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 2015

FINANCIAL HIGHLIGHTS

Revenue	**:**	**HK$24,491.8 million**
Profit attributable to shareholders	**:**	**HK$4,477.6 million**
Basic earnings per share	**:**	**HK$1.19**
Proposed final dividend per share	**:**	**HK$0.33**

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 2015 ("FY2015") together with comparative figures for the year ended 30 June 2014 ("FY2014") as follows:

Consolidated Income Statement
For the year ended 30 June

	Note	**2015 HK$'m**	2014 HK$'m
Revenue	*2*	**24,491.8**	21,443.0
Cost of sales		**(21,341.1)**	(18,363.1)
Gross profit		**3,150.7**	3,079.9
Other income/gains (net)	*3*	**1,774.2**	1,357.6
General and administrative expenses		**(1,014.4)**	(881.1)
Operating profit	*4*	**3,910.5**	3,556.4
Finance costs		**(637.7)**	(694.1)
Share of results of			
Associated companies	*2(b),8*	**(946.4)**	572.2
Joint ventures	*2(b),9*	**2,662.7**	1,553.3
Profit before income tax		**4,989.1**	4,987.8
Income tax expenses	*5*	**(476.2)**	(605.3)
Profit for the year		**4,512.9**	4,382.5
Attributable to			
Shareholders of the Company		**4,477.6**	4,324.9
Non-controlling interests		**35.3**	57.6
		4,512.9	4,382.5
Dividends	*6*	**2,260.2**	2,160.6
Basic earnings per share attributable to the shareholders of the Company	*7*	**HK$1.19**	HK$1.17

Consolidated Statement of Comprehensive Income
For the year ended 30 June

	2015 **HK$'m**	2014 HK$'m
Profit for the year	**4,512.9**	4,382.5
Other comprehensive income/(loss)		
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit obligation	**4.9**	(9.8)
Reversal of reserves upon reclassification of an available-for-sale financial asset as an associated company	**717.2**	-
Revaluation of property, plant and equipment upon reclassification to investment properties	**-**	119.3
Items that have been reclassified/may be subsequently reclassified to profit or loss		
Fair value changes of available-for-sale financial assets	**(187.3)**	(186.0)
Release of reserve upon disposal of an available-for-sale financial asset	**(96.0)**	-
Release of reserves upon disposal of subsidiaries	**(3.8)**	(71.5)
Release of reserves upon partial disposal of interest in an associated company	**(46.6)**	-
Release of reserves upon deemed disposal of interests in joint ventures	**-**	(127.8)
Share of other comprehensive loss of associated companies and joint ventures	**(116.3)**	(103.6)
Cash flow hedges	**(1.1)**	15.8
Currency translation differences	**(242.1)**	(420.1)
Other comprehensive income/(loss) for the year, net of tax	**28.9**	(783.7)
Total comprehensive income for the year	**4,541.8**	3,598.8
Total comprehensive income attributable to		
Shareholders of the Company	**4,506.5**	3,551.3
Non-controlling interests	**35.3**	47.5
	4,541.8	3,598.8

Consolidated Statement of Financial Position
As at 30 June

	Note	2015 HK$'m	2014 HK$'m
ASSETS			
Non-current assets			
Investment properties		**3,944.0**	3,643.8
Property, plant and equipment		**658.4**	552.7
Intangible concession rights		**14,904.0**	15,697.0
Intangible assets		**423.9**	455.1
Associated companies		**13,480.4**	12,972.0
Joint ventures		**18,277.5**	19,181.9
Available-for-sale financial assets		**2,602.5**	1,599.4
Other non-current assets		**1,015.1**	1,033.6
		55,305.8	55,135.5
Current assets			
Inventories		**436.9**	329.6
Trade and other receivables	*10*	**8,988.6**	8,452.1
Cash and bank balances		**10,422.3**	7,636.9
		19,847.8	16,418.6
Total assets		**75,153.6**	71,554.1
EQUITY			
Share capital		**3,775.4**	3,741.9
Reserves		**40,392.1**	37,651.3
Proposed final dividend		**1,245.9**	823.2
Shareholders' funds		**45,413.4**	42,216.4
Non-controlling interests		**774.3**	827.0
Total equity		**46,187.7**	43,043.4
LIABILITIES			
Non-current liabilities			
Borrowings		**13,487.0**	12,154.0
Deferred tax liabilities		**2,378.3**	2,512.1
Other non-current liabilities		**351.7**	328.2
		16,217.0	14,994.3
Current liabilities			
Borrowings		**3,324.4**	5,513.5
Trade and other payables	*11*	**9,055.2**	7,644.0
Taxation		**369.3**	358.9
		12,748.9	13,516.4
Total liabilities		**28,965.9**	28,510.7
Total equity and liabilities		**75,153.6**	71,554.1
Net current assets		**7,098.9**	2,902.2
Total assets less current liabilities		**62,404.7**	58,037.7

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 amendments to standards and interpretation

During FY2015, the Group has adopted the following amendments to standards and interpretation which are relevant to the Group's operations and are mandatory for FY2015:

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 HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HKFRSs Amendments	Annual improvements to HKFRSs 2010-2012 Cycle and Annual improvements to HKFRSs 2011-2013 Cycle

The adoption of the above amendments to standards and interpretation has no material effect on the results and financial position of the Group.

