0
Shareholders' funds		**40,183.1**	35,794.3
Non-controlling interests		**837.9**	838.5
Total equity		**41,021.0**	36,632.8
LIABILITIES			
Non-current liabilities			
Borrowings		**16,275.8**	15,110.0
Deferred tax liabilities		**2,607.4**	2,562.3
Other non-current liabilities		**339.2**	312.9
		19,222.4	17,985.2
Current liabilities			
Borrowings		**1,403.7**	2,556.1
Trade and other payables	*10*	**4,972.2**	4,464.0
Taxation		**403.5**	448.1
		6,779.4	7,468.2
Total liabilities		**26,001.8**	25,453.4
Total equity and liabilities		**67,022.8**	62,086.2
Net current assets		**8,154.1**	3,743.4
Total assets less current liabilities		**60,243.4**	54,618.0

Notes:

1. Basis of preparation and accounting policies

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.

(a) Adoption of new or revised standards

During FY2013, the Group adopted the following amendment to standard which is relevant to the Group's operations and is mandatory for FY2013:

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

The adoption of this amendment to standard has no material effect on the results and financial position of the Group.

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

The following new standards, amendments to standards and interpretations are mandatory for accounting period beginning on or after 1 July 2013 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2014 ("FY2014")

HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
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
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

1. Basis of preparation and accounting policies (continued)

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

Effective for the year ending 30 June 2015 or after

HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 9	Financial Instruments
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities

The Group has already commenced an assessment of the impact of these new standards, amendments to standards and interpretations, 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:

	2013	2012
	HK$'m	HK$'m
Roads	**2,200.3**	1,903.5
Ports & Logistics	**102.1**	41.3
Facilities Management	**6,471.7**	7,177.4
Construction & Transport	**7,473.8**	5,832.1
	16,247.9	14,954.3

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 corporate 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 FY2013 is as follows:

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport		Strategic Investments		Total	
2013										
Total revenue	**2,200.3**	**-**	**102.1**	**6,491.5**	**7,599.7**		**-**		**16,393.6**	
Inter-segment	**-**	**-**	**-**	**(19.8)**	**(125.9)**		**-**		**(145.7)**	
Revenue – external	**2,200.3**	**-**	**102.1**	**6,471.7**	**7,473.8**		**-**		**16,247.9**	
Attributable operating profit										
Company and subsidiaries	**708.3**	**-**	**63.3**	**1,122.7**	**127.9**		**257.3**		**2,279.5**	
Associated companies	**30.6**	**23.1**	**20.3**	**(2.0)**	**113.9**		**269.2**	**(ii)**	**455.1**	**(b)**
Jointly controlled entities	**499.3**	**696.4**	**246.8**	**2.9**	**152.5**	**(i)**	**(65.2)**		**1,532.7**	**(b)**
	1,238.2	**719.5**	**330.4**	**1,123.6**	**394.3**		**461.3**		**4,267.3**	
Reconciliation										
Gain on fair value of investment properties									**333.6**	
Share of profit from Harbour Place									**28.1**	
Corporate net exchange gain									**104.9**	
Corporate interest income									**109.7**	
Corporate finance costs									**(555.3)**	
Corporate expenses and others									**(280.3)**	
Profit attributable to shareholders									**4,008.0**	

(i) The amount includes the Group's share of attributable operating profit of HK$159.4 million from its Transport business.

(ii) The amount includes the Group's share of profit of HK$215.3 million from three associated companies engaged in investment activities.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2013 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
2013										
Depreciation	**9.1**	**-**	**-**	**50.0**	**38.2**	**-**	**97.3**	**9.7**	**-**	**107.0**
Amortization of intangible concession rights	**715.0**	**-**	**-**	**-**	**-**	**-**	**715.0**	**-**	**-**	**715.0**
Amortization of intangible assets	**-**	**-**	**-**	**31.3**	**-**	**-**	**31.3**	**-**	**-**	**31.3**
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	**10.5**	**-**	**-**	**85.9**	**35.0**	**-**	**131.4**	**9.4**	**-**	**140.8**
Interest income	**63.3**	**14.5**	**1.7**	**0.8**	**6.2**	**216.2**	**302.7**	**109.7**	**(16.4)**	**396.0**
Finance costs	**206.6**	**-**	**10.3**	**0.6**	**12.3**	**-**	**229.8**	**555.3**	**(16.4)**	**768.7**
Income tax expenses	**360.3**	**25.5**	**11.8**	**221.8**	**8.4**	**12.2**	**640.0**	**0.9**	**-**	**640.9**
As at 30 June 2013										
Company and subsidiaries	**18,933.0**	**162.0**	**2,159.5**	**4,036.4**	**4,515.0**	**1,898.4**	**31,704.3**	**5,770.6**	**-**	**37,474.9**
Associated companies	**422.5**	**643.9**	**280.0**	**689.0**	**1,363.8**	**6,224.6**	**9,623.8**	**62.4**	**-**	**9,686.2**
Jointly controlled entities	**6,409.7**	**7,480.9**	**3,039.1**	**17.5**	**1,617.0 (i)**	**1,273.1**	**19,837.3**	**24.4**	**-**	**19,861.7**
Total assets	**25,765.2**	**8,286.8**	**5,478.6**	**4,742.9**	**7,495.8**	**9,396.1**	**61,165.4**	**5,857.4**	**-**	**67,022.8**
Total liabilities	**5,899.5**	**27.3**	**91.2**	**916.2**	**3,674.9**	**148.3**	**10,757.4**	**15,244.4**	**-**	**26,001.8**

