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GO ECO-FRIENDLY**



**新創建 NWS**

**NWS HOLDINGS LIMITED**

INTERIM REPORT 2008-2009

STOCK CODE: 659

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# Chairman's Message

## Dear shareholders,

On behalf of our board of directors (the "Board"), I am pleased to report that the financial results in the first half of the financial year ending 30 June 2009 of NWS Holdings Limited ("NWS Holdings" or the "Company", together with its subsidiary companies, the "Group") remained robust.

## INTERIM DIVIDEND

The Board is pleased to declare an interim dividend for the year ending 30 June 2009 of HK\$0.20 per share (2008: HK\$0.55 per share), representing an approximate 50.5% payout ratio. There was no exceptional gain from the sale of the residential flats of Harbour Place as was the corresponding period in the last financial year (the "Last Period"). The profit attributable to shareholders of the Company for the six months ended 31 December 2008 (the "Current Period") was HK\$813.3 million, marking a decrease of 64%, compared with HK\$2,233.5 million for the Last Period. Excluding such exceptional gain from prior year, the profit of the Group decreased by 33%, compared to the Last Period. Please refer to the Interim Results from pages 12 to 44 for a full review on the Group's financial performance.

## SAILING SAFE IN A STORMY SEA

In the wake of the global financial tsunami which struck towards the end of 2008, the world's economies, large and small, have come under simultaneous pressure of the resulting economic slowdown. The uncertainties in the global economy have since left an inevitable impact on NWS Holdings, particularly its Energy and Financial Services segments. As well, with fuel prices still standing high before the outbreak of the financial crisis, the Group's bus and ferry transport businesses have also been adversely affected albeit to a lesser extent. However, I am pleased to report the other segments of the Group have all reported healthy results.

The negative impact has been reduced by falling coal and fuel prices since late 2008. Given the Group's diversified range of businesses in Hong Kong, Mainland China and Macau, the Group's performance can be described as resilient and defensible, serving to minimize the unfavourable effects of the economy. As a pioneer infrastructure investor with sizable investments in Mainland China, the Group is also poised to benefit from the continued growth momentum of the Chinese market amidst the global financial downturn.

## IMPLEMENTING PRUDENT STRATEGIES TO SAFEGUARD OUR FUTURE

In managing the Group's exposure to the risks in the current volatile economic climate, our Risk Management Department has monitored the situation closely and offered advice on relevant initiatives well in advance. Thanks in particular to our constantly vigilant Board, a thorough financial "health check" covering the cash flow, insurance, receivables, etc. has been conducted across our subsidiary companies.

Against the backdrop of the lingering effects of the financial tsunami beyond 2009, the Group will continue to be on the look-out for possible changes and risks while striving to maintain a high level of corporate governance, and focus on seeking quality assets with growth potential. Our Corporate Governance Steering Committee, established in 2007, reflects our belief in achieving sustainable business development via good corporate governance and management expertise. The *Corporate Governance Newsletter* is also published biannually to raise staff's awareness of the issues concerned.

On the other hand, the Group's funding and treasury policy is designed to maintain a comprehensively diversified and balanced debt profile to minimize the Group's financial risks. Such approach was proven to be sustainable during the prevailing turmoil market.

### **ADVANCING STAFF AND COMMUNITY WELL-BEING**

People are our assets. Caring for our people is at the core of our business. The Group has adopted a five-day working week and a three-day paternity leave and established NWS Sports and Recreation Committee to organize leisure and cultural activities to enable our staff to achieve work-life balance.

Extending our corporate social responsibility (“CSR”) initiatives beyond our borders as part of the communities we operate in, our corporate volunteer team, NWS Volunteer Alliance, paid a visit to Guangzhou in November 2008 to serve the community. The Guangzhou visit was memorable as a celebration of the seventh anniversary of NWS Volunteer Alliance. To top it all, we were gratified that in recognition of our CSR efforts, we were honoured with the Total Caring Award from The Hong Kong Council of Social Service at the Caring Company Recognition Ceremony 2008/09. On the environmental protection front, we have implemented a range of Green Office initiatives in addition to providing eco-service.

### **A WORD OF THANKS**

Above all, in charting our course ahead in these trying times, I would like to take this opportunity to express my gratitude to my team, including staff, management and my fellow directors of the Board for upholding the essential qualities of the Company by being professional, progressive and trustworthy.

The economic outlook for 2009 is expected to remain volatile but through prudent investment policies, effective financial control and sound corporate governance, I am confident that we will weather the financial storm and become better prepared in meeting future challenges.



**Dr Cheng Kar Shun, Henry**

*Chairman*

Hong Kong, 17 March 2009

# Financial Highlights

	For the six months ended 31 December	
	2008 HK\$m	2007 HK\$m (restated)
Revenue	<b>8,658.2</b>	9,367.8
Attributable Operating Profit	<b>1,241.2</b>	1,393.5
Profit Attributable to Shareholders of the Company	<b>813.3</b>	2,233.5
Earnings Per Share – Basic	<b>HK\$0.40</b>	HK\$1.11
	<b>At 31 December 2008</b>	At 30 June 2008 (restated)
Net Debt	<b>5,055.5</b>	4,666.7
Total Assets	<b>42,043.2</b>	42,593.9
Net Assets	<b>22,143.0</b>	22,513.1
Shareholders' Funds	<b>21,072.2</b>	21,246.7
Net Assets Per Share	<b>HK\$10.78</b>	HK\$10.94
Gearing Ratio	<b>23%</b>	21%

# Management Discussion and Analysis

## GROUP OVERVIEW

The Current Period under review saw an unprecedented upheaval in many economies worldwide as a result of the financial tsunami. The Group reported a profit attributable to shareholders of HK\$813.3 million for the Current Period, a decrease of HK\$405.4 million or 33%, as compared to HK\$1,218.7 million for the Last Period, not including the HK\$1,014.8 million one-off profit from the sale of the residential flats of Harbour Place. Attributable Operating Profit ("AOP") reduced by 11% from HK\$1.394 billion in the Last Period to HK\$1.241 billion in the Current Period. Infrastructure division generated an AOP of HK\$574.1 million, a reduction of 18% as compared to HK\$700.7 million in the Last Period. Service & Rental division encountered a 4% mild drop and its AOP decreased from HK\$692.8 million in the Last Period to HK\$667.1 million in the Current Period.

Under the current adverse market conditions, the Group seized the opportunity to restructure the investments in several roadways in the Guangxi Province and resulted in gain on deemed acquisition of interests in subsidiary companies of HK\$105.0 million in the Current Period.

The worldwide market suffered wealth evaporation during the Current Period. Being prudent in uncertain times, we opted to dispose of and write down part of our securities investment to their market value leading to an impairment loss on available-for-sale financial assets and assets impairment loss of HK\$142.7 million (2007: nil) and a net realized and unrealized loss from securities investment of HK\$81.7 million (2007: a net realized and unrealized gain of HK\$44.3 million) as a result of such disposal and writedown.

## Contribution by Division

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m (restated)
Infrastructure	574.1	700.7
Service & Rental	667.1	692.8
<b>Attributable operating profit</b>	<b>1,241.2</b>	1,393.5
<i>Head office and non-operating items</i>		
Net gain on disposal of projects	25.9	2.4
Gain on deemed acquisition or disposal of interests in subsidiary companies and an associated company	137.6	78.8
Fair value losses on investment properties, net of tax	(10.0)	–
Impairment loss on available-for-sale financial assets and assets impairment loss	(142.7)	–
Net (loss) / gain from securities investment	(81.7)	44.3
Share of (loss) / profit from Harbour Place	(32.8)	1,014.8
Other interest income	11.8	26.1
Other finance costs	(135.5)	(161.5)
Share based payment	(25.4)	(35.1)
Others	(175.1)	(129.8)
	<b>(427.9)</b>	840.0
<b>Profit attributable to shareholders</b>	<b>813.3</b>	2,233.5

Same as Last Period, contributions from operations in Hong Kong accounted for 46% of AOP in the Current Period. Mainland China and Macau contributed 42% and 12% respectively, as compared to 45% and 9% respectively in the Last Period.

## Earnings Per Share

Basic earnings per share decreased by 64% from HK\$1.11 in the Last Period to HK\$0.40 in the Current Period.

# Management Discussion and Analysis

## GROUP OVERVIEW (CONTINUED)

### Treasury Management and Cash Funding

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

### Liquidity

As at 31 December 2008, the Group's total cash and bank balances amounted to HK\$3.671 billion, as compared to HK\$4.124 billion as at 30 June 2008. Net Debt increased by 8% from HK\$4.667 billion as at 30 June 2008 to HK\$5.056 billion as at 31 December 2008. The Group's Gearing Ratio, as a result, also slightly increased from 21% as at 30 June 2008 to 23% as at 31 December 2008. In order to maintain continuous development of our core businesses, the Group is prepared to increase the Gearing Ratio when necessary. The increase in our Gearing Ratio is mainly due to financing the new and existing investments in the Current Period, such as the Guangzhou City Nansha Port Expressway, Chongqing Water Group and Conghua-Dongguan Expressway (Huizhou Section). The capital structure of the Group was 28% debt and 72% equity as at both 31 December 2008 and 30 June 2008.

### Debt Profile and Maturity

As at 31 December 2008, the Group's Total Debt decreased to HK\$8.726 billion from HK\$8.791 billion as at 30 June 2008. Long-term bank loans and borrowings increased from HK\$5.069 billion as at 30 June 2008 to HK\$6.052 billion as at 31 December 2008, with HK\$1.370 billion maturing in the second year and the remaining in the third to fifth year. Secured bank loans and overdrafts amounted to HK\$138.8 million as at 31 December 2008 and were secured by the securities clients' listed shares pledged to the Group. All bank loans were denominated in either Hong Kong dollars or United States dollars and were bearing interest at floating rate. The Group did not have any material exposure in exchange risk other than RMB during the Current Period. No property, plant and equipment, investment properties nor leasehold land and land use rights were pledged as at 31 December 2008.