1. Basis of preparation and accounting policies (continued)

(b) Standards and amendments to standards which are not yet effective

The following new standards and amendments to standards are mandatory for accounting periods beginning on or after 1 July 2015 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2016 or after

HKFRS 9	Financial Instruments
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interest in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptance Methods of Depreciation and Amortization
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRSs Amendments	Annual improvements to HKFRSs 2012-2014 Cycle

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

	2015	2014
	HK$'m	HK$'m
Roads	**2,416.2**	2,306.8
Ports & Logistics	**100.1**	99.7
Facilities Management	**6,768.6**	6,174.2
Construction & Transport	**15,206.9**	12,862.3
	24,491.8	21,443.0

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. The 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-operating 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 FY2015 is as follows:

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport		Strategic Investments		Total	
2015										
Total revenue	**2,416.2**	**-**	**100.1**	**6,786.9**	**15,233.2**		**-**		**24,536.4**	
Inter-segment	**-**	**-**	**-**	**(18.3)**	**(26.3)**		**-**		**(44.6)**	
Revenue - external	**2,416.2**	**-**	**100.1**	**6,768.6**	**15,206.9**		**-**		**24,491.8**	
Attributable operating profit										
Company and subsidiaries	**759.3**	**14.2**	**68.2**	**868.8**	**363.9**		**91.4**		**2,165.8**	
Associated companies	**40.6**	**21.3**	**318.6**	**(8.0)**	**201.9**		**284.2**	**(ii)**	**858.6**	**(b)**
Joint ventures	**401.1**	**595.9**	**405.7**	**0.7**	**125.3**	**(i)**	**(96.5)**		**1,432.2**	**(b)**
	1,201.0	**631.4**	**792.5**	**861.5**	**691.1**		**279.1**		**4,456.6**	

Reconciliation - corporate office and non-operating items		
Net gain on disposal of a project under a joint venture	**1,549.9**	**(b)**
Gain on disposal of projects, net of tax	**51.4**	
Gain on remeasurement of an available-for-sale financial asset retained at fair value upon reclassification from an associated company	**914.0**	
Gain on fair value of investment properties	**306.6**	
Share of profit from Harbour Place, a residential development project	**71.9**	
Loss on partial disposal and impairment loss related to an associated company	**(1,910.9)**	**(iii)**
Impairment loss related to a joint venture	**(300.0)**	**(b)**
Interest income	**210.5**	
Finance costs	**(522.0)**	
Expenses and others	**(350.4)**	
Profit attributable to shareholders	**4,477.6**	

(i) The amount includes the Group's share of attributable operating profit of HK$125.3 million from its Transport business.

(ii) The amount includes the Group's share of attributable operating profit of HK$133.6 million from three associated companies engaged in investment activities.

(iii) The amount represents the impairment loss of HK$1,779.4 million (note 8) and the loss on partial disposal of equity interest in Newton Resources Ltd of HK$131.5 million (note 3).

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2015 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
2015										
Depreciation	**11.1**	**-**	**-**	**64.2**	**49.8**	**-**	**125.1**	**5.4**	**-**	**130.5**
Amortization of intangible concession rights	**836.3**	**-**	**-**	**-**	**-**	**-**	**836.3**	**-**	**-**	**836.3**
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	**64.6**	**-**	**-**	**126.8**	**82.4**	**-**	**273.8**	**6.8**	**-**	**280.6**
Interest income	**100.6**	**22.4**	**13.4**	**1.4**	**7.3**	**-**	**145.1**	**216.7**	**(14.5)**	**347.3**
Finance costs	**97.3**	**-**	**7.8**	**0.6**	**23.7**	**0.8**	**130.2**	**522.0**	**(14.5)**	**637.7**
Income tax expenses	**349.0**	**19.7**	**27.2**	**175.1**	**17.7**	**(53.4)**	**535.3**	**(59.1)**	**-**	**476.2**
As at 30 June 2015										
Company and subsidiaries	**15,722.2**	**530.0**	**3,969.6**	**4,262.5**	**7,465.0**	**2,499.9**	**34,449.2**	**8,946.5**	**-**	**43,395.7**
Associated companies	**488.0**	**615.6**	**6,004.4**	**902.3**	**1,631.2**	**3,803.0**	**13,444.5**	**35.9**	**-**	**13,480.4**
Joint ventures	**5,993.9**	**6,290.1**	**2,990.9**	**6.3**	**1,908.6 (i)**	**997.0**	**18,186.8**	**90.7**	**-**	**18,277.5**
Total assets	**22,204.1**	**7,435.7**	**12,964.9**	**5,171.1**	**11,004.8**	**7,299.9**	**66,080.5**	**9,073.1**	**-**	**75,153.6**
Total liabilities	**3,972.7**	**21.8**	**128.4**	**1,205.9**	**7,481.2**	**4.3**	**12,814.3**	**16,151.6**	**-**	**28,965.9**

(i) The balance includes the Group's investment in its Transport business of HK$1,898.2 million.

2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2015 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport		Strategic Investments		Total	
2014										
Total revenue	2,306.8	-	99.7	6,195.4	12,986.1		-		21,588.0	
Inter-segment	-	-	-	(21.2)	(123.8)		-		(145.0)	
Revenue - external	2,306.8	-	99.7	6,174.2	12,862.3		-		21,443.0	
Attributable operating profit										
Company and subsidiaries	756.3	6.3	71.3	906.1	283.2		221.2		2,244.4	
Associated companies	51.8	8.3	135.5	(2.4)	148.8		241.6	(ii)	583.6	(b)
Joint ventures	318.6	725.1	354.8	7.0	173.3	(i)	(27.8)		1,551.0	(b)
	1,126.7	739.7	561.6	910.7	605.3		435.0		4,379.0	
Reconciliation - corporate office and non-operating items										
Gain on deemed disposal of interests in joint ventures									594.3	
Gain on disposals of projects, net of tax									79.0	
Gain on fair value of investment properties									111.4	
Share of profit from Harbour Place, a residential development project									41.8	
Provision for impairment on a joint venture									(72.1)	
Interest income									113.2	
Finance costs									(561.9)	
Expenses and others									(359.8)	
Profit attributable to shareholders									4,324.9	

(i) The amount included the Group's share of attributable operating profit of HK$172.6 million from its Transport business.