(i) The balance includes the Group's investment in its Transport business of HK$1,922.0 million.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2013 is as follows (continued):

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 included the Group's share of attributable operating profit of HK$146.0 million from its Transport business.

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

(iii) Assets impairment losses mainly included 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 represented 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 FY2013 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 included the Group's investment in its Transport business of HK$1,783.4 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	**2013**	2012	**2013**	2012
Attributable operating profit	**455.1**	523.8	**1,532.7**	1,455.0
Corporate associated companies, jointly controlled entities and non-recurring items				
Harbour Place	**-**	-	**28.1**	51.8
Impairment loss	**-**	-	**-**	(200.0)
Others	**(17.1)**	33.4	**(145.0)**	(69.3)
Share of results of associated companies and jointly controlled entities	**438.0**	557.2	**1,415.8**	1,237.5

(c) Information by geographical areas:

	Revenue		Non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	
HK$'m	**2013**	2012	**2013**	2012
Hong Kong	**13,973.6**	12,786.4	**4,306.4**	4,014.2
Mainland China	**2,265.9**	1,971.7	**16,731.8**	16,815.3
Macau	**8.4**	195.3	**5.7**	14.2
Others	**-**	0.9	**-**	-
	16,247.9	14,954.3	**21,043.9**	20,843.7

3. Other income/gains (net)

	2013	2012
	HK$'m	HK$'m
Gain on fair value of investment properties	**333.6**	93.3
Gain on fair value of a derivative financial instrument	**58.8**	-
Profit on disposal of assets held for sale	**46.5**	8.8
Profit on disposal of a subsidiary	**-**	73.4
Profit on disposal of an associated company	**-**	86.9
Profit on disposal of investment properties	**-**	1.7
Net gain on fair value of financial assets at fair value through profit or loss	**36.9**	-
Net profit on disposal of available-for-sale financial assets	**3.3**	39.1
Net exchange gain	**214.4**	80.6
Interest income		
Available-for-sale financial asset	**191.0**	184.7
Bank deposits and others	**205.0**	161.0
Machinery hire income	**86.9**	84.3
Dividends and other income	**43.6**	21.4
Management fee income	**31.3**	53.0
Assets impairment losses	**-**	(316.5)
	1,251.3	571.7

4. Operating profit

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

	2013	2012
	HK$'m	HK$'m
Crediting		
Gross rental income from investment properties	**155.2**	51.1
Less: outgoings	**(29.4)**	(12.1)
	125.8	39.0
Charging		
Auditor's remuneration	**18.9**	17.2
Cost of inventories sold	**2,171.2**	2,420.3
Cost of services rendered	**10,942.8**	9,455.9
Depreciation	**107.0**	102.6
Amortization of intangible concession rights	**715.0**	554.2
Amortization of intangible assets	**31.3**	31.2
Operating lease rental expenses		
Properties	**51.8**	48.4
Other equipment	**2.8**	2.8
Staff costs (including directors' emoluments)	**1,708.5**	1,442.6

5. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2012: 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% (2012: 9% to 25%).

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

	2013	2012
	HK$'m	HK$'m
Current income tax		
Hong Kong profits tax	**237.4**	256.4
Mainland China and overseas taxation	**449.5**	389.0
Deferred income tax credit	**(46.0)**	(20.4)
	640.9	625.0

Share of taxation of associated companies and jointly controlled entities of HK$54.0 million (2012: HK$33.1 million) and HK$340.2 million (2012: HK$416.2 million) respectively are included in the consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

6. Dividends

	2013	2012
	HK$'m	HK$'m
Interim dividend paid of HK$0.29 (2012: HK$0.50) per share	**1,056.7**	1,738.8
Final dividend proposed of HK$0.26 (2012: paid of HK$0.25) per share	**955.7**	898.0
	2,012.4	2,636.8

At a meeting held on 25 September 2013, the Board recommended a final dividend of HK$0.26 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 FY2014.