### Commitments

The Group's commitments for capital expenditure were HK\$1.688 billion as at 31 December 2008 as compared to HK\$2.967 billion as at 30 June 2008. This represented commitment for capital contributions in certain associated companies, jointly controlled entities and other projects of HK\$1.472 billion as at 31 December 2008 as compared to HK\$2.662 billion as at 30 June 2008, and commitments for properties and equipment of HK\$216.0 million as at 31 December 2008 as compared to HK\$305.0 million as at 30 June 2008. The share of commitments for capital expenditure committed by jointly controlled entities was HK\$858.1 million as at 31 December 2008 as compared to HK\$1.336 billion as at 30 June 2008. Sources of funding for capital expenditure are internally generated resources and banking facilities.

### Contingent Liabilities

Contingent liabilities of the Group were HK\$354.4 million as at 31 December 2008 as compared to HK\$638.0 million as at 30 June 2008. These were composed of guarantees for credit facilities granted to associated companies, jointly controlled entities and a related company of HK\$11.9 million, HK\$203.5 million and HK\$139.0 million as at 31 December 2008 as compared to HK\$11.9 million, HK\$571.1 million and HK\$55.0 million respectively as at 30 June 2008. The share of contingent liabilities of jointly controlled entities was HK\$56.2 million as at both 31 December 2008 and 30 June 2008.

### Employees and Remuneration Policies

As at 31 December 2008, over 44,000 staff were employed by entities under the Group's management of which approximately 26,000 were employed in Hong Kong. Total staff related costs excluding directors' remunerations, were HK\$1.422 billion (2007: HK\$1.549 billion), of which provident funds and staff bonuses were included. Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed accordingly to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

Financial terms used in this section are consistent with the 2008 annual report of the Company.

## OPERATIONAL REVIEW — INFRASTRUCTURE

AOP of the Infrastructure division for the Current Period decreased by 18% to HK\$574.1 million, mainly due to the soaring fuel costs which severely impacted the profitability of the Energy segment.

### AOP Contribution by Segment

	For the six months ended 31 December		Change % Fav./Unfav.)
	2008 HK\$m	2007 HK\$m (restated)	
Roads	382.6	363.7	5
Energy	42.8	207.0	(79)
Water	93.1	70.6	32
Ports	55.6	59.4	(6)
Total	574.1	700.7	(18)

### Roads

The AOP of the Roads segment for the Current Period was HK\$382.6 million, grew by HK\$18.9 million or 5% from the Last Period.

Performance of projects within the Pearl River Delta Region was affected by the slowdown in business activities. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) fell by 3% and 8% respectively. The combined average daily traffic flow of Shenzhen-Huizhou Roadway and Expressway dropped by 5% when compared to the Last Period.

AOP of Guangxi Roadways Network rose as certain roadways have undergone capital restructuring which led to an increase in our profit sharing ratios. Its combined average daily traffic flow reduced by 11% in the Current Period, mainly due to revocation of toll stations of certain roadways in December 2007.

Toll revenue of Tangjin Expressway (Tianjin North Section) grew by 33% in the Current Period after the introduction of toll-by-weight policy in August 2007. Average daily traffic flow also increased by 15% as traffic was diverted to the expressway due to the temporary traffic measures introduced during Olympic period.

Average daily traffic flow of Wuhan Airport Expressway dropped by 3% as a connecting road was temporarily closed during the Current Period.

The average daily traffic flow of Tate's Cairn Tunnel decreased by 7% after the opening of Route 8 in March 2008. Toll revenue fell only by 3% as there was a toll hike in November 2008.



# Management Discussion and Analysis

## OPERATIONAL REVIEW — INFRASTRUCTURE (CONTINUED)

### Energy

AOP of the Energy segment fell by 79% from HK\$207.0 million to HK\$42.8 million for the Current Period.

Combined electricity sales of Zhujiang Power Plants decreased by 10% in the Current Period due to the downturn of the economy. This was aggravated by the soaring coal price which resulted in a combined AOP loss of 89% when compared to the Last Period.

Sales volume of Macau Power grew by 6% when compared to the Last Period despite the delays or suspension of works of some mega-sized construction projects in Macau.

Electricity sales of Chengdu Jintang Power Plant for the Current Period increased by 12% from the Last Period, as both generation units commenced operation in June and October 2007 respectively.

Electricity sales of Guangdong Baolihua New Energy Stock Co., Ltd. increased by 103% to RMB955.1 million as two generation units came into operation in June and September 2008 respectively.

### Water

AOP contribution from the Water segment increased by HK\$22.5 million to HK\$93.1 million in the Current Period, represented a growth of 32%. The acquisition of 7.5% interest in Chongqing Water Group was completed in August 2008 and its contribution has been reflected in the overall AOP.

Average daily sales volume of Macau Water Plant decreased slightly by 1%. In Mainland China, Chongqing Tangjiatuo Waste Water Treatment Plant reported a 4% growth in daily average treated volume. Water sales volume of Zhengzhou Water Plant and Changshu Water Plant reduced by 6% and 3% respectively. The overall impact of the global financial tsunami on the Water segment was small when compared to other segments.

### Ports

AOP contribution of Ports segment decreased by 6% from HK\$59.4 million to HK\$55.6 million during the Current Period.

Throughput of Xiamen New World Xiangyu Terminals Co., Ltd. dropped by 6% to 379,000 TEUs as the contract with a major customer had been terminated. As affected by the competition from new terminals and slowdown of economic activities, throughput of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd. dropped by 18% to 473,000 TEUs and 5% to 976,000 TEUs respectively.

## OPERATIONAL REVIEW — SERVICE & RENTAL

Service & Rental division achieved an AOP of HK\$667.1 million for the Current Period. A slight decrease of AOP by HK\$25.7 million or 4% was mainly attributable to the significant drop in the AOP of Taifook Securities Group Limited (“Taifook Securities”) but was partly offset by an encouraging performance from our duty free operation.

### AOP Contribution by Segment

	For the six months ended		
	31 December		
	2008	2007	Change %
	HK\$'m	HK\$'m	Fav./Unfav.)
Facilities Rental	224.0	212.3	6
Contracting	142.1	138.8	2
Financial Services	37.4	214.6	(83)
Other Services	263.6	127.1	107
Total	667.1	692.8	(4)

### Facilities Rental

The Group’s Facilities Rental segment continued to provide a steady source of income and cash flow to the Group. This segment recorded an AOP of HK\$224.0 million for the Current Period, an increase of 6% over the Last Period.

Hong Kong Convention and Exhibition Centre (“HKCEC”) continued to achieve satisfactory result for the Current Period with 527 events held. Total patronage exceeded 3.0 million even though the performance of the food and beverage division was affected by the construction works in the Atrium Link expansion. The expansion project is due for completion soon. The added 19,400 sq m will increase available space for lease up to a total of 83,400 sq m commencing from April 2009, enabling HKCEC to maintain its leading position in the market.

ATL Logistics Centre (“ATL”) recorded a steady profit with average occupancy rate maintained at 99% during the Current Period. It has also benefited from the increase in average rental as the demand for storage space remains strong. Being the world’s largest multi-storey warehousing and logistics facility, ATL continues to provide professional warehousing and terminal services to an ever-growing global clientele.

China United International Rail Containers Co., Ltd., the joint venture company that develops 18 rail container terminals in Mainland China, was established in March 2007. The current standalone facility in Kunming is operating smoothly while the construction works of the terminals in Chongqing, Zhengzhou, Qingdao and Dalian are well underway and are expected to be completed and operational by the second half of 2009. The next batch of terminals approved to be built which includes Xian and Chengdu is also underway.

### Contracting

The Contracting segment achieved an AOP of HK\$142.1 million for the Current Period, representing a slight increase of 2% over the Last Period. The profitability of the Contracting segment is stable.

As at 31 December 2008, the gross value of contracts on hand for the construction group was approximately HK\$29.0 billion. Although the impact of the global financial tsunami is yet to be fully reflected, the management is cautiously optimistic about the medium to long term prospects in Hong Kong. The Group is well positioned to take advantage of mega sized projects, such as the West Kowloon development, Kai Tak Redevelopment and the Hong Kong – Zhuhai – Macau bridge.

# Management Discussion and Analysis

## OPERATIONAL REVIEW — SERVICE & RENTAL (CONTINUED)

### Contracting (continued)

The performance of the Group's mechanical and engineering business remained satisfactory with an improved gross profit margin. The mechanical and engineering contracts awarded for the Current Period were HK\$794.0 million in which 77% was secured from Mainland China and 23% from Hong Kong and Macau while the total contracts on hand as at 31 December 2008 amounted to HK\$6.6 billion.

### Financial Services

The Financial Services segment mainly comprises the results of Taifook Securities and Tricor Holdings Limited ("Tricor").

Significant drop in AOP contribution of Taifook Securities was chiefly due to the substantial decline in earnings from its brokerage and margin financing services during the Current Period. Its businesses seriously deteriorated as a result of the global financial tsunami and the lack of turnover volume in the equity markets. It is expected that the adverse market trend will continue in the near future.

Tricor has successfully expanded into 21 cities in 12 countries. Its business operations in Hong Kong, Singapore and Mainland China together contributed over 80% of the total profit during the Current Period. In September 2008, Tricor has also finalized the acquisition of a corporate service practice in Brunei.

### Other Services

This segment comprises various service businesses including the transport and other general services, such as retail, property management, cleaning and security guarding.