(ii) The amount included the Group's share of attributable operating profit of HK$180.2 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 FY2015 is as follows (continued):

HK$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
2014										
Depreciation	9.8	-	-	53.2	39.6	-	102.6	9.0	-	111.6
Amortization of intangible concession rights	764.5	-	-	-	-	-	764.5	-	-	764.5
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	14.2	-	-	141.6	67.0	-	222.8	0.6	-	223.4
Interest income	112.5	23.1	6.3	2.0	7.3	209.3	360.5	113.2	(18.4)	455.3
Finance costs	120.7	-	8.8	0.5	20.4	0.2	150.6	561.9	(18.4)	694.1
Income tax expenses	358.9	19.7	25.0	178.9	16.5	6.2	605.2	0.1	-	605.3
As at 30 June 2014										
Company and subsidiaries	19,079.9	400.5	2,237.9	3,883.5	6,914.3	1,740.9	34,257.0	5,143.2	-	39,400.2
Associated companies	441.0	623.7	4,305.1	734.7	1,472.3	5,336.0	12,912.8	59.2	-	12,972.0
Joint ventures	6,189.7	6,772.4	2,961.2	5.6	1,965.8 (i)	1,238.4	19,133.1	48.8	-	19,181.9
Total assets	25,710.6	7,796.6	9,504.2	4,623.8	10,352.4	8,315.3	66,302.9	5,251.2	-	71,554.1
Total liabilities	5,481.6	41.9	74.1	896.4	6,299.0	138.3	12,931.3	15,579.4	-	28,510.7

(i) The balance included the Group's investment in its Transport business of HK$1,955.3 million.

2. Revenue and segment information (continued)

(b) Reconciliation of attributable operating profit from associated companies and joint ventures to the consolidated income statement:

	Associated companies		Joint ventures	
HK$'m	**2015**	2014	**2015**	2014
Attributable operating profit	**858.6**	583.6	**1,432.2**	1,551.0
Corporate associated companies, joint ventures and non-operating items				
Net gain on disposal of a project under a joint venture (note 9)	**-**	-	**1,549.9**	-
Impairment losses (notes 8 and 9)	**(1,779.4)**	-	**(300.0)**	-
Others	**(25.6)**	(11.4)	**(19.4)**	2.3
Share of results of associated companies and joint ventures	**(946.4)**	572.2	**2,662.7**	1,553.3

(c) Information by geographical areas:

	Revenue		Non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	
HK$'m	**2015**	2014	**2015**	2014
Hong Kong	**21,818.3**	18,504.2	**4,930.2**	4,569.7
Mainland China	**2,490.0**	2,381.2	**14,987.3**	15,773.3
Macau	**183.5**	557.6	**12.8**	5.6
	24,491.8	21,443.0	**19,930.3**	20,348.6

3. Other income/gains (net)

	2015	2014
	HK$'m	HK$'m
Gain on remeasurement of an available-for-sale financial asset retained at fair value upon reclassification from an associated company	**914.0**	-
Gain on deemed disposal of interests in joint ventures	**-**	594.3
Gain on fair value of investment properties	**306.6**	111.4
Net profit on disposal of property, plant and equipment	**61.6**	-
Profit on disposal of subsidiaries	**5.1**	75.7
Profit on disposal of available-for-sale financial assets	**25.2**	14.3
Profit on disposal of a financial asset at fair value through profit or loss	**10.7**	-
Net exchange gain	**53.3**	-
Interest income		
Available-for-sale financial asset	**-**	176.9
Bank deposits and others	**347.3**	278.4
Machinery hire income	**99.8**	101.1
Dividends and other income	**49.2**	51.8
Management fee income	**32.9**	25.8
Loss on partial disposal of an associated company	**(131.5)**	-
Provision for impairment on a joint venture	**-**	(72.1)
	1,774.2	1,357.6

4. Operating profit

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

	2015	2014
	HK$'m	HK$'m
Crediting		
Gross rental income from investment properties	**163.2**	157.1
Less: outgoings	**(25.9)**	(19.4)
	137.3	137.7

4. Operating profit (continued)

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

	2015	2014
	HK$'m	HK$'m
Charging		
Auditor's remuneration	**20.8**	20.0
Cost of inventories sold	**2,319.6**	2,076.9
Cost of services rendered	**19,021.5**	16,286.2
Depreciation	**130.5**	111.6
Net exchange loss	**-**	34.0
Amortization of intangible concession rights	**836.3**	764.5
Amortization of intangible assets	**31.2**	31.2
Operating lease rental expenses		
Properties	**73.5**	57.0
Other equipment	**-**	3.1
Impairment of trade and other receivables	**0.6**	28.6
Staff costs (including directors' emoluments)	**2,661.3**	2,171.2

5. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2014: 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% (2014: 9% to 25%).

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

	2015	2014
	HK$'m	HK$'m
Current income tax		
Hong Kong profits tax	**117.6**	186.8
Mainland China and overseas taxation	**491.4**	484.3
Deferred income tax credit	**(132.8)**	(65.8)
	476.2	605.3

Share of taxation of associated companies and joint ventures of HK$155.1 million (2014: HK$90.4 million) and HK$393.0 million (2014: HK$416.2 million) respectively are included in the consolidated income statement as share of results of associated companies and joint ventures respectively.

6. Dividends

	2015	2014
	HK$'m	HK$'m
Interim dividend paid of HK$0.27 (2014: HK$0.36) per share	**1,014.3**	1,337.4
Final dividend proposed of HK$0.33 (2014: paid of HK$0.22) per share	**1,245.9**	823.2
	2,260.2	2,160.6

At a meeting held on 23 September 2015, the Board recommended a final dividend of HK$0.33 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 for FY2016.

Subject to the passing of the relevant resolution at the annual general meeting of the Company to be held on 17 November 2015 (the "AGM") and the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") granting the listing of and permission to deal in the new shares to be issued under the proposed dividend, 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$0.33 per share instead of the allotment of shares.

7. Earnings per share

The calculation of basic earnings per share for the year is based on earnings of HK$4,477.6 million (2014: HK$4,324.9 million) and on the weighted average of 3,751,443,482 (2014: 3,695,430,964) ordinary shares outstanding during the year.

The share options of the Company granted during the year have an anti-dilutive effect on the basic earnings per share for FY2015 and are ignored in the calculation of diluted earnings per share. There was no dilutive potential ordinary share for FY2014.