7. Earnings per share

The calculation of basic and diluted earnings per share for the year is based on earnings of HK$4,008.0 million (2012: HK$5,251.1 million) and on the weighted average of 3,621,018,152 and 3,621,307,412 (2012: 3,443,310,740 and 3,445,195,803) ordinary shares outstanding during the year respectively, calculated as follows:

	2013	2012
	HK$'m	HK$'m
Profit attributable to shareholders of the Company and for calculation of basic and diluted earnings per share	**4,008.0**	5,251.1

	Number of shares	
	2013	2012
Weighted average number of shares for calculating basic earnings per share	**3,621,018,152**	3,443,310,740
Effect of dilutive potential ordinary shares		
Share options	**289,260**	1,885,063
Weighted average number of shares for calculating diluted earnings per share	**3,621,307,412**	3,445,195,803

8. Trade and other receivables

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

	2013	2012
	HK$'m	HK$'m
Under 3 months	**1,018.3**	947.8
4 to 6 months	**90.8**	21.9
Over 6 months	**35.0**	35.8
	1,144.1	1,005.5

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

9. Assets held for sale

	Note	2013 HK$'m	2012 HK$'m
Equity securities listed in Hong Kong		**7.8**	7.8
Equity securities listed in Mainland China		**-**	46.9
Assets reclassified as held for sale	*(a)*	**743.6**	-
		751.4	54.7

(a) On 25 February 2013, the Company announced that a subsidiary of the Group entered into a conditional agreement (the "Agreement") with certain port investors in Xiamen to establish a joint venture company (the "JV Company") in Mainland China and will inject their respective port investments in Xiamen into the JV Company. Pursuant to the Agreement, the Group will inject its 50% interest in Xiamen New World Xiangyu Terminals Co., Ltd. ("NWXY Terminal", a jointly controlled entity of the Group) into the JV Company. The Group has also committed to dispose of its 100% interest in Trend Wood Investments Limited ("Trend Wood", a wholly owned subsidiary of the Group which owns 46% interest in Xiamen Haicang Xinhaida Container Terminals Co., Limited ("Xinhaida", a jointly controlled entity of the Group)) to the JV Company (the "Trend Wood Disposal") after the establishment of the JV Company (the "JV Establishment") at a cash consideration of approximately RMB369.86 million (equivalent to approximately HK$462.33 million). The disposal proceeds will be utilized in full by the Group for the capital injection to the JV Company.

After the JV Establishment and completion of the Trend Wood Disposal, the Group will hold 13.8% interest in the JV Company. A call option was also granted to a subsidiary of the Group to acquire an additional 6.2% interest in the JV Company which will be exercisable for a period of three years from the date of the JV Establishment. If such call option is exercised by the subsidiary, the Group's interest in the JV Company will be increased to 20%.

Accordingly, the Group has ceased to account for the results of NWXY Terminal and Trend Wood from the signing of the Agreement and their carrying values have been reclassified as assets held for sale. These transactions are expected to be completed by the end of 2013. Assuming these transactions had been completed on 30 June 2013, management estimates that it would result in a gain of approximately HK$0.6 billion to the Group.

	2013 HK$'m
Assets	
Jointly controlled entities	743.4
Cash and bank balance	0.2
Assets reclassified as held for sale	743.6

10. Trade and other payables

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

	2013 HK$'m	2012 HK$'m
Under 3 months	**534.3**	425.5
4 to 6 months	**5.5**	2.7
Over 6 months	**15.8**	20.4
	555.6	448.6

FINAL DIVIDEND

The Board has resolved to recommend a final dividend for FY2013 in scrip form equivalent to HK$0.26 per share (2012: HK$0.25 per share) with a cash option to the shareholders whose names appear on the register of members of the Company on 22 November 2013. Together with the interim dividend of HK$0.29 per share (2012: HK$0.50 per share) paid in May 2013, total distribution of dividend by the Company for FY2013 will thus be HK$0.55 per share (2012: HK$0.75 per share).

Subject to the passing of the relevant resolution at the 2013 annual general meeting of the Company (the "2013 AGM") and the Listing Committee of The Stock Exchange of Hong Kong Limited 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$0.26 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 26 November 2013.