The Group's Other Services achieved an AOP of HK\$263.6 million for the Current Period, a 107% increase over the Last Period. However, there was a 35% decline in the AOP of the local bus operation and a HK\$8.4 million operating loss in local ferry's operation for the Current Period (2007: HK\$0.4 million). High fuel costs and salaries rise remained heavy burdens to the transport business. The gloomy economy and intense competition from the market have in general led to a drop in patronage of the Group's transport business.

Free Duty engaged in duty free tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong has achieved satisfactory result in the Current Period with increased spending per passenger. Benefiting from the steady traffic growth via railway between Hong Kong and Mainland China, Free Duty in Lo Wu and Hung Hom MTR Stations which commenced in January 2008 brought additional revenue to the Group during the Current Period.

The property management business contributed a stable profit to the Group and maintained a clientele of 108,000 residential units under management despite tough market competitions. The Group will continue to explore new market opportunities in Mainland China.

# Independent Auditor's Review Report



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## TO THE BOARD OF DIRECTORS OF NWS HOLDINGS LIMITED

*(incorporated in Bermuda with limited liability)*

### INTRODUCTION

We have reviewed the interim financial information set out on pages 12 to 44, which comprises the condensed consolidated balance sheet of NWS Holdings Limited (the "Company") and its subsidiary companies (together, the "Group") as at 31 December 2008 and the related condensed consolidated statements of income, changes in equity and cash flows for the six-month period then ended and a summary of significant accounting policies and explanatory notes. The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 17 March 2009

# Interim Results

The Board is pleased to present the interim financial statements of the Group for the Current Period. The interim financial statements of the Group include the condensed consolidated income statement, the condensed consolidated cash flow statement and the condensed consolidated statement of changes in equity for the Current Period and the condensed consolidated balance sheet as at 31 December 2008, all of which are unaudited and condensed, along with explanatory notes, and are set out on pages 12 to 44 of this report.

## CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

	Note	For the six months ended 31 December	
		2008 HK\$m	2007 HK\$m (restated)
Revenue	3	<b>8,658.2</b>	9,367.8
Cost of sales		<b>(7,681.3)</b>	(8,151.4)
Gross profit		<b>976.9</b>	1,216.4
Other income	4	<b>275.2</b>	287.9
General and administrative expenses		<b>(581.4)</b>	(693.7)
Other charges	4	<b>(290.5)</b>	–
Operating profit	4	<b>380.2</b>	810.6
Finance costs		<b>(142.1)</b>	(169.2)
Share of results of			
Associated companies		<b>20.0</b>	267.9
Jointly controlled entities		<b>618.6</b>	1,613.5
Profit before income tax		<b>876.7</b>	2,522.8
Income tax expenses	5	<b>(47.6)</b>	(142.6)
Profit for the period		<b>829.1</b>	2,380.2
Attributable to			
Shareholders of the Company		<b>813.3</b>	2,233.5
Minority interests		<b>15.8</b>	146.7
		<b>829.1</b>	2,380.2
Dividend	6	<b>411.1</b>	1,116.5
Earnings per share attributable to the shareholders of the Company	7		
Basic		<b>HK\$0.40</b>	HK\$1.11
Diluted		<b>HK\$0.40</b>	HK\$1.11

## CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED

	Note	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m (restated)
<b>ASSETS</b>			
Non-current assets			
Investment properties	8	1,117.7	1,129.7
Property, plant and equipment	9	616.2	562.2
Leasehold land and land use rights	10	743.0	745.5
Intangible concession rights	11	1,130.7	1,303.1
Intangible assets		811.5	728.9
Associated companies	12	3,385.9	3,392.6
Jointly controlled entities		17,673.2	16,004.1
Available-for-sale financial assets	13	491.8	663.3
Other non-current assets		632.0	643.7
		<b>26,602.0</b>	25,173.1
-----			
Current assets			
Inventories		275.2	278.9
Trade and other receivables	14	8,125.5	9,579.6
Taxation recoverable		29.0	–
Financial assets at fair value through profit or loss	15	175.5	332.3
Cash held on behalf of customers	16	3,165.5	3,105.8
Short term deposits	17	–	126.4
Cash and bank balances		3,670.5	3,997.8
		<b>15,441.2</b>	17,420.8
-----			
Total assets		<b>42,043.2</b>	42,593.9
<b>EQUITY</b>			
Share capital	18	2,053.2	2,057.6
Reserves	19	18,607.9	18,366.3
Proposed final dividend	19	–	822.8
Interim dividend	19	411.1	–
Shareholders' funds		<b>21,072.2</b>	21,246.7
Minority interests		<b>1,070.8</b>	1,266.4
Total equity		<b>22,143.0</b>	22,513.1
-----			
<b>LIABILITIES</b>			
Non-current liabilities			
Borrowings	20	6,052.2	5,068.6
Other non-current liabilities		522.6	658.8
		<b>6,574.8</b>	5,727.4
-----			
Current liabilities			
Trade and other payables	21	10,503.8	10,362.3
Taxation		147.8	268.8
Borrowings	20	2,673.8	3,722.3
		<b>13,325.4</b>	14,353.4
-----			
Total liabilities		<b>19,900.2</b>	20,080.8
-----			
Total equity and liabilities		<b>42,043.2</b>	42,593.9
Net current assets		<b>2,115.8</b>	3,067.4
Total assets less current liabilities		<b>28,717.8</b>	28,240.5

## Interim Results

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

		For the six months ended 31 December 2008				
		Shareholders' funds			Minority interests	
HK\$m	Note	Share capital	Reserves	Total		Total
Balance at 30 June 2008, as previously reported		<b>2,057.6</b>	<b>19,090.5</b>	<b>21,148.1</b>	<b>1,266.4</b>	<b>22,414.5</b>
Prior year adjustments	2,19	–	<b>98.6</b>	<b>98.6</b>	–	<b>98.6</b>
Balance at 30 June 2008, as restated		<b>2,057.6</b>	<b>19,189.1</b>	<b>21,246.7</b>	<b>1,266.4</b>	<b>22,513.1</b>
Fair value changes on available-for-sale financial assets, net of tax		–	<b>(208.0)</b>	<b>(208.0)</b>	<b>(6.8)</b>	<b>(214.8)</b>
Release of investment revaluation deficit to the income statement		–	<b>139.5</b>	<b>139.5</b>	–	<b>139.5</b>
Currency translation differences		–	<b>(10.1)</b>	<b>(10.1)</b>	–	<b>(10.1)</b>
Net losses recognized directly in equity		–	<b>(78.6)</b>	<b>(78.6)</b>	<b>(6.8)</b>	<b>(85.4)</b>
Profit for the period		–	<b>813.3</b>	<b>813.3</b>	<b>15.8</b>	<b>829.1</b>
Total recognized income for the period		–	<b>734.7</b>	<b>734.7</b>	<b>9.0</b>	<b>743.7</b>
Dividend paid to						
shareholders of the Company		–	<b>(822.8)</b>	<b>(822.8)</b>	–	<b>(822.8)</b>
minority interests		–	–	–	<b>(83.2)</b>	<b>(83.2)</b>
Repurchase of shares						
nominal value		<b>(4.7)</b>	–	<b>(4.7)</b>	–	<b>(4.7)</b>
share premium		–	<b>(42.2)</b>	<b>(42.2)</b>	–	<b>(42.2)</b>
Share options						
value of services provided		–	<b>25.9</b>	<b>25.9</b>	–	<b>25.9</b>
nominal value of new shares issued		<b>0.3</b>	–	<b>0.3</b>	–	<b>0.3</b>
share premium on new shares issued		–	<b>0.6</b>	<b>0.6</b>	–	<b>0.6</b>
Share of changes in other reserve of a jointly controlled entity		–	<b>(66.3)</b>	<b>(66.3)</b>	–	<b>(66.3)</b>
Deemed acquisition of interests in subsidiary companies		–	–	–	<b>(121.4)</b>	<b>(121.4)</b>
Balance at 31 December 2008		<b>2,053.2</b>	<b>19,019.0</b>	<b>21,072.2</b>	<b>1,070.8</b>	<b>22,143.0</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED (CONTINUED)**

HK\$'m	Note	For the six months ended 31 December 2007				
		Shareholders' funds			Minority interests	Total
		Share capital	Reserves	Total		
Balance at 30 June 2007, as previously reported		2,014.2	15,182.3	17,196.5	1,002.0	18,198.5
Prior year adjustments	2	–	80.0	80.0	–	80.0
Balance at 30 June 2007, as restated		2,014.2	15,262.3	17,276.5	1,002.0	18,278.5
Fair value changes on available-for-sale financial assets, net of tax		–	53.8	53.8	9.4	63.2
Disposal of available-for-sale financial assets		–	(11.1)	(11.1)	(3.1)	(14.2)
Currency translation differences		–	338.6	338.6	18.1	356.7
Net income recognized directly in equity		–	381.3	381.3	24.4	405.7
Profit for the period, as restated		–	2,233.5	2,233.5	146.7	2,380.2
Total recognized income for the period		–	2,614.8	2,614.8	171.1	2,785.9
Dividend paid to						
shareholders of the Company		–	(604.4)	(604.4)	–	(604.4)
minority interests		–	–	–	(68.4)	(68.4)
Share options						
value of services provided		–	38.2	38.2	1.1	39.3
nominal value of new shares issued		0.6	–	0.6	–	0.6
share premium on new shares issued		–	1.4	1.4	–	1.4
Deemed disposal of interest in a subsidiary company		–	–	–	153.0	153.0
Derecognition of minority interests upon disposal of subsidiary companies		–	–	–	(7.9)	(7.9)
Balance at 31 December 2007, as restated		2,014.8	17,312.3	19,327.1	1,250.9	20,578.0



## Interim Results

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT – UNAUDITED

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m
Net cash generated from operating activities	<b>582.4</b>	235.7
Net cash used in investing activities	<b>(714.9)</b>	(2,298.3)
Net cash (used in) / generated from financing activities	<b>(258.6)</b>	2,641.2
Net (decrease) / increase in cash and cash equivalents	<b>(391.1)</b>	578.6
Cash and cash equivalents at 1 July	<b>3,996.9</b>	3,040.8
Currency translation differences	–	31.5
Cash and cash equivalents at 31 December	<b>3,605.8</b>	3,650.9
Analysis of cash and cash equivalents		
Cash and bank balances	<b>3,670.5</b>	3,663.2
Bank overdrafts	<b>(64.7)</b>	(12.3)
	<b>3,605.8</b>	3,650.9

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1 GENERAL INFORMATION

NWS Holdings is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is investment holding.