8. Share of results of associated companies

The amount includes the impairment loss of HK$1,779.4 million made for the Group's interest in Newton Resources Ltd ("Newton Resources") in FY2015.

9. Share of results of joint ventures

The amount includes (i) the Group's share of gain of HK$1,549.9 million arising from the disposal of its indirect interest in Companhia de Electricidade de Macau – CEM, S.A. ("Macau Power") in FY2015; and (ii) the Group's share of impairment loss of HK$300.0 million for Guangzhou Dongxin Expressway in FY2015.

10. Trade and other receivables

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

	2015	2014
	HK$'m	HK$'m
Under 3 months	**1,909.9**	1,807.2
4 to 6 months	**9.0**	50.5
Over 6 months	**57.9**	69.0
	1,976.8	1,926.7

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

11. Trade and other payables

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

	2015	2014
	HK$'m	HK$'m
Under 3 months	**587.7**	781.0
4 to 6 months	**5.4**	14.0
Over 6 months	**13.4**	13.4
	606.5	808.4

FINAL DIVIDEND

The Board has resolved to recommend a final dividend for FY2015 (the "Final Dividend") in scrip form equivalent to HK$0.33 per share (2014: HK$0.22 per share) with a cash option to the shareholders whose names appear on the register of members of the Company on 23 November 2015. Together with the interim dividend of HK$0.27 per share (2014: HK$0.36 per share) paid in May 2015, total distribution of dividend by the Company for FY2015 will thus be HK$0.60 per share (2014: HK$0.58 per share).

Subject to the passing of the relevant resolution at the AGM and the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Final Dividend, 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$0.33 per share instead of the allotment of shares. A circular containing details of the scrip dividend arrangement will be despatched to the shareholders of the Company together with a form of election for cash dividend on or about 25 November 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the AGM and entitlement to the Final Dividend, the register of members of the Company will be closed. Details of such closures are set out below:

<u>For determining eligibility to attend and vote at the AGM:</u>	
Latest time to lodge transfer documents for registration	4:30 pm on 12 November 2015
Closure of register of members	13 to 17 November 2015 (both days inclusive)
Record date	17 November 2015
AGM date	17 November 2015
<u>For determining entitlement to the Final Dividend:</u>	
Latest time to lodge transfer documents for registration	4:30 pm on 20 November 2015
Closure of register of members	23 November 2015
Record date	23 November 2015
Final Dividend payment date	on or about 29 December 2015

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the AGM and to qualify for the Final Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

FINANCIAL REVIEW

Group overview

Amid an unsteady external environment and volatile global financial market in the past year, the Group managed to sustain its growth momentum, albeit at a moderate pace. In a reassuring way, the Group demonstrated its ability to identify and acquire growth drivers to further enhance the quality of its well-balanced yet diversified asset portfolio to combat market fluctuations and setbacks. Attributable Operating Profit ("AOP") of HK$4.457 billion for FY2015 represented an increase of HK$77.6 million from HK$4.379 billion for FY2014. Infrastructure division achieved an AOP of HK$2.625 billion, representing an increase of 8% when compared to HK$2.428 billion in FY2014. The AOP of Services division decreased by 6% to HK$1.832 billion compared to HK$1.951 billion in FY2014.

Contribution by Division
For the year ended 30 June

	2015 HK$'m	2014 HK$'m
Infrastructure	**2,624.9**	2,428.0
Services	**1,831.7**	1,951.0
Attributable operating profit	**4,456.6**	4,379.0
Corporate office and non-operating items		
Net gain on disposal of a project under a joint venture	**1,549.9**	-
Gain on deemed disposal of interests in joint ventures	**-**	594.3
Gain on disposal of projects, net of tax	**51.4**	79.0
Gain on remeasurement of an available-for-sale financial asset retained at fair value upon reclassification from an associated company	**914.0**	-
Gain on fair value of investment properties	**306.6**	111.4
Share of profit from Harbour Place, a residential development project	**71.9**	41.8
Loss on partial disposal and impairment loss related to an associated company	**(1,910.9)**	-
Impairment loss related to a joint venture	**(300.0)**	-
Provision for impairment on a joint venture	**-**	(72.1)
Interest income	**210.5**	113.2
Finance costs	**(522.0)**	(561.9)
Expenses and others	**(350.4)**	(359.8)
	21.0	(54.1)
Profit attributable to shareholders	**4,477.6**	4,324.9

During FY2015, the Group shared a gain of approximately HK$1.5 billion from the disposal of its indirect interest in Macau Power. Apart from unlocking the value of this mature asset and providing capital for new investments, the disposal also allowed Sino-French Holdings (Hong Kong) Limited ("SFH"), a 50:50 joint venture beneficially owned by the Group and Suez Environnement ("SUEZ"), to focus its resources on the development of water and related businesses.

Management continues to adopt a proactive approach in managing the Group's investment portfolio. In view of the continuous dilution of the Group's shareholding in Haitong International Securities Group Limited ("Haitong International") following the past rights issues and fund raising activities and its past share prices performance, the Group decided to divest this investment in order to unlock shareholder value in June 2015. Thereafter, this investment was reclassified from an associated company to an available-for-sale financial asset. This resulted in a fair value gain on the remeasurement of its value amounting to approximately HK$0.9 billion being recognized in FY2015 pursuant to HKAS 39 "Financial Instruments: Recognition and Measurement".

In June 2015, the Group completed the disposal of 12.5% of equity interest in Newton Resources to a wholly-owned subsidiary of Shougang Holding (Hong Kong) Limited ("Shougang Holding"), a substantial shareholder of Newton Resources. The disposal enabled the Group to realize part of its non-core assets and re-allocate more resources to invest in the Group's core businesses. Immediately upon the completion of the aforesaid disposal, the Group owns 35.5% of the total issued shares of Newton Resources. However, based on the consideration of such disposal and the result of updated carrying value assessment performed, further impairment loss in the carrying value of the remaining interest in Newton Resources had to be accounted for by the Group. Accordingly, the total impairment loss on the carrying value of the Group's interest in Newton Resources and the loss on partial disposal recognized in FY2015 amounted to approximately HK$1.9 billion.