BOOK CLOSE DATES

<u>For ascertaining shareholders' right to attend and vote at the 2013 AGM:</u>

Book close dates (both days inclusive)	14 to 18 November 2013
Latest time to lodge transfers	4:30 pm on 13 November 2013
Record date	18 November 2013
2013 AGM	18 November 2013

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

Book close date	22 November 2013
Latest time to lodge transfers	4:30 pm on 21 November 2013
Record date	22 November 2013
Final dividend payment date	on or about 30 December 2013

FINANCIAL REVIEW

Group overview

Riding on the back of record profit in the previous financial year, the Group was able to deploy its well-diversified and counter-cyclical portfolio to maintain its earnings momentum by posting a record high Attributable Operating Profit (“AOP”) of HK$4.267 billion for FY2013. This represented a moderate AOP growth of HK$59.7 million from HK$4.208 billion for FY2012 amid an unfavourable and challenging business environment. Infrastructure division achieved an AOP of HK$2.288 billion, being an increase of 7% as compared to HK$2.133 billion in FY2012. The AOP of Services division recorded a decrease of 5% to HK$1.979 billion.

Our recognition of a dilution gain of approximately HK$1.8 billion from the listing of Newton Resources Ltd (“Newton Resources”) in July 2011 drove the profit attributable to shareholders to HK$5.251 billion in FY2012. Discounting this exceptional dilution gain, profit attributable to shareholders in FY2013 actually increased by HK$599.6 million or 18% to HK$4.008 billion compared to FY2012.

A gain on fair value of HK$333.6 million from revaluation of investment properties was recognized during FY2013 which reflected the robust demand for commercial properties in Hong Kong despite the government’s cooling measures.

Contribution by Division **For the year ended 30 June**	**2013** **HK$'m**	2012 HK$'m
Infrastructure	**2,288.1**	2,133.0
Services	**1,979.2**	2,074.6
Attributable operating profit	**4,267.3**	4,207.6
Corporate 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
Gain on fair value of investment properties	**333.6**	93.3
Share of profit from Harbour Place	**28.1**	51.8
Assets impairment losses	**-**	(316.5)
Share of impairment loss from a jointly controlled entity	**-**	(200.0)
Corporate net exchange gain	**104.9**	14.0
Corporate interest income	**109.7**	51.8
Corporate finance costs	**(555.3)**	(333.8)
Corporate expenses and others	**(280.3)**	(259.2)
	(259.3)	1,043.5
Profit attributable to shareholders	**4,008.0**	5,251.1

Contributions from the operations in Hong Kong accounted for 52% of AOP in FY2013 as compared to 53% in FY2012. Mainland China and Macau & others contributed 38% and 10% respectively, as compared to 36% and 11% respectively in FY2012.

Final dividend for FY2013 of HK$0.26 per share (2012: HK$0.25) is recommended by the Board. The total dividend for FY2013 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 was HK$1.11 in FY2013, representing a decrease of 27% from HK$1.53 in FY2012.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the year ended 30 June

	2013	2012	Change %
	HK$'m	HK$'m	Fav.
Roads	**1,238.2**	1,210.1	2
Energy	**330.2**	262.2	26
Water	**389.3**	359.3	8
Ports & Logistics	**330.4**	301.4	10
Total	**2,288.1**	2,133.0	7

Roads

In general, toll revenues were negatively affected by the implementation of toll standardization policy in Guangdong Province and introduction of the Holiday Toll-free Policy in 2012. These negative impacts were offset by the increased contribution from the newly acquired Hangzhou Ring Road ("HZRR"), the shareholding of which was increased from 58.66% to 95% in January 2012.

HZRR experienced a decrease in average daily traffic flow of 19% which was mainly due to the cancellation of Easy Access Card Programme since January 2012 and the implementation of the Holiday Toll-free Policy during FY2013. Toll revenue, however, dropped by only 5% mainly due to the growth of heavy vehicles. Reduction in finance costs resulting from the early redemption of the 12% senior notes in February 2012 also had a positive impact on AOP in FY2013.

AOP of Tangjin Expressway (Tianjin North Section) was affected by the partial closure of the expressway which commenced in June 2012 in order to carry out expansion works. Its average daily traffic flow dropped significantly by 38% when compared to FY2012.

Expressways in the Pearl River Delta Region generally reported healthy traffic growth in FY2013 although the toll revenues had been negatively impacted by the adverse toll policies. Average daily traffic flow in Guangzhou City Northern Ring Road grew by 17% mainly due to the opening of a new interchange in June 2012. The traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) remained relatively stable while both Shenzhen-Huizhou Expressway (Huizhou Section) and Guangzhou-Zhaoqing Expressway registered solid growth of 8% and 10% respectively. Guangzhou Dongxin Expressway, which commenced operation in December 2010, posted strong traffic growth of 31% in FY2013. Guangzhou City Nansha Port Expressway experienced a 1% drop in traffic volume.

In Hong Kong, average daily traffic flow of Tate's Cairn Tunnel increased by 3% in FY2013.