The principal activities of its subsidiary companies include:

- (a) the investment in and / or operation of facilities, contracting, transport and financial services; and
- (b) the development, investment, operation and / or management of power plants, water treatment and waste management plants, roads as well as container terminals.

The Company has its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The interim financial statements have been approved for issue by the Board on 17 March 2009.

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements (the "interim financial statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"). The interim financial statements should be read in conjunction with the 2008 annual financial statements.

For the six months ended 31 December 2008, the Group has adopted the following amendments to standards and interpretations which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2009:

HKAS 39 and HKFRS 7 Amendments	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Except for HK(IFRIC) – Int 12, the adoption of these amendments and interpretations does not have significant change to the accounting policies or any significant effect on the results and financial position of the Group, the accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the 2008 annual financial statements. The effect of applying HK(IFRIC) – Int 12 is set out below.

## Interim Results

### 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

HK(IFRIC) – Int 12 applies to contractual service concession arrangements (“Service Concessions”) whereby the Group participates in the development, financing, operation and maintenance of infrastructures for public services, such as toll roads and bridges, power plants and water treatment plants (the “Infrastructures”). Prior to the adoption of HK(IFRIC) – Int 12, the costs incurred for the construction or upgrade work or the acquisition of the Infrastructures under the Service Concessions were accounted for as property, plant and equipment. On adoption of HK(IFRIC) – Int 12, these Service Concessions are accounted for as intangible assets to the extent that the Group receives a right to charge users of the respective Infrastructures, or as financial assets to the extent that the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the granting authorities under the service concession arrangement.

Intangible assets resulting from the application of HK(IFRIC) – Int 12 are recorded in the balance sheet as “Intangible concession rights”. The intangible concession rights are amortized, where applicable, on an economic usage basis or on a straight-line basis over the periods which the Group is granted the rights to operate these Infrastructures.

Financial assets resulting from the application of HK(IFRIC) – Int 12 are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Furthermore, the Group recognizes income and expenses associated with construction services and upgrade services provided under the Service Concessions in accordance with the Group’s accounting policy on construction revenue.

The adoption of HK(IFRIC) – Int 12 resulted in a change in the Group’s principal accounting policies, which has been applied retrospectively and the comparative figures have been restated accordingly. The financial impact which is primarily due to the adoption of HK(IFRIC) – Int 12 is summarized as follows:

#### Consolidated Balance Sheet

	<b>At 31 December 2008 HK\$’m</b>	<b>At 30 June 2008 HK\$’m</b>
Decrease in property, plant and equipment	<b>1,130.7</b>	1,303.1
Increase in intangible concession rights	<b>1,130.7</b>	1,303.1
Increase in jointly controlled entities	<b>139.8</b>	129.3
Increase in other non-current liabilities	<b>30.7</b>	30.7
Increase in reserves	<b>109.1</b>	98.6
Increase in exchange reserve	<b>43.8</b>	43.8
Increase in revenue reserve	<b>65.3</b>	54.8

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

### Consolidated Income Statement

	For the six months ended 31 December	
	2008 HK\$m	2007 HK\$m
Increase in share of results of jointly controlled entities	10.5	8.1
Increase in amortization of intangible concession rights	38.2	45.6
Decrease in depreciation	38.2	45.6
Increase in basic earnings per share	HK\$0.01	HK\$0.01
Increase in diluted earnings per share	HK\$0.01	HK\$0.01

The following new or revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2009 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2010

HKFRS 1 (Revised)	First-time Adoption of HKFRS
HKFRS 1 (Revised) and HKAS 27 Amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Vesting Conditions and Cancellations
HKFRS 3 (Revised) and HKAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements
HKFRS 7 Amendments	Financial Instruments: Disclosure – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKFRSs Amendments	Improvements to HKFRSs
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 Amendment	Eligible Hedged Items
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which may be relevant to the Group's operation 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.

## Interim Results

### 3 REVENUE AND SEGMENT INFORMATION

The Group's revenue is analyzed as follows:

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m
Ports	–	3.1
Roads and bridges	154.1	131.4
Facilities rental	453.2	452.8
Facilities management	2,251.2	1,382.1
Contracting	5,434.2	6,438.3
Financial services	331.8	922.7
Other services	33.7	37.4
	<b>8,658.2</b>	9,367.8

The primary reporting format is by business segments and the secondary reporting format is by geographical segments.

### 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (a) Primary reporting format – business segments

HK\$m	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
<b>For the six months ended</b>										
<b>31 December 2008</b>										
External sales	–	154.1	–	453.2	2,251.2	5,434.2	331.8	33.7	–	8,658.2
Inter-segment sales	–	–	–	–	50.5	364.1	5.8	2.9	(423.3)	–
Total revenue	–	154.1	–	453.2	2,301.7	5,798.3	337.6	36.6	(423.3)	8,658.2
Segment results	1.7	77.6	2.5	127.1	205.2	134.2	9.9	6.8	–	565.0
Gain on deemed acquisition of interests in subsidiary companies	–	105.0	–	–	–	–	32.6	–	–	137.6
Profit on disposal of a subsidiary company	27.4	–	–	–	–	–	–	–	–	27.4
Fair value losses on investment properties	–	–	–	(5.5)	–	(6.5)	–	–	–	(12.0)
Assets impairment loss	–	–	–	–	–	–	(5.1)	–	–	(5.1)
Loss on disposal of a jointly controlled entity	–	–	–	(1.5)	–	–	–	–	–	(1.5)
Unallocated corporate expenses										(331.2) <sup>(i)</sup>
Operating profit										380.2
Finance costs										(142.1)
Share of results of										
Associated companies	27.5	(26.0)	2.5	–	–	24.8	29.3	(38.1)	–	20.0
Jointly controlled entities	26.6	346.7	103.7	116.7	0.2	3.2	–	21.5	–	618.6
Profit before income tax										876.7
Income tax expenses										(47.6)
Profit for the period										829.1
Capital expenditure	–	1.8	–	155.1	10.9	4.3	29.7	0.8	–	202.6
Depreciation	0.3	0.7	–	13.3	13.7	15.0	13.1	3.6	–	59.7
Amortization of leasehold land and land use rights	–	–	–	–	0.1	0.7	–	0.3	–	1.1
Amortization of intangible concession rights	–	38.2	–	–	–	–	–	–	–	38.2
Amortization of intangible assets	–	–	–	–	–	–	3.9	–	–	3.9
<b>At 31 December 2008</b>										
Segment assets	219.8	1,208.6	1.6	2,292.7	1,061.5	5,379.9	5,828.3	190.1	–	16,182.5
Associated companies	347.9	432.2	424.6	–	1.2	1,047.5	408.7	723.8	–	3,385.9
Jointly controlled entities	469.4	6,164.2	4,919.5	2,318.1	10.7	75.9	–	3,715.4	–	17,673.2
Unallocated assets										4,801.6
Total assets										42,043.2
Segment liabilities	5.7	498.8	1.7	204.0	481.0	4,892.6	3,868.6	0.5	–	9,952.9
Unallocated liabilities										9,947.3
Total liabilities										19,900.2

(i) Unallocated corporate expenses included HK\$139.5 million impairment loss on available-for-sale financial assets.

# Interim Results

## 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

### (a) Primary reporting format – business segments (continued)

HK\$m	Ports	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Financial services	Other services	Eliminations	Consolidated
For the six months ended 31 December 2007 (restated)										
External sales	3.1	131.4	–	452.8	1,382.1	6,438.3	922.7	37.4	–	9,367.8
Inter-segment sales	–	–	–	0.2	53.5	469.7	5.7	3.0	(532.1)	–
<b>Total revenue</b>	<b>3.1</b>	<b>131.4</b>	<b>–</b>	<b>453.0</b>	<b>1,435.6</b>	<b>6,908.0</b>	<b>928.4</b>	<b>40.4</b>	<b>(532.1)</b>	<b>9,367.8</b>
Segment results	7.5	68.1	6.4	116.5	95.0	113.4	390.5	4.3	–	801.7
Gain on deemed disposal of interests in a subsidiary company and an associated company	–	–	1.9	–	–	–	76.9	–	–	78.8
Profit on disposal of a subsidiary company	2.4	–	–	–	–	–	–	–	–	2.4
Unallocated corporate expenses	–	–	–	–	–	–	–	–	–	(72.3)
<b>Operating profit</b>										<b>810.6</b>
Finance costs										(169.2)
Share of results of										
Associated companies	25.2	(5.2)	124.6	–	–	46.6	31.3	45.4	–	267.9
Jointly controlled entities	27.4	308.6	111.5	114.2	0.2	(2.2)	–	1,053.8 <sup>(i)</sup>	–	1,613.5
<b>Profit before income tax</b>										<b>2,522.8</b>
Income tax expenses										(142.6)
<b>Profit for the period</b>										<b>2,380.2</b>
Capital expenditure	–	1.0	–	4.9	31.8	14.4	17.9	6.3	–	76.3
Depreciation	0.4	0.7	–	13.3	15.0	18.4	13.1	3.7	–	64.6
Amortization of leasehold land and land use rights	–	–	–	–	0.1	0.6	–	0.2	–	0.9
Amortization of intangible concession rights	–	45.6	–	–	–	–	–	–	–	45.6
Amortization of intangible assets	–	–	–	–	–	–	3.9	–	–	3.9
At 30 June 2008 (restated)										
Segment assets	58.9	1,990.6	–	2,146.7	1,078.8	6,077.4	6,206.1	201.8	–	17,760.3
Associated companies	335.7	454.1	422.2	–	1.4	1,045.6	379.3	754.3	–	3,392.6
Jointly controlled entities	748.4	4,603.7	3,919.0	2,362.0	10.5	88.0	–	4,272.5	–	16,004.1
Unallocated assets	–	–	–	–	–	–	–	–	–	5,436.9
<b>Total assets</b>										<b>42,593.9</b>
Segment liabilities	6.3	624.7	1.0	290.8	502.7	5,442.5	3,801.5	2.5	–	10,672.0
Unallocated liabilities	–	–	–	–	–	–	–	–	–	9,408.8
<b>Total liabilities</b>										<b>20,080.8</b>

- (i) The share of results of jointly controlled entities included the Group's share of profit of HK\$1,014.8 million from a property development project, Harbour Place. The amount was included under other services segment.