In addition, an impairment loss of HK$0.3 billion for Guangzhou Dongxin Expressway was shared by the Group which was primarily attributable to the lower-than-expected traffic flow of the expressway.

As the abovementioned impairment losses were non-cash items, they bore no impact on the cash flow and the operation of the Group.

Contributions from the operations in Hong Kong accounted for 57% of AOP in FY2015 as compared to 52% in FY2014. Mainland China and Macau & others contributed 39% and 4% respectively, as compared to 38% and 10% respectively in FY2014.

Final dividend for FY2015 of HK$0.33 per share (2014: HK$0.22 per share) is recommended by the Board. The total dividend for FY2015 represents payout ratio of approximately 50% which is in line with the dividend policy of the Company.

Earnings per share

The basic earnings per share was HK$1.19 in FY2015, representing an increase of 2% from HK$1.17 in FY2014.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the year ended 30 June

	2015 **HK$'m**	2014 HK$'m	Change % Fav./(Unfav.)
Roads	**1,201.0**	1,126.7	7
Energy	**256.2**	384.0	(33)
Water	**375.2**	355.7	5
Ports & Logistics	**792.5**	561.6	41
Total	**2,624.9**	2,428.0	8

Roads

AOP from the Roads segment rose by 7% to HK$1,201.0 million as a result of the overall increase in toll revenue from the Group's road portfolio during FY2015.

Although traffic flow of Hangzhou Ring Road ("HZRR") dropped by 3% in FY2015, its toll revenue grew by 7% mainly due to the shift in traffic mix towards a higher proportion of heavy vehicles.

After resuming operations in both directions in FY2015, traffic volume of Tangjin Expressway (Tianjin North Section) has been picking up swiftly as evidenced by the 19% upsurge in average daily traffic flow. Nonetheless, there is still plenty of headroom for traffic growth based on the new traffic capacity of 92,000 vehicles per day.

In light of the economic development and implementation of unitoll system in Guangdong during FY2015, all of the Group's expressways in Guangdong Province recorded traffic growth. Average daily traffic flow in Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) grew by 5% and 10% respectively. Shenzhen-Huizhou Expressway (Huizhou Section) and Guangzhou-Zhaoqing Expressway also reported an increase in traffic volume by 11% and 8% respectively despite on-going construction works. Performance of Guangzhou City Nansha Port Expressway improved with its average daily traffic flow up by 12%. The operating loss at Guangzhou Dongxin Expressway narrowed in FY2015 as traffic volume rose by 35%. However, as the actual traffic flow of Guangzhou Dongxin Expressway remained below expectation, an impairment loss of HK$300.0 million was shared by the Group during FY2015.

In Hong Kong, average daily traffic flow of Tate's Cairn Tunnel reported a healthy growth of 5% during FY2015.

Energy

AOP of the Energy segment dropped by 33% to HK$256.2 million mainly due to the divestment of Macau Power during FY2015.

The growth in hydro-electricity supply and weakening local demand continue to have a negative impact on the Group's coal-fired power plants in Mainland China. Consequently, electricity sales volume of Zhujiang Power Plants and Chengdu Jintang Power Plant fell by 5% and 19% respectively. However, the operating margins improved on the back of falling coal price during FY2015.

Guangzhou Fuel Company posted a 27% growth in trading volume primarily due to the expansion of sales network to northern China. However, its AOP contribution was adversely affected by the initial operating loss from a coal mine during the early stage of its operation.

Water

Sales volume of Zhongshan Quanlu and Dafeng Water Plants and Chongqing Water Plant increased by 14% and 7% respectively during FY2015. Waste water volume treated by Shanghai SCIP Water Treatment Plants also posted a healthy growth of 15%. Full-year AOP from Jiangsu Water Company also contributed to the growth of the segment. During FY2015, SFH successfully broadened its revenue stream by providing various technical consultancy services in Mainland China and expanded its presence in Sichuan Province by investing in a water-related fund with other local players.

Due to the reduction in waste water treatment tariff of 14.5% by the Chongqing municipal government starting from 2014, Chongqing Water Group recorded a drop in AOP in FY2015.

In Macau, sales volume of Macau Water Plant grew by 5% and a tariff hike of 5.6% became effective in August 2014.

Ports & Logistics

The Ports & Logistics segment registered a strong growth as AOP increased by 41% to HK$792.5 million in FY2015, including a significant contribution from the aviation business, namely Beijing Capital International Airport Co., Ltd. ("BCIA") and Goshawk Aviation Limited ("Goshawk").

BCIA provided immediate AOP to the Group since its acquisition in December 2013 and delivered a first full-year profit contribution in FY2015. As the world's second busiest airport in terms of passenger throughput, BCIA served 88,620,000 passengers in FY2015.

To capture the growing demand for air transportation, the Group entered the commercial aircraft leasing sector by acquiring 40% equity interest in Goshawk and certain outstanding loan notes together with interest payable at a cash consideration of approximately US$222.5 million in February 2015. As at 30 June 2015, Goshawk owned a fleet of 40 aircraft, which were all on lease to airlines around the world.

Xiamen Container Terminal Group Co., Ltd. (“XCTG”) achieved a throughput of 7,087,000 TEUs and generated full-year AOP in FY2015. In Tianjin, the throughput of Tianjin Five Continents International Container Terminal Co., Ltd. grew by 8% to 2,600,000 TEUs while the throughput at Tianjin Orient Container Terminals Co., Ltd. remained stable at 935,000 TEUs in FY2015.

Driven by China Railway Corporation’s support policies for containerized cargoes and the Chinese government’s “One Belt, One Road” initiative, the throughput of China United International Rail Containers Co., Limited (“CUIRC”) grew healthily by 12% to 1,817,000 TEUs in FY2015.