Energy

As coal prices continued to decline, AOP of the Energy segment rebounded from HK$262.2 million to HK$330.2 million in FY2013, up 26%.

Electricity sales volume of Zhujiang Power Plants, however, reduced by 19% in FY2013. The decrease was mainly due to the weakened demand in Guangdong Province together with more hydro-electricity being imported from the western provinces which experienced higher level of rainfall in FY2013. Electricity sales volume of Chengdu Jintang Power Plant also dropped by 7% when compared to FY2012.

Coal trading volume of Guangzhou Fuel Company increased by 18% in FY2013. However, falling coal prices and market volatility during FY2013 continued to put pressure on the trading margin.

In line with the booming entertainment and tourist industry in Macau, electricity sales volume of Macau Power continued to grow healthily by 5% in FY2013.

Water

Aided by the economic development in Chongqing, sales volume of Chongqing Water Plant grew by 7% while waste water treated by Chongqing Tangjiatuo Waste Water Plant and Chongqing CCIP Water Treatment Plants increased by 15% and 14% respectively in FY2013. Chongqing Water Group ("CWG") continued to be a key AOP contributor to the Water segment as apart from revenue growth, CWG's results further benefitted from an exchange gain on its Japanese Yen borrowings in FY2013.

Shanghai SCIP Water Treatment Plants reported a healthy growth of waste water sales revenue by 12%. Profitability of the Water segment in FY2013 was however partially offset by escalating operating costs in Mainland China.

Ports & Logistics

In February 2013, the Company announced the establishment of the JV Company with other major port operators in Xiamen (the “Xiamen Ports Merger”) which would involve the injection of its two port investments in Xiamen – NWXY Terminal and Xinhaida in exchange for a 13.8% interest in the JV Company. The Group ceased to equity account for the results of these two projects from February 2013 in accordance with the accounting standards in Hong Kong.

In Tianjin, the throughput of Tianjin Five Continents International Container Terminal Co., Ltd. and Tianjin Orient Container Terminals Co., Ltd. rose by 6% to 2,294,000 TEUs and 9% to 969,000 TEUs respectively, which was driven by the growth in domestic cargoes during FY2013.

As a key AOP contributor, ATL Logistics Centre recorded a remarkable occupancy rate of 99%, up from 98% in FY2012. The keen demand for logistics and warehouse facilities in Hong Kong drove its average rental rate up by 5% during FY2013. NWS Kwai Chung Logistics Centre, which commenced operation in December 2011, was fully leased out and provided a full-year AOP contribution to this segment in FY2013.

China United International Rail Containers Co., Limited (“CUIRC”) reported an AOP for the first time in FY2013. Total throughput increased by 2% from 1,508,000 TEUs to 1,537,000 TEUs while revenue increased by 8% mainly due to the tariff hike in February 2013 and rising demand for ancillary logistics services.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the year ended 30 June

	2013	2012	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Facilities Management	**1,123.6**	1,184.0	(5)
Construction & Transport	**394.3**	334.2	18
Strategic Investments	**461.3**	556.4	(17)
Total	**1,979.2**	2,074.6	(5)

Facilities Management

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

FY2013 saw the continuous steady growth of business events and activities at HKCEC. Demand for staging international exhibitions and conventions at this centrally located venue with world class facilities and superb reputation remains strong. During the year, 1,180 events were held at HKCEC with a total patronage of approximately 5.2 million. Through upgrading its complex and facilities, turnover from exhibition rental and food and beverage has continued to record healthy growth. Improvement in food and beverage margin was likewise notable in FY2013.

Free Duty's tobacco and liquor retail business at all land border crossings continues to thrive and experience remarkable growth by capitalizing on the strong patronage of high-spending visitors from Mainland China. This growth helped to mitigate the impact of the expiration of the concession contract at the Hong Kong International Airport in November 2012 and the renewed concession terms.

Construction & Transport

The Construction business recognized an AOP of HK$234.9 million in FY2013, representing a 25% increase from FY2012, mainly due to the non-occurrence of loss provision for certain construction projects in FY2012. As at 30 June 2013, the gross value of contracts on hand for the Construction business was approximately HK$43.9 billion.

The Group's Transport business reported an AOP of HK$159.4 million in FY2013, representing a 9% increase, despite the absence of the one-off exceptional gain from the disposal of the Macau ferry operation and the bus operation in Kunming in FY2012. This was mainly attributable to the increase in fare revenue in connection with ridership growth. Operation efficiency continues to improve through routes rationalization between Citybus and New World First Bus. Fuel costs remained steady due to a fuel cost hedging arrangement.

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.