### 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (b) Secondary reporting format – geographical segments

HK\$m	Note	Segment revenue	Segment results	Capital expenditure	Segment assets
					<b>At</b>
					<b>31 December 2008</b>
					<b>For the six months ended 31 December 2008</b>
Hong Kong	3(b)(i)	5,752.6	358.4	199.1	12,447.2
Mainland China		969.2	121.3	3.5	1,935.6
Macau		1,933.5	83.1	–	1,792.1
Others		2.9	2.2	–	7.6
		<b>8,658.2</b>	<b>565.0</b>	<b>202.6</b>	<b>16,182.5</b>
					<b>At</b>
					<b>30 June 2008</b>
					<b>For the six months ended 31 December 2007</b>
Hong Kong		5,375.8	649.7	57.3	12,754.2
Mainland China		796.1	75.7	6.2	2,837.6
Macau		3,192.5	73.2	12.8	2,161.8
Others		3.4	3.1	–	6.7
		<b>9,367.8</b>	<b>801.7</b>	<b>76.3</b>	<b>17,760.3</b>

(i) Segment information of Hong Kong is further analyzed as follows:

HK\$m	Segment revenue	Segment results	Capital expenditure	Segment assets
				<b>At</b>
				<b>31 December 2008</b>
				<b>For the six months ended 31 December 2008</b>
Ports	–	2.9	–	–
Facilities rental	453.2	127.1	155.1	2,292.7
Facilities management	2,224.0	205.2	10.2	1,048.3
Contracting	2,728.8	8.7	3.3	3,088.2
Financial services	329.1	7.6	29.6	5,827.8
Other services	17.5	6.9	0.9	190.2
	<b>5,752.6</b>	<b>358.4</b>	<b>199.1</b>	<b>12,447.2</b>



## Interim Results

### 3 REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### (b) Secondary reporting format – geographical segments (continued)

(i) Segment information of Hong Kong is further analyzed as follows: (continued)

HK\$m	Segment revenue	Segment results	Capital expenditure	Segment assets
	For the six months ended 31 December 2007			At 30 June 2008
Ports	–	3.3	–	–
Facilities rental	452.8	116.5	4.9	2,143.9
Facilities management	1,326.1	92.8	27.8	1,062.9
Contracting	2,658.7	39.1	0.7	3,140.1
Financial services	919.8	388.0	17.9	6,205.6
Other services	18.4	10.0	6.0	201.7
	5,375.8	649.7	57.3	12,754.2

#### 4 OPERATING PROFIT

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

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m (restated)
Crediting		
Gross rental income from investment properties	23.0	21.6
Less: Outgoings	(5.6)	(5.1)
	17.4	16.5
Exchange gains	–	16.1
Interest income from margin and other financing of securities business, included in revenue	47.4	225.0
Net income from leveraged foreign exchange trading	2.6	2.1
Commission on securities dealing	129.2	482.6
Commission on dealing in futures, options and commodities	62.2	31.9
Commission on dealing in bullion contracts	3.9	3.9
Net profit on futures, options and bullion contracts trading	16.1	10.1
Net profit on foreign exchange contracts trading	6.9	3.1
Other income		
Profit on disposal of a subsidiary company	27.4	2.4
Profit on disposal of available-for-sale financial assets	–	12.9
Net profit on disposal of financial assets at fair value through profit or loss	–	36.2
Fair value gains on financial assets at fair value through profit or loss	–	16.7
Interest income	59.9	112.6
Management fee income	23.3	18.2
Machinery hire income	22.2	1.1
Gain on deemed acquisition or disposal of interests in subsidiary companies and an associated company	137.6	78.8
Dividends and others	4.8	9.0
	<b>275.2</b>	<b>287.9</b>

## Interim Results

### 4 OPERATING PROFIT (CONTINUED)

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

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m (restated)
Charging		
Cost of inventories sold	<b>781.0</b>	390.5
Depreciation	<b>59.7</b>	64.6
Amortization of leasehold land and land use rights	<b>1.1</b>	0.9
Amortization of intangible concession rights	<b>38.2</b>	45.6
Amortization of intangible assets	<b>3.9</b>	3.9
Impairment of trade and other receivables	<b>0.3</b>	1.3
Exchange losses	<b>0.7</b>	–
Operating lease rental expenses		
Properties	<b>65.7</b>	50.8
Other equipment	<b>3.5</b>	–
Interest expense for securities broking and margin financing operations, included in cost of sales	<b>6.2</b>	150.4
Other charges		
Fair value losses on investment properties	<b>12.0</b>	–
Net loss on disposal of financial assets at fair value through profit or loss	<b>27.2</b>	–
Fair value losses on financial assets at fair value through profit or loss	<b>105.2</b>	–
Impairment loss on available-for-sale financial assets	<b>139.5</b>	–
Assets impairment loss	<b>5.1</b>	–
Loss on disposal of a jointly controlled entity	<b>1.5</b>	–
	<b>290.5</b>	–

## 5 INCOME TAX EXPENSES

Hong Kong profits tax is provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits for the Current Period. Taxation on Mainland China and overseas profits has been calculated on the estimated assessable profits for the Current Period at the rates of tax prevailing in the countries in which the Group operates. These rates range from 3% to 33% (2007: 3% to 33%).

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

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m
Current income tax		
Hong Kong profits tax	42.7	102.8
Mainland China and overseas taxation	24.7	15.6
Deferred income tax (credit) / charge	(19.8)	24.2
	47.6	142.6

Share of associated companies' and jointly controlled entities' taxation of HK\$13.4 million (2007: HK\$66.8 million) and HK\$91.1 million (2007 restated: HK\$337.8 million) are included in the condensed consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

## 6 DIVIDEND

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m
Interim dividend declared of HK\$0.20 (2007: paid of HK\$0.55) per share	411.1	1,116.5

## Interim Results

### 7 EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the period is based on the following:

	For the six months ended 31 December	
	2008 HK\$'m	2007 HK\$'m (restated)
Profit attributable to shareholders of the Company	813.3	2,233.5
Adjustment on the effect of dilution in the results of a subsidiary company	–	(0.5)
Profit for calculation of diluted earnings per share	813.3	2,233.0

	Number of shares	
	2008	2007
Weighted average number of shares for calculating basic earnings per share	2,056,098,998	2,014,615,293
Effect of dilutive potential ordinary shares Share options	44,050	5,598,382
Weighted average number of shares for calculating diluted earnings per share	2,056,143,048	2,020,213,675

### 8 INVESTMENT PROPERTIES

	HK\$'m
At 1 July 2008	1,129.7
Fair value changes	(12.0)
At 31 December 2008	1,117.7

The investment properties were revalued on 31 December 2008 and 30 June 2008 on a market value basis by Vigers Hong Kong Limited, independent professional property valuer.

## 9 PROPERTY, PLANT AND EQUIPMENT

HK\$'m	Note	Properties	Roads and bridges	Port facilities and terminal equipment	Construction in progress	Other plant and equipment	Total
<b>Cost</b>							
At 30 June 2008, as previously reported		132.9	1,885.6	6.0	–	1,727.1	3,751.6
Prior year adjustments	2,11	–	(1,885.6)	–	–	–	(1,885.6)
At 30 June 2008, as restated		132.9	–	6.0	–	1,727.1	1,866.0
Additions		–	–	–	62.2	53.9	116.1
Disposals		(0.6)	–	–	–	(49.8)	(50.4)
<b>At 31 December 2008</b>		<b>132.3</b>	<b>–</b>	<b>6.0</b>	<b>62.2</b>	<b>1,731.2</b>	<b>1,931.7</b>
<b>Accumulated depreciation and impairment</b>							
At 30 June 2008, as previously reported		25.8	582.5	2.6	–	1,275.4	1,886.3
Prior year adjustments	2,11	–	(582.5)	–	–	–	(582.5)
At 30 June 2008, as restated		25.8	–	2.6	–	1,275.4	1,303.8
Depreciation		1.8	–	0.2	–	57.7	59.7
Disposals		(0.2)	–	–	–	(47.8)	(48.0)
<b>At 31 December 2008</b>		<b>27.4</b>	<b>–</b>	<b>2.8</b>	<b>–</b>	<b>1,285.3</b>	<b>1,315.5</b>
<b>Net book value</b>							
<b>At 31 December 2008</b>		<b>104.9</b>	<b>–</b>	<b>3.2</b>	<b>62.2</b>	<b>445.9</b>	<b>616.2</b>
At 30 June 2008, as restated		107.1	–	3.4	–	451.7	562.2