Demand for logistics and warehousing facilities in Hong Kong remained strong during FY2015. The occupancy rate of ATL Logistics Centre stayed at the all-time high level of 99.5% while its average rental rose by 17%. NWS Kwai Chung Logistics Centre continued to provide steady AOP and cash inflow to the Group.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the year ended 30 June

	2015	2014	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Facilities Management	**861.5**	910.7	(5)
Construction & Transport	**691.1**	605.3	14
Strategic Investments	**279.1**	435.0	(36)
Total	**1,831.7**	1,951.0	(6)

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.

HKCEC continued to be the preferred venue for international event organizers in staging world-class exhibitions and conferences in Hong Kong. During FY2015, 1,113 events were held at HKCEC with a record-breaking patronage of approximately 6.4 million, notwithstanding the "Occupy Central Movement" which happened to coincide with the peak trade fair season. This exemplified the responsiveness and flexibility of the management team in handling difficult and challenging situations. In view of the space saturation during peak seasons, HKCEC continued to offer low season rental incentives, new exhibition rebate and new international trade fair incentive to attract new ventures and international events during off-peak periods. This proved to be a successful strategy having attracted new exhibitions of diverse themes and recurrent exhibitions with growing gross exhibition space. Through proactive business development and by focusing on service excellence, HKCEC will continue to sustain its growth momentum.

The overall performance of Free Duty in FY2015 was impacted by higher rental expenses and the reduction in the number of high-spending visitors from the Mainland. However, this is partially compensated by an increasing number of travellers and shoppers at Lok Ma Chau Station. With effect from November 2014, a five-year duty free concession contract at the Macau International Airport was awarded to a 60% owned subsidiary of the Group. The Group will continue to actively seek opportunities to further extend its duty free footprint overseas.

Construction & Transport

AOP contribution from the Construction business grew encouragingly by 31% to HK$565.8 million in FY2015 mainly due to the improved gross profit and project progress. Major projects during FY2015 included New World Centre remodeling, commercial developments at Hung Luen Road and Hoi Bun Road, Shatin Communications and Technology Centre for Hong Kong Jockey Club, residential developments at Clear Water Bay Road and a recreational project at Pak Kong, Sai Kung. In addition, new tenders awarded in FY2015 included West Kowloon Government Offices, property development at West Rail Tsuen Wan West Station TW6, Gleneagles Hong Kong Hospital and Xiqu Centre for West Kowloon Cultural District. As at 30 June 2015, the gross value of contracts on hand for the Construction business was approximately HK$71.0 billion and the remaining works to be completed amounted to approximately HK$50.9 billion.

Construction & Transport (continued)

The Group's Transport business reported an AOP of HK$125.3 million in FY2015, representing a 27% decrease compared to FY2014. The decline was primarily attributable to the fall in patronage resulting from the "Occupy Central Movement" from September to December 2014 and the subsequent opening of the MTR West Island Line in late December 2014.

Strategic Investments

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

Tricor's corporate services businesses performed solidly during FY2015 and captured about 55% of the total share of new listings in Hong Kong. Its business operations in Hong Kong, Singapore and Malaysia altogether contributed about 84% of the total profit of Tricor in FY2015.

Benefiting from business expansion and the swift rise in transaction volume of the Hong Kong stock market in the first half of 2015, Haitong International attained notable growth across all business lines including corporate finance, brokerage and margin financing, equity derivatives, fixed income, asset management and investment businesses. Consequently, Haitong International's AOP contribution in FY2015 increased significantly. In June 2015, in view of the low shareholding following a series of dilutive fundraising activities of Haitong International and the past performance of its share prices, management considered that it would be in the interests of the Group to divest this investment. Accordingly, Haitong International was reclassified from an associated company to an available-for-sale financial asset according to HKAS 39 "Financial Instruments: Recognition and Measurement".

Production at the Yanjiazhuang Mine remained suspended in FY2015 and Newton Resources explored new income stream including the sale of gabbro-diabase and crushed stone. In June 2015, the Group completed the disposal of 12.5% of equity interest in Newton Resources to Shougang Holding and the Group's shareholding in Newton Resources dropped to 35.5%.

The Group holds approximately 16% equity interest in Tharisa, a company that is principally engaged in chrome mining and processing in South Africa whose ordinary shares are listed on the Johannesburg Stock Exchange Limited. A board member of the Company has been appointed as a non-executive director of Tharisa with effect from 19 December 2014. Tharisa was thereafter reclassified as an associated company as the Group has the ability to exercise significant influence in Tharisa's business including financial and operating policies through its board representation.

During FY2015, Hyva's sales declined in Mainland China, America and Eastern Europe; this impact was partially offset by the sales recovery in India and Western Europe.

BUSINESS OUTLOOK

The economic data from Mainland China continues to show signs of sluggishness while the tumbling stock markets and unexpected Renminbi devaluation have sent shock waves around the world's financial markets. All eyes remain focused on the Chinese authorities for further policy support. With a strong war chest and having divested a number of its investments in FY2015, the Group is well prepared to capture investment opportunities to further strengthen its infrastructure assets portfolio.

In July 2015, the Ministry of Transport of Mainland China published a draft amendment of "Regulation on the Administration of Toll Roads" and invited public opinions. This blueprint provides clearer directives on toll regulation and sets forth the framework on concession period including concession extension after road expansion. Notwithstanding the results of this consultation process, urbanization in Mainland China should continue to fuel traffic growth.

Tangjin Expressway (Tianjin North Section) has seen promising traffic growth as utilization rate continues to improve following the substantial completion of the road expansion. Road expansion works at Shenzhen-Huizhou Expressway (Huizhou Section) are scheduled for completion by the end of 2015. To alleviate the bottleneck in the western section during peak hours, HZRR has undertaken road improvement works which will also be completed by the end of 2015. The above developments will boost the overall competitiveness of the Group's road portfolio. On the other hand, road network and economic development in Guangzhou Panyu and Nansha regions are crucial to the performance of Guangzhou Dongxin Expressway and Guangzhou City Nansha Port Expressway. The Group will continue to closely monitor the performance of these two expressways.