Tricor’s corporate services businesses performed solidly during FY2013 and captured about 46% of the total share of new listings in Hong Kong. Its business operations in Hong Kong, Singapore and Mainland China altogether contributed about 82% of the total profit of Tricor in FY2013.

Haitong International achieved outstanding performance in its brokerage and retail margin financing, structured financing and fixed income, currency and commodity businesses. Moreover, the cost to revenue ratio fell markedly, driving profit margin to rise further. In 2013, Haitong International carried out a series of large financing projects, including rights issue, syndicated loan and convertible bond issuance, raising nearly HK$5 billion in total to boost its capital base and expand its capital deployment ability. These aimed to facilitate the transformation of Haitong International’s profit model from focusing mainly on a “fee-based” business to stressing both “fee-based” and “capital-based intermediary” businesses, and the transformation from a traditional brokerage firm to an investment bank.

Trial production at the Yanjiazhuang Mine of Newton Resources re-commenced at the end of November 2012. Notwithstanding mediations by the local government officials, not all of the asserted demands by the neighbouring villages and their inhabitants could be met amicably. Disturbances by members of these villages have continued sporadically in varying degrees of intensity. As a result, Newton Resources was forced to suspend the trial production in the past few months. Given the difficulty and complexity of the issues that Newton Resources is facing in the development and production at the mine site, Newton Resources has been engaged in active communication and negotiations with the relevant government authorities at high level with the aim of arriving at a set of comprehensive and workable solutions so as to achieve stable and smooth development of the production and operation at the Yanjiazhuang Mine. As matters stand, the resumption of iron concentrate production would be dependent on the outcome of these discussions and subsequent actions taken by respective parties.

The Group holds 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 from Mainland China has been affected by a slowdown in heavy truck sales but the market has shown signs of recovery. Western European market sentiment is still suppressed and Eastern Europe is impacted by the new tax levied on heavy duty trucks in Russia. Crane sales in Brazil rebounded due to the coming on stream of a new manufacturing facility.

BUSINESS OUTLOOK

Notwithstanding various adverse factors affecting the global economic recovery and the slowdown of the Chinese economy, urbanization plans in Mainland China will continue to generate high demand for local infrastructure developments in the coming years. The Group, as a pioneer investor in the Mainland China's infrastructure industry back to early 1990s, will continue to leverage its business know-how and financial strengths to capture business opportunities.

The toll standardization measures in Guangdong Province and the Holiday Toll-free Policy introduced in 2012 have impacted negatively on the toll road industry. The Group has been communicating proactively with the authorities in order to strike a balance between the interests of stakeholders and investors in the long-run. In May 2013, the Ministry of Transport of Mainland China released proposed amendments to the existing "Regulation on the Administration of Toll Roads" and invited comments from the public and related industries. The proposed amendments are expected to give clear directives on toll regulations including concession extension resulting from road expansion and set a framework to compensate operators who have been impacted by the Holiday Toll-free Policy.

The rise in urbanization rate and living standards will continue to stimulate traffic growth in Mainland China. Automobile sales in Mainland China registered a double digit growth in the first half of 2013. To capture the development of Tianjin Binhai New Area, the expansion works of Tangjin Expressway (Tianjin North Section) have been progressing as planned and are targeted for completion by the end of 2014. Shenzhen-Huizhou Expressway (Huizhou Section) also commenced its expansion works from dual 2-lane to dual 3-lane during FY2013 and is scheduled for completion in 2015.

The performance of coal-fired power producers has generally rebounded in FY2013 as the burden from fuel costs gradually eased away. Coal price has been softening from its record high level in 2012 and is expected to stabilize at around the current level during 2013 which would in turn lead to the normalization of operating costs within the power industry. The outlook of the Group's power plants in Mainland China will also depend on national power consumption growth which stood at 5.1% in the first half of 2013. Electricity demand for Macau Power is expected to grow steadily along with the development of Macau.

Urban water demand and call for environmental community services in Mainland China will encourage the growth in water sales and create investment opportunities especially for waste water and sludge treatment. Sino French Water Development Company Limited ("Sino French Water", a joint venture with Suez Environnement) has successfully built up market recognition in Mainland China since its first waste water treatment project in 2005 and continued to mark its presence in this niche market. During FY2013, Sino French Water invested in Qingdao Dongjiakou Waste Water Plant in Shandong Province which is expected to be operational in 2015. Sino French Water has also successfully tapped into the waste water treatment market in Sichuan Province by collaborating with Sichuan Dayi Water Company Limited in 2013 to operate two sewage treatment projects in Chengdu region. Wuhan Chemical Industry Park Water Treatment Plants, a new investment back in FY2012, is scheduled to commence business in FY2014 while Phase II of Changshu Water Plant has become operational during FY2013. Although the Group believes the water demand will grow steadily, the operating cost in Mainland China has gone up notably in recent years and has put pressure on the operating margin. Water tariff hike will be a key factor in maintaining the profitability of the water plants in the coming years.