## Interim Results

### 10 LEASEHOLD LAND AND LAND USE RIGHTS

	HK\$'m
<b>Cost</b>	
At 1 July 2008	788.3
Disposals	(2.9)
<b>At 31 December 2008</b>	<b>785.4</b>
<b>Accumulated amortization and impairment</b>	
At 1 July 2008	42.8
Amortization	1.1
Disposals	(1.5)
<b>At 31 December 2008</b>	<b>42.4</b>
<b>Net book value</b>	
<b>At 31 December 2008</b>	<b>743.0</b>
At 30 June 2008	745.5

### 11 INTANGIBLE CONCESSION RIGHTS

	Note	HK\$'m
<b>Cost</b>		
At 30 June 2008, as previously reported		–
Prior year adjustments	2,9	1,885.6
At 30 June 2008, as restated		1,885.6
Disposals		(193.0)
<b>At 31 December 2008</b>		<b>1,692.6</b>
<b>Accumulated amortization and impairment</b>		
At 30 June 2008, as previously reported		–
Prior year adjustments	2,9	582.5
At 30 June 2008, as restated		582.5
Amortization		38.2
Disposals		(58.8)
<b>At 31 December 2008</b>		<b>561.9</b>
<b>Net book value</b>		
<b>At 31 December 2008</b>		<b>1,130.7</b>
At 30 June 2008, as restated		1,303.1

## 12 ASSOCIATED COMPANIES

Included in the unlisted associated companies are three companies in which the Group has participating interests and held for investment purposes. For the period ended 31 December 2008, the Group's share of losses of these three investment companies amounted to HK\$38.1 million (2007: share of profits HK\$45.4 million). The Group's investment in these companies as at 31 December 2008 amounted to HK\$723.8 million (30 June 2008: HK\$754.3 million), which mainly represents the fair value of investments in various listed and unlisted securities.

## 13 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>At 31 December 2008 HK\$'m</b>	At 30 June 2008 HK\$'m
Listed securities		
Equity securities listed in Hong Kong	<b>146.2</b>	299.2
Equity securities listed in overseas	<b>23.7</b>	34.7
Unlisted securities		
Equity securities	<b>282.9</b>	290.4
Debt securities	<b>39.0</b>	39.0
	<b>491.8</b>	663.3
Market value of listed securities	<b>169.9</b>	333.9

The fair values of the listed securities are determined based on the quoted market bid prices available on the relevant exchanges. The fair values of the unlisted securities are determined using financial models, such as discounted cash flow model, and by reference to quoted prices from relevant financial institutions.

An analysis of the issuers of available-for-sale financial assets is as follows:

	<b>At 31 December 2008 HK\$'m</b>	At 30 June 2008 HK\$'m
Equity securities		
Public sector entities	<b>33.3</b>	33.3
Bank and other financial institutions	<b>187.4</b>	188.5
Corporate entities	<b>232.1</b>	402.5
Debt securities		
Public sector entities	<b>29.0</b>	29.0
Corporate entities	<b>10.0</b>	10.0
	<b>491.8</b>	663.3



## Interim Results

### 14 TRADE AND OTHER RECEIVABLES

	Note	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Trade receivables	14(a)	<b>2,192.2</b>	2,379.2
Retention money receivables	14(b)	<b>1,242.2</b>	1,331.1
Current portion of long term receivable		<b>77.7</b>	77.7
Amounts due from customers for contract works		<b>588.6</b>	449.8
Advances to customers	14(c)	<b>1,636.2</b>	1,863.6
Other receivables, deposits and prepayments		<b>1,961.3</b>	3,190.8
Amounts due from associated companies		<b>52.3</b>	108.1
Amounts due from jointly controlled entities		<b>375.0</b>	179.3
		<b>8,125.5</b>	9,579.6

(a) Trade receivables can be further analyzed as follows:

	Note	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Receivables arising from securities business	14(a)(i)	<b>509.1</b>	586.4
Other trade receivables		<b>1,683.1</b>	1,792.8
		<b>2,192.2</b>	2,379.2

- (i) Receivables arising from securities business mainly represents accounts receivable attributable to dealing in securities and equity options transactions which are to be settled two days after the trade date, and accounts receivable attributable to dealing in futures, options and bullion contracts transactions which are to be settled one day after the trade date.

## 14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables can be further analyzed as follows: (continued)

(ii) The ageing analysis of trade receivables is as follows:

	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Under 3 months	1,935.8	1,994.5
4 to 6 months	94.4	119.3
Over 6 months	162.0	265.4
	<b>2,192.2</b>	2,379.2

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

- (b) Retention money receivables in respect of contracting services are settled in accordance with the terms of respective contracts.
- (c) The Group has made loans to margin clients for its securities business. These loans are secured by listed securities held by the Group as collateral and are interest bearing. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. As at 31 December 2008, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK\$7,657.1 million (30 June 2008: HK\$21,293.0 million).

## 15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Listed securities		
Equity securities listed in Hong Kong	93.2	174.6
Equity securities listed overseas	21.8	42.7
	<b>115.0</b>	217.3
Unlisted securities		
Equity securities	47.8	61.9
Debt securities	12.7	53.1
	<b>60.5</b>	115.0
Total	<b>175.5</b>	332.3
Market value of listed securities	<b>115.0</b>	217.3

## Interim Results

### 15 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The fair values of the listed securities are determined based on the quoted market bid prices available on the relevant exchanges. The fair values of the unlisted securities are determined by using financial models, such as discounted cash flow model, and by reference to quoted prices from relevant financial institutions.

An analysis of the issuers of financial assets at fair value through profit or loss is as follows:

	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Equity securities		
Bank and other financial institutions	65.3	87.0
Corporate entities	97.5	192.2
Debt securities		
Bank and other financial institutions	12.7	53.1
	<b>175.5</b>	<b>332.3</b>

### 16 CASH HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated trust accounts with authorized institutions to hold clients' monies arising from its securities business. The Group has classified the clients' monies as cash held on behalf of customers and recognized the corresponding accounts payable to respective clients on the grounds that it is liable for any loss or misappropriation of clients' monies. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance (the "SFO").

### 17 SHORT TERM DEPOSITS

No short term deposits (30 June 2008: HK\$126.4 million) were pledged as securities for banking facilities.

### 18 SHARE CAPITAL

	Ordinary shares	
	No. of shares	HK\$'m
Authorized		
At 30 June 2008 and 31 December 2008	2,400,000,000	2,400.0
Issued and fully paid		
At 1 July 2008	2,057,626,809	2,057.6
Exercise of share options	254,128	0.3
Repurchase of shares	(4,712,000)	(4.7)
At 31 December 2008	2,053,168,937	2,053.2

## 18 SHARE CAPITAL (CONTINUED)

### Share option scheme

A share option scheme which will be valid and effective for a period of ten years from the date of adoption was adopted by the Company on 6 December 2001 and amended on 12 March 2003 and 24 November 2006 (the "NWS Share Option Scheme"). The Board may, at their discretion, grant options to any eligible participant as defined under the NWS Share Option Scheme to subscribe for the shares of the Company. The total number of shares which may be issued upon exercise of all options to be granted under the NWS Share Option Scheme must not in aggregate exceed 10% of the share capital of the Company in issue as at 12 March 2003, i.e. 1,780,759,001 shares.

Movements in the number of share options outstanding during the Current Period are as follows:

	Number of options
At 1 July 2008	31,117,132
Exercised	(254,128)
Lapsed	(724,236)
At 31 December 2008	30,138,768

- (i) On 21 July 2003, 41,497,000 share options were granted to directors and certain eligible participants at the exercise price of HK\$3.725, which represents the average of the closing price of the Company's shares on the Hong Kong Stock Exchange for the five trading days immediately preceding the date of grant. All outstanding share options expired on 21 July 2008.
- (ii) On 21 August 2007 and 28 January 2008, 29,694,000 and 700,000 share options were granted to directors and / or certain eligible participants at the exercise price of HK\$16.2 and HK\$20.6 respectively, which represents the closing price of the Company's shares on the Hong Kong Stock Exchange on the dates of grant. Such share options will expire on 21 August 2012.
- (iii) Pursuant to the NWS Share Option Scheme, the number of unexercised share options and exercise price may be subject to adjustment in case of alteration in the capital structure of the Company. The Company declared the interim dividend for the year ended 30 June 2008 in scrip form (with cash option) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price in accordance with the said scheme. The exercise price per share for the share options granted on 21 July 2003, 21 August 2007 and 28 January 2008 were adjusted from HK\$3.711 to HK\$3.709, from HK\$16.2 to HK\$16.193 and from HK\$20.6 to HK\$20.591 respectively, all with effect from 18 June 2008.