Weakening electricity demand and intensifying competition from renewable and nuclear energy will continue to put pressure on the coal-fired power plants in Mainland China. While utilization rates of coal-fired generators are set to fall in 2015, the Group will explore business opportunities driven by the liberalisation of the electricity market which would in turn open up the grid and distribution system in Mainland China. As green energy becomes more technically mature and commercially viable, its market share is set to grow further with the support of government policies. To this end, the Group will closely monitor the investment potentials in alternative energy.

In April 2015, the Chinese government published the "Action Plan for Water Pollution Prevention and Control" with an aim to improve water quality and management of water resources throughout Mainland China. The new action plan reaffirms the immense growth potential of the water industry in Mainland China especially waste water and sludge treatment. SFH, which has tapped into this niche market since the early 2000s, is well positioned to capture this opportunity with its business know-how and local knowledge. Qingdao Dongjiakou Waste Water Plant and Yangzhou Sludge Treatment Plant are scheduled to commence operations in FY2016 while expansion of the sludge treatment facility in Suzhou is expected to be completed in 2016. Apart from operating its own assets, SFH will further strengthen its technical consultancy and management services.

In June 2015, the Group, through a joint venture with SUEZ as the other partner, signed an agreement with Chongqing Water Assets Management Co., Ltd. to form a RMB30.0 billion platform to invest in environmental-related businesses, including waste-to-energy projects in Mainland China. Subject to relevant government approvals, the Group will indirectly own about 12.55% interest in the investment entity upon completion of the said agreement. The Group's share of capital contribution will be substantially met by the injection of its indirect stake in Chongqing Water Group.

To meet the growing water demand in Macau, Macau Water completed the expansion of its water plant treatment facilities in September 2015 with its capacity increased by 60,000m^3 to 390,000m^3 per day.

The throughput growth of global ports has slowed in 2015 but the trend is expected to reverse in 2016, particularly along the European and Latin America routes. Operations at XCTG have been running smoothly since its establishment in 2013. In September 2015, the Group increased its stake in XCTG by 6.2% to 20% at a cash consideration of RMB450.8 million.

Establishment of new trade routes based on "One Belt, One Road" concept is a top agenda of the Chinese government. The initiative will continue to strengthen economic ties and trading activities between Mainland China and various countries in Asia, Europe and Africa. Coupled with support policies from China Railway Corporation, CUIRC's rail container transportation business will become a major beneficiary of this mega development project. To capitalize on future growth opportunities, construction of the new terminals in Tianjin and Urumqi are scheduled for completion in 2016 while the development of Guangzhou terminal is in the pipeline. Expansion plan at Chongqing terminal to double its capacity is due to be completed by the end of 2015.

Performance of BCIA and Goshawk will benefit from the effects of globalization and increasing air traffic. In response to the proposition for the joint development and integration of Beijing, Tianjin and Hebei, BCIA has formulated strategic cooperation plans with Tianjin and Hebei airports including resources sharing to optimize its flight route network. The growth momentum of BCIA's non-aeronautical businesses will also widen its revenue stream. In FY2016, AOP of the Ports & Logistics segment will be boosted by the full-year contribution from Goshawk which is set to expand its fleet size to over 50 aircraft by the end of 2015.

The demand for logistics and warehousing facilities in Hong Kong is expected to slow down due to the weakening retail sales and the growing supply from the development of new warehouses will inevitably stir up competition. With the potential impact of these factors in mind, ATL Logistics Centre has initiated a 4-year building rehabilitation programme in FY2015 to solidify its leading position in the market.

Global economic performance has been weaker than expected in the past year but the Hong Kong domestic sector has stayed resilient and held its ground against sluggish export performance and inbound tourism trend. Looking ahead, the global economic outlook will remain fragile with notable downside risks associated with various uncertainties such as the timeframe for US interest rate lift-off and the policy divergence among major central banks. Mainland China's economic growth reached 7% in the second quarter of 2015 but still faces increased downward pressure. In face of various external headwinds, Hong Kong's economic growth in the coming year will rely on local consumption underpinned by favourable job and income conditions, investment spending from enterprises and government infrastructure projects.

HKCEC has been voted the "Best Convention and Exhibition Centre in Asia" for 12 times from 2001 to 2015 by CEI Asia magazine, one of the most influential trade publications in the region, and awarded the "Best Convention & Exhibition Centre" for the sixth time by TTG Asia, a leading travel trade business resource publication in the Asia-Pacific. Having firmly solidified its leading position in the industry, HKCEC will continue to host premier international events such as Hong Kong International Jewellery Show and Art Basel Hong Kong. Besides, HKCEC will endeavour to sustain healthy organic growth and enhance its competitiveness by offering innovative solutions and quality services with the aid of the latest technologies and equipment to achieve total customer experience. Looking ahead, upmarket events and niche topics, like auction events, art exhibitions and luxury product shows will be the target growth drivers.

A reduction in the number of high-spending visitors from the Mainland and the weakening inbound tourism in general have negatively impacted Free Duty's business. However, in light of the growth momentum at the Lok Ma Chau outlets, the Group remains optimistic that duty free sales will improve, especially after having established its presence in Macau and renewed the concession contracts at Macau Ferry Terminal and China Hong Kong Ferry Terminal for three years to 2018. At the same time, the Group will actively seek opportunities to extend its footprint overseas.

Foundation works of Gleneagles Hong Kong Hospital were completed and the building superstructure construction work is underway as scheduled. The hospital will commence operations in early 2017 as planned.

Despite the Hong Kong government's effort to cool down the housing market and signs of interest rate hike, the demand for construction services remained strong. The construction boom is expected to continue over the short to medium term. Based on the existing contracts on hand and the opportunities to participate in other sizeable projects, the Group has a healthy order book and a good pipeline of projects. However, labour shortage, escalating wages and material costs and more stringent rules on industrial safety and environmental protection are posing pressure on profit margins. Therefore, risk management, cost controls, staff training and retention, industrial safety and environmental protection continue to be the key management focus areas.