In Macau, water demand is expected to grow stably due to increasing number of visitors and the completion of new entertainment facilities.

Foreign trade volume in Mainland China will depend on the recovery of the developed economies, and throughput growth is therefore expected to be driven by domestic cargoes in the near term. The Xiamen Ports Merger is expected to be completed by the end of 2013, at which time, an exceptional gain of approximately HK$0.6 billion arising from the restructuring will be recognized by the Group. Upon forming the strategic alliance with other port operators, the JV Company, which owns 25 berths in Xiamen, will make good use of the synergy effect and business opportunities arising from the development of Xiamen's South-East International Shipping Center and operates as the shipping hub for the southeast coast of Mainland China.

After the restructuring and merger of Ministry of Railways into the Ministry of Transport in March 2013, the railway freight reform in Mainland China was also launched in June 2013. The new regime has spelt out the continuous support from the Chinese Central Government (the "Chinese Government") towards the expansion and development of the railway network and businesses which would in turn benefit CUIRC. Further to the international block train services running from Chongqing and Chengdu to Europe, trial run on a new route between Zhengzhou and Germany commenced in July 2013. These recent developments are expected to foster CUIRC's future business growth.

The tender result of the new logistics site in Tsing Yi in May 2013 reflected positively on the market sentiment towards the on-going demand for logistics and warehouse facilities in Hong Kong. This also serves as a positive indicator that there is still room for rental increase in the coming years.

HKCEC has been voted "The Best Convention and Exhibition Centre in Asia" for 10 times from 2001 to 2013 by CEI Asia magazine, one of the most influential trade publications in the region, and successfully maintained its leading position in the market. It continued to attract world renowned events such as Art Basel Hong Kong and Watches & Wonders. Celebrating its 25th anniversary in 2013, HKCEC has firmly established itself as a local icon and solid AOP contributor to the Group. HKCEC will continue to sustain healthy organic growth through different channels including proactive business development, facility enhancements, space optimization and service excellence. Looking ahead, its food and beverage business as well as exhibitions for high-end life style products such as luxury jewellery, watch, art and antique will be the major growth drivers.

The stance of the Chinese Government against luxury consumption has posed some adverse impact on Free Duty's sales of high-end liquor and tobacco albeit not very significant. Further to the renovations of the land border shops in the MTR stations at Lok Ma Chau and Lo Wu, Free Duty is well positioned to capture the continued strong purchasing demand of the Mainland visitors and maintain its past growth momentum. The Group will continue to seek overseas opportunities actively.

To strengthen the Group's service portfolio in Hong Kong, a joint venture in which the Group has 40% interest, was formed for the construction, development and operation of a private hospital, Gleneagles Hong Kong Hospital, at Wong Chuk Hang. The hospital will have a total capacity of 500 beds with over 15 specialties and is scheduled for operation in late 2016. With Parkway Pantai Limited, one of Asia's largest private healthcare providers, and the Li Ka Shing Faculty of Medicine of The University of Hong Kong as our strategic partners, the Group has every confidence that this unique opportunity will open up a new business dimension to expand our scope of business into the healthcare industry so as to augment our services business in Hong Kong.

Hong Kong construction industry continues to be buoyed by the rise in public expenditure on infrastructure and the prevalent demand for residential property. With the rolling out of the Ten Mega Infrastructure Projects, the need for construction services in Hong Kong, particularly demand from the public sector, will remain high. Based on the existing contracts on hand and the opportunities to participate in other sizeable projects, the Group has maintained a healthy order book. However, labour shortage, fast escalating wages and material costs are posing pressure on profit margins. Therefore, strong controls over tendering procedures, staff training, enhancing industrial safety and environment protection continue to be high on the management priority list.

The profit of the Transport business is highly dependable on fuel prices which have been affected by speculative financial derivatives in addition to the supply and demand in the energy markets. Management has fully hedged the fuel prices for FY2014 to help relieve pressure on fare increase for the coming financial year. The Western Island Line will be commissioned in late 2014 and negotiation with the government regarding provision and rationalization of future bus services is already underway. In the meantime, the Group will continue to improve our service by introducing more environmental friendly buses to increase passenger comfort with minimal environmental impact as well as enhancing passenger information.