## Interim Results

### 19 RESERVES

HK\$m	Note	Share premium	Special reserves	Investment revaluation reserve	Exchange reserve	Revenue reserve	Total
At 30 June 2008, as previously reported		10,605.8	375.5	(139.8)	1,616.8	6,632.2	19,090.5
Prior year adjustments	2	–	–	–	43.8	54.8	98.6
At 30 June 2008, as restated		10,605.8	375.5	(139.8)	1,660.6	6,687.0	19,189.1
Profit for the period		–	–	–	–	813.3	813.3
Dividend paid to shareholders of the Company		–	–	–	–	(822.8)	(822.8)
Fair value changes on available-for-sale financial assets, net of tax							
Group		–	–	(164.6)	–	–	(164.6)
Associated companies		–	–	(43.4)	–	–	(43.4)
Release of investment revaluation deficit to the income statement – Group		–	–	139.5	–	–	139.5
Currency translation differences							
Group		–	–	–	(12.1)	–	(12.1)
Associated companies		–	–	–	(2.5)	–	(2.5)
Jointly controlled entities		–	–	–	4.5	–	4.5
Repurchase of shares		(42.2)	–	–	–	–	(42.2)
Share options							
value of services provided							
Group		–	25.4	–	–	–	25.4
Jointly controlled entities		–	0.5	–	–	–	0.5
share premium on new shares issued		0.6	–	–	–	–	0.6
Share of changes in other reserve of a jointly controlled entity		–	(66.3)	–	–	–	(66.3)
Transfer		0.3	(1.2)	–	–	0.9	–
<b>At 31 December 2008</b>		<b>10,564.5</b>	<b>333.9</b>	<b>(208.3)</b>	<b>1,650.5</b>	<b>6,678.4</b>	<b>19,019.0</b>
Representing							
Balance at 31 December 2008		10,564.5	333.9	(208.3)	1,650.5	6,267.3	18,607.9
2009 declared interim dividend		–	–	–	–	411.1	411.1
		10,564.5	333.9	(208.3)	1,650.5	6,678.4	19,019.0

## 20 BORROWINGS

	<b>At 31 December 2008 HK\$'m</b>	At 30 June 2008 HK\$'m
Non-current		
Bank loans	<b>6,052.2</b>	5,068.6
<hr style="border-top: 1px dashed black;"/>		
Current		
Current portion of bank loans	<b>1,968.3</b>	2,047.9
Short term bank loans and overdrafts – secured	<b>138.8</b>	90.0
Short term bank loans and overdrafts – unsecured	<b>466.7</b>	1,449.9
Other borrowings – unsecured	<b>100.0</b>	134.5
	<b>2,673.8</b>	3,722.3
<hr style="border-top: 1px dashed black;"/>		
	<b>8,726.0</b>	8,790.9

## 21 TRADE AND OTHER PAYABLES

	Note	<b>At 31 December 2008 HK\$'m</b>	At 30 June 2008 HK\$'m
Trade payables	21(a)	<b>4,414.7</b>	4,462.4
Retention money payables		<b>927.5</b>	977.6
Advances received from customers for contract works		<b>57.2</b>	31.6
Amounts due to customers for contract works		<b>824.5</b>	894.7
Amounts due to minority shareholders		<b>70.4</b>	77.8
Other payables and accruals		<b>3,342.3</b>	3,875.5
Dividend payable		<b>822.8</b>	–
Amounts due to associated companies		<b>3.1</b>	2.9
Amounts due to jointly controlled entities		<b>41.3</b>	39.8
		<b>10,503.8</b>	10,362.3

## Interim Results

### 21 TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables are further analyzed as follows:

	Note	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Payables arising from securities business	21(a)(i)	<b>3,726.3</b>	3,667.1
Other trade payables	21(a)(ii)	<b>688.4</b>	795.3
		<b>4,414.7</b>	4,462.4

(i) Payables arising from securities business represent accounts payable attributable to various financial services transactions, including securities, equity options, leveraged foreign exchange, futures and options contracts, bullion contracts and other financial services. The balances are mainly repayable on demand.

(ii) The ageing analysis of other trade payables is as follows:

	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Under 3 months	<b>604.0</b>	686.4
4 to 6 months	<b>23.5</b>	42.8
Over 6 months	<b>60.9</b>	66.1
	<b>688.4</b>	795.3

## 22 MATURITY PROFILE OF ASSETS AND LIABILITIES

For the purpose of compliance with the Listing Rules, a maturity profile of financial assets and liabilities of the Group is analyzed by the remaining period at the balance sheet date to the contractual maturity dates as follows:

HK\$'m	Repayable on demand	3 months or less	Over 3 months to 1 year	Over 1 year to 5 years	Total
At 31 December 2008					
<b>Assets</b>					
Debt securities					
Available-for-sale financial assets	–	–	–	39.0	39.0
Financial assets at fair value through profit or loss	–	9.3	3.4	–	12.7
Advances to customers	1,636.2	–	–	–	1,636.2
Cash held on behalf of customers	3,165.5	–	–	–	3,165.5
Cash and bank balances	2,596.4	1,074.1	–	–	3,670.5
	<b>7,398.1</b>	<b>1,083.4</b>	<b>3.4</b>	<b>39.0</b>	<b>8,523.9</b>
<b>Liabilities</b>					
Borrowings	168.2	571.6	1,934.0	6,052.2	8,726.0
Trade payables to clients arising from securities business	3,628.6	38.3	–	–	3,666.9
	<b>3,796.8</b>	<b>609.9</b>	<b>1,934.0</b>	<b>6,052.2</b>	<b>12,392.9</b>



## Interim Results

### 22 MATURITY PROFILE OF ASSETS AND LIABILITIES (CONTINUED)

HK\$'m	Repayable on demand	3 months or less	Over 3 months to 1 year	Over 1 year to 5 years	Total
At 30 June 2008					
<b>Assets</b>					
Debt securities					
Available-for-sale financial assets	–	–	–	39.0	39.0
Financial assets at fair value through profit or loss	–	–	46.0	7.1	53.1
Advances to customers	1,863.6	–	–	–	1,863.6
Cash held on behalf of customers	3,105.8	–	–	–	3,105.8
Cash and bank balances	2,705.2	1,292.6	–	–	3,997.8
	7,674.6	1,292.6	46.0	46.1	9,059.3
<b>Liabilities</b>					
Borrowings	–	1,709.5	2,012.8	5,068.6	8,790.9
Trade payables to clients arising from securities business	3,547.8	56.9	–	–	3,604.7
	3,547.8	1,766.4	2,012.8	5,068.6	12,395.6

### 23 COMMITMENTS

(a) The outstanding commitments for capital expenditure are as follows:

	Note	At 31 December 2008 HK\$'m	At 30 June 2008 HK\$'m
Contracted but not provided for Property, plant and equipment		11.0	12.2
Investment properties		205.0	292.8
Capital contributions to associated companies and jointly controlled entities	23(a)(i)	1,472.3	963.2
Other contributions	23(a)(i)	–	1,698.7
		1,688.3	2,966.9

- (i) The Group has committed to provide sufficient funds in the form of capital and loan contributions to certain associated companies, jointly controlled entities and other projects to finance relevant projects. The directors estimate that the Group's share of projected funds requirements of these projects would be approximately HK\$1,472.3 million (30 June 2008: HK\$2,661.9 million) which represents the attributable portion of the capital and loan contributions to be made to the associated companies, jointly controlled entities and other projects.

## 23 COMMITMENTS (CONTINUED)

- (b) The Group's share of commitments for capital expenditure committed by the jointly controlled entities not included above are as follows:

	<b>At 31 December 2008 HK\$'m</b>	At 30 June 2008 HK\$'m
Contracted but not provided for		
Property, plant and equipment	<b>648.1</b>	1,027.5
Capital contributions to jointly controlled entities	–	82.9
Authorized but not contracted for		
Property, plant and equipment	<b>210.0</b>	225.9
	<b>858.1</b>	1,336.3

- (c) Commitments under operating leases

The future aggregate lease payments under non-cancellable operating leases are as follows:

	<b>At 31 December 2008 HK\$'m</b>	At 30 June 2008 HK\$'m
Buildings		
In the first year	<b>110.9</b>	92.6
In the second to fifth year inclusive	<b>107.4</b>	110.5
After the fifth year	<b>13.1</b>	16.0
	<b>231.4</b>	219.1
Equipment		
In the first year	<b>2.5</b>	4.6
In the second to fifth year inclusive	<b>1.6</b>	3.2
	<b>235.5</b>	226.9

## Interim Results

### 23 COMMITMENTS (CONTINUED)

(d) Future minimum rental payment receivable

The future minimum rental payments receivable under non-cancellable operating leases are as follows:

	<b>At 31 December 2008 HK\$m</b>	At 30 June 2008 HK\$m
In the first year	<b>4.8</b>	7.9
In the second to fifth year inclusive	<b>0.9</b>	0.9
	<b>5.7</b>	8.8

The Group's operating leases are for terms ranging from one to five years.

### 24 CONTINGENT LIABILITIES

(a) The Group's contingent liabilities are as follows:

	<b>At 31 December 2008 HK\$m</b>	At 30 June 2008 HK\$m
Guarantees for credit facilities granted to		
Associated companies	<b>11.9</b>	11.9
Jointly controlled entities	<b>203.5</b>	571.1
A related company	<b>139.0</b>	55.0
	<b>354.4</b>	638.0

(b) The Group's share of contingent liabilities of the jointly controlled entities not included above is HK\$56.2 million (30 June 2008: HK\$56.2 million).

## 25 RELATED PARTY TRANSACTIONS

- (a) The following is a summary of significant related party transactions during the Current Period carried out in the normal course of the Group's business:

	Note	For the six months ended 31 December	
		2008 HK\$'m	2007 HK\$'m
<b>Transactions with affiliated companies</b>	25(a)(i)		
Provision of contracting work services	25(a)(ii)	<b>31.7</b>	605.9
Provision of other services	25(a)(iii)	<b>14.3</b>	18.7
Interest income	25(a)(iv)	<b>9.2</b>	5.7
Management fee income	25(a)(v)	<b>11.1</b>	12.6
Rental and other related expenses	25(a)(vi)	<b>(5.9)</b>	(6.1)
<b>Transactions with other related parties</b>	25(a)(i)		
Provision of contracting work services	25(a)(ii)	<b>1,329.6</b>	930.5
Provision of other services	25(a)(iii)	<b>78.5</b>	91.9
Rental and other related expenses	25(a)(vi)	<b>(32.0)</b>	(25.7)
Interest expenses	25(a)(vii)	<b>(0.9)</b>	–

- (i) Affiliated companies include associated companies and jointly controlled entities of the Group. Related parties are group companies, associated companies and jointly controlled entities of New World Development Company Limited ("NWD") and Chow Tai Fook Enterprises Limited ("CTF") which are not companies within the Group. NWD is the ultimate holding company of the Company and CTF is the controlling shareholder of NWD.
- (ii) Revenue from the provision of contracting work services was charged in accordance with the relevant contracts.
- (iii) The Group provided various kinds of services including facilities management, financial, environmental and other services to certain related parties. The services were provided and charged in accordance with the relevant contracts.
- (iv) Interest income was charged at interest rates in accordance with the relevant contracts on the outstanding balances due by the affiliated companies.
- (v) Management fee was charged at rates in accordance with the relevant contracts.
- (vi) Rental and other related expenses were charged at rates in accordance with respective tenancy agreements.
- (vii) Interest expenses were charged at interest rates as specified in Note 25(b) on the outstanding balances due to a related company.
- (b) During the Current Period, Taifook Securities, a subsidiary company of the Company, obtained an unsecured loan of HK\$151.0 million from Chow Tai Fook Nominee Limited, a related company of the Group. The entire loan was repaid during the Current Period and it carried interest at 1.85% per annum.

## Interim Results

### 25 RELATED PARTY TRANSACTIONS (CONTINUED)

#### (c) Key management compensation

The aggregate amounts of emoluments of the directors of the Company are as follows:

	For the six months ended 31 December	
	2008 HK\$m	2007 HK\$m
Fees	1.5	1.3
Basic salaries, allowances and other benefits	21.9	20.3
Employer's contribution to retirement benefits schemes	1.3	1.0
Share option benefits	14.7	20.2
	<b>39.4</b>	42.8

- (d) The amounts receivable from associated companies, jointly controlled entities and minority shareholders are HK\$5,159.6 million (30 June 2008: HK\$4,990.6 million). The amounts receivable are unsecured, of which HK\$553.2 million (30 June 2008: HK\$369.5 million) are interest bearing. The amounts payable to associated companies, jointly controlled entities, a related company and minority shareholders are HK\$300.9 million (30 June 2008: HK\$564.2 million). The amounts payable are unsecured, of which HK\$27.5 million (30 June 2008: HK\$165.0 million) are interest bearing.

### 26 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the Current Period's presentation.

# Interim Dividend

The Board has resolved to declare an interim dividend for the year ending 30 June 2009 in scrip form equivalent to HK\$0.20 per share with a cash option to shareholders registered on 15 April 2009.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting 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 be given the option to elect to receive payment in cash of HK\$0.20 per share instead of the allotment of shares. Full details of the interim scrip dividend will be set out in a circular to be sent to shareholders together with a form of election for cash on or about 29 April 2009.

## **BOOK CLOSE DATES**

Book close dates (both days inclusive):	Wednesday, 8 April 2009 to Wednesday, 15 April 2009
Latest time to lodge transfer with transfer office:	4:30 pm on Tuesday, 7 April 2009
Name and address of transfer office:	Tricor Standard Limited 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong

# Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 31 December 2008, the Group has provided financial assistance, by way of shareholders' loans or advances, in the aggregate amount of HK\$5.158 billion to its affiliated companies, guaranteed bank loans and other borrowing facilities for the benefit of the affiliated companies in the amount of HK\$215.4 million and contracted to provide an aggregate amount of HK\$1.472 billion in capital and loans to affiliated companies. The said amounts, in aggregate, represents approximately 16.4% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

The advances are unsecured, interest free and have no definite repayment terms except for an aggregate amount of HK\$223.2 million which carries interest ranging from 6% to 10% per annum, an amount of HK\$322.5 million which carries interest at Hong Kong Interbank Offered Rate with margins at 0.6% or 1.1% per annum, an amount of HK\$7.4 million which carries interest at Hong Kong prime rate per annum, and an amount of HK\$222.5 million which is repayable on 31 October 2009. Contracted capital and loan contributions to affiliated companies would be funded by borrowings or internal resources of the Group.

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined balance sheet of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2008 are presented as follows:

	Proforma combined balance sheet HK\$'m	Group's attributable interest HK\$'m
Non-current assets	40,980.3	18,723.2
Current assets	12,709.4	5,289.0
Current liabilities	(16,665.2)	(7,670.0)
Non-current liabilities	(9,885.0)	(4,776.3)
	27,139.5	11,565.9

The proforma combined balance sheet of the affiliated companies is prepared by combining their balance sheets, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant balance sheet classification, as at 31 December 2008.

# Additional Information

## **CORPORATE GOVERNANCE PRACTICES**

The Company commits to achieve high standard of corporate governance practices and has taken active steps for enhancing the overall corporate governance standard of the Group. Throughout the six months ended 31 December 2008, the Company has complied with all the applicable code provisions in the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules.

## **REVIEW OF INTERIM RESULTS**

The Audit Committee of the Company has reviewed the accounting principles and practices adopted by the Group and the unaudited interim financial statements for the Current Period.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, they had complied with the required standards of the said code of conduct during the Current Period.



## Additional Information

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2008, the directors and their respective associates had the following interests in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register maintained by the Company pursuant to section 352 of the SFO:

#### (a) Long position in shares

	Number of shares / Amount of registered capital			Total	Approximate percentage of issued share capital / registered capital as at 31.12.08
	Personal interests	Family interests	Corporate interests		
<b>The Company</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	9,179,199	–	8,000,000 <sup>(1)</sup>	17,179,199	0.84%
Mr Doo Wai Hoi, William	2,006,566	–	9,130,000 <sup>(2)</sup>	11,136,566	0.54%
Mr Chan Kam Ling	228,991	–	10,254,321 <sup>(3)</sup>	10,483,312	0.51%
Mr Tsang Yam Pui	120,000	–	–	120,000	0.01%
Mr Wong Kwok Kin, Andrew	1,400,000	–	–	1,400,000	0.07%
Mr Lam Wai Hon, Patrick	991,191	–	5,072 <sup>(4)</sup>	996,263	0.05%
Mr Cheung Chin Cheung	980,386	–	–	980,386	0.05%
Mr William Junior Guilherme Doo	–	–	58,218 <sup>(5)</sup>	58,218	0.00%
Mr Wilfried Ernst Kaffenberger	482,248	–	–	482,248	0.02%
Mr Kwong Che Keung, Gordon	608,757	–	–	608,757	0.03%
Mr Cheng Wai Chee, Christopher	735,461	–	–	735,461	0.04%
<b>NWD</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	–	300,000 <sup>(6)</sup>	–	300,000	0.01%
Mr Doo Wai Hoi, William	–	–	1,000,000 <sup>(2)</sup>	1,000,000	0.03%
Mr Chan Kam Ling	245,768	–	–	245,768	0.01%
Mr Wong Kwok Kin, Andrew	150,000	350,000 <sup>(7)</sup>	–	500,000	0.01%
Mr Cheung Chin Cheung	62,200	–	–	62,200	0.00%
Mr William Junior Guilherme Doo	–	20,000 <sup>(8)</sup>	–	20,000	0.00%
Mr Kwong Che Keung, Gordon	30,000	–	–	30,000	0.00%
<b>New World China Land Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Dr Cheng Kar Shun, Henry	12,500,000	1,950,000 <sup>(6)</sup>	52,271,200 <sup>(1)</sup>	66,721,200	1.74%
Mr Doo Wai Hoi, William	8,750,000	–	69,010,000 <sup>(2)</sup>	77,760,000	2.03%
Mr Chan Kam Ling	1,850,000	–	–	1,850,000	0.05%
Mr Tsang Yam Pui	100,000	–	–	100,000	0.00%
Mr Wong Kwok Kin, Andrew	2,136,400	580,000 <sup>(7)</sup>	–	2,716,400	0.07%
Mr Lam Wai Hon, Patrick	180,000	–	–	180,000	0.00%
Mr William Junior Guilherme Doo	–	50,000 <sup>(8)</sup>	830,000 <sup>(5)</sup>	880,000	0.02%
<b>HH Holdings Corporation</b>					
(Ordinary shares of HK\$1.00 each)					
Mr Chan Kam Ling	15,000	–	–	15,000	2.50%

## DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

### (a) Long position in shares (continued)

	Number of shares / Amount of registered capital				Approximate percentage of issued share capital / registered capital as at 31.12.08
	Personal interests	Family interests	Corporate interests	Total	
<b>Mega Choice Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	–	–	3,710 <sup>(1)</sup>	3,710	34.61%
<b>New World Hotel Management (BVI) Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr William Junior Guilherme Doo	–	–	295 <sup>(5)</sup>	295	29.50%
<b>Ramada Property Ltd.</b>					
(Ordinary shares of US\$1.00 each)					
Mr Doo Wai Hoi, William	–	–	250 <sup>(2)</sup>	250	25.00%
<b>Shanghai Juyi Real Estate Development Co., Ltd.</b>					
(Registered capital in RMB)					
Mr Doo Wai Hoi, William	–	–	RMB382,500,000 <sup>(9)</sup>	RMB382,500,000	50.00%
<b>Shanghai New World Shangxian Lane Development Ltd.</b>					
(Registered capital in US\$)					
Mr Doo Wai Hoi, William	–	–	US\$125,730,000 <sup>(9)</sup>	US\$125,730,000	99.00%
<b>Taifook Securities</b>					
(Ordinary shares of HK\$0.10 each)					
Mr Doo Wai Hoi, William	–	–	5,000,000 <sup>(2)</sup>	5,000,000	0.71%
<b>Wai Kee Holdings Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Mr Lam Wai Hon, Patrick	300,000	–	–	300,000	0.04%

Notes:

- (1) The shares are held by a company / companies wholly owned by Dr Cheng Kar Shun