Transport business was severely affected by "Occupy Central Movement" and the opening of the MTR West Island Line in FY2015. From all accounts, the former event is unlikely to repeat in FY2016. As regards the competition from the West Island Line, we believe the negative effect will be substantially lessened by the implementation of the bus route rationalization programme since the beginning of this year and with the fuel costs being curbed at a lower level through hedging arrangements.

The Group's overall performance in FY2015 was characterized by quality organic growth in a number of key segments within the Group's diversified asset portfolio and newly established catalysts from value-driven mergers and acquisitions dating back to FY2014. Despite the significant impairment losses from Newton Resources and Guangzhou Dongxin Expressway, the Group was able to maintain a creditable level of profitability.

The future growth prospect of the aviation business is encouraging in light of Goshawk's expansion plan and BCIA's strategies to maximize upside potential. Meanwhile, the robust traffic growth at our major toll roads and the acquisition of additional interest in XCTG will provide further growth impetus to the Infrastructure division.

Notwithstanding the headwinds in FY2015, the Group is confident that the Services division will remain resilient. The Construction business will thrive with the demand for property firmly outpacing supply. After lengthy negotiations with the government and District Councils, our bus companies have implemented a series of bus service rationalization plans to counteract the competition from the enlarged railway network. The Group has also successfully renewed the franchise for Hong Kong Island and Cross-Harbour Bus Network (Franchise 1) for Citybus Limited for 10 years till June 2026. Last but not least, the uncompromising dedication and focus of the management in maximizing sales at HKCEC and Free Duty shops will enable the Facilities Management segment to stay competitive in changing times.

The latest initiatives to divest non-core assets fortified the Group's proactive approach to infrastructure and asset management. Against the backdrop of global economic uncertainty, we saw increased volatility in both the worldwide stock markets and the exchange rate of Renminbi after FY2015. These events would inevitably add pressure to our performance in FY2016 but we do not expect that they have a significant impact on the liquidity or financial position of the Group. Management will closely monitor any major changes to the market and continue to leverage on our solid financial position and prudent capital management to drive sustainable growth and shareholder return.

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 financial flexibility and adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will keep exploring cost-efficient ways of financing.

Liquidity

As at 30 June 2015, the Group's total cash and bank balances which were mainly denominated in Renminbi and Hong Kong Dollar amounted to HK$10.422 billion, as compared to HK$7.637 billion a year ago. The Group's Net Debt as at 30 June 2015 was HK$6.389 billion, comparing to HK$10.031 billion as at 30 June 2014. The decrease in Net Debt was mainly due to operating net cash inflow, refund of investment deposits and dividends received from joint ventures, including the Group's share of proceeds from the disposal of the indirect interest in Macau Power. The capital structure of the Group of 27% debt and 73% equity as at 30 June 2015 remained comparable to 29% debt and 71% equity as at 30 June 2014.

Debt profile and maturity

As at 30 June 2015, the Group's Total Debt decreased to HK$16.811 billion from HK$17.668 billion as at 30 June 2014. The Group has spaced out its debt maturity profile to reduce refinancing risks. Among the long-term loans and borrowings of HK$13.487 billion as at 30 June 2015, 43% will expire in the second year and 57% will expire in the third to fifth year. Bank loans were denominated in Hong Kong Dollar or Renminbi, while bonds were denominated in United States Dollar. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. Interest rate swaps are used to hedge part of the Group's underlying interest rate exposure. The Group did not have any material exposure to exchange risk other than Renminbi during FY2015. As at 30 June 2015, 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$2.232 billion as at 30 June 2015, as compared to HK$1.616 billion as at 30 June 2014. These represented commitments for capital contributions to an associated company and certain joint ventures, properties and equipment and intangible concession rights. Sources of funding for capital expenditure include internally generated resources and banking facilities.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK$1.095 billion as at 30 June 2015, as compared to HK$1.104 billion million as at 30 June 2014. These composed of guarantees for credit facilities of an associated company, joint ventures and a related company.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, approximately 28,300 staff were employed by entities under the Group's management of which approximately 10,900 staff were employed in Hong Kong. Total staff related costs including provident funds, staff bonus and deemed share option benefit but excluding directors' remunerations were HK$2.645 billion (2014: HK$2.222 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.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company was set up by the Board with specific terms for purpose of reviewing and providing supervision over the Group's financial reporting process and internal control systems. It currently comprises three independent non-executive directors and a non-executive director of the Company. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited consolidated financial statements of the Group for FY2015 with the management and the external auditor.

The figures in respect of the preliminary announcement of the Group for FY2015 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 shareholder 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 Hong Kong Stock Exchange (the "Listing Rules") throughout FY2015.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The RMB1,000,000,000 2.75% guaranteed bonds due 2014 (the "Bonds", which were listed on The Singapore Exchange Securities Trading Limited) issued by Silvery Castle Limited, an indirect wholly owned subsidiary of the Company, and guaranteed by the Company matured on 14 July 2014. The Bonds were fully redeemed at their principal amount on the said maturity date.

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 FY2015.

DEALINGS IN THE COMPANY'S SECURITIES BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct for securities transactions by directors. Specific enquiry was made with all directors and it was established that they had all complied with the required standards of the Model Code during FY2015.

The Company has also adopted the "Code for Securities Transactions by Relevant Employees", which is no less exacting than the Model Code, for governing the securities transactions of specified employees ("Relevant Employees") who, because of their positions, are likely to come across unpublished inside information. Following specific enquiry by the Company, all Relevant Employees had confirmed that they complied with the standards set out in the "Code for Securities Transactions by Relevant Employees" during FY2015.

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 Hui Hon Chung, Mr Lam Wai Hon, Patrick, Mr Cheung Chin Cheung and Mr Cheng Chi Ming, Brian; (b) the non-executive directors of the Company are Mr To Hin Tsun, Gerald, Mr Dominic Lai and Mr William Junior Guilherme Doo; 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, 23 September 2015

** For identification purposes only*