The overall performance in FY2013 endorsed the Group's business strategy and commitment in maintaining a well-diversified and defensive assets portfolio which could generate sustainable earnings growth and cash flows irrespective of market conditions. According to the latest traffic figures, the impact caused by the unfavourable toll road policies has stabilized, hence the performance of the Roads segment is expected to improve in line with traffic growth. The determination of the Chinese Government to maintain sustainable economic development by focusing on domestic consumption is still highly dependent on the pace of infrastructure investment. The Group is therefore well-positioned to capitalize on upcoming infrastructure opportunities associated with Mainland China's urban development, especially roads, water and energy related projects.

The Group remains confident that the services related businesses in Hong Kong will continue to grow from strength to strength. The impact of the expired airport concession should be mitigated with the continuous rise in passenger flow and average spending at the land border terminals. At the same time, the strong housing demand and infrastructure development in Hong Kong will continue to support the Group's construction business. Last but not least, the opportunity to co-invest in Gleneagles Hong Kong Hospital will provide a fitting platform for the Group to enter the healthcare industry and develop a new growth driver for the Services division.

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 and financial structure to minimize the Group's financial risks. The Group continues to monitor its cash flow position and debt profile, and to enhance the cost-efficiency of funding initiatives by its centralized treasury function. In order to maintain a sufficient and flexible liquidity position for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will keep exploring new cost-efficient ways of financing.

Liquidity

As at 30 June 2013, the Group's total cash and bank balances amounted to HK$7.768 billion, as compared to HK$5.386 billion a year ago. The Group's Net Debt as at 30 June 2013 was HK$9.911 billion, as compared to HK$12.280 billion as at 30 June 2012. The decline in Net Debt was due to operating net cash inflow and dividends received from associated companies and jointly controlled entities. The capital structure of the Group was 30% debt and 70% equity as at 30 June 2013, as compared to 33% debt and 67% equity as at 30 June 2012.

Debt profile and maturity

As at 30 June 2013, the Group's Total Debt was HK$17.680 billion which was maintained at similar level as at 30 June 2012. The Group purposely spreads out its debt maturity profile to reduce refinancing risks. Among the long-term loans and borrowings of HK$16.276 billion as at 30 June 2013, 41% and 55% of which will be matured in the second year and the third to fifth year respectively. Bank loans were denominated in Hong Kong Dollar or Renminbi, while bonds were denominated in Renminbi or United States Dollar. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. Cross currency swaps and interest rate swaps are used 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 FY2013. As at 30 June 2013, intangible 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$1.463 billion as at 30 June 2013 as compared to HK$922.5 million a year ago. This represented commitment for capital contributions to/acquisitions of an associated company and certain jointly controlled entities of HK$1.428 billion as at 30 June 2013 as compared to HK$889.2 million as at 30 June 2012; and commitments for properties and equipment, intangible concession rights or other investments of HK$34.8 million as at 30 June 2013 as compared to HK$33.3 million as at 30 June 2012. The share of commitments for capital expenditure committed by jointly controlled entities was HK$1.574 billion as at 30 June 2013 as compared to HK$1.572 billion as at 30 June 2012. Sources of funding for capital expenditure include internally generated resources and banking facilities.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK$603.1 million as at 30 June 2013, as compared to HK$714.1 million as at 30 June 2012. These composed of guarantees for credit facilities granted to associated companies, jointly controlled entities and a related company of HK$24.2 million, HK$477.2 million and HK$101.7 million respectively as at 30 June 2013, as compared to HK$2.2 million, HK$600.2 million and HK$111.7 million respectively as at 30 June 2012. The share of contingent liabilities of jointly controlled entities was HK$20.4 million as at 30 June 2013 and HK$14.7 million as at 30 June 2012.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2013, approximately 26,000 staff were employed by entities under the Group's management of which approximately 9,500 staff were employed in Hong Kong. Total staff related costs including provident funds and staff bonus but excluding directors' remunerations were HK$1.767 billion (2012: HK$1.457 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 consolidated financial statements of the Group for FY2013.

The figures in respect of the preliminary announcement of the Group for FY2013 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.

The Company has complied with all the applicable code provisions in the Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "CG Code") throughout FY2013, except for the deviation as mentioned below.

Pursuant to code provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting of the Company. Due to another meeting engagement in Mainland China, Dr Cheng Kar Shun, Henry, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 20 November 2012 (the "2012 AGM"). Mr Doo Wai Hoi, William, who was the Deputy Chairman of the Board during FY2013 and took the chair of the 2012 AGM, together with other members of the Board who attended this meeting, were of sufficient calibre for answering questions at the 2012 AGM.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during FY2013.

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 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, Mr Wilfried Ernst Kaffenberger (alternate director to Mr Wilfried Ernst Kaffenberger: Mr Yeung Kun Wah, David) and Mr Lee Yiu Kwong, Alan.

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 25 September 2013

** For identification purposes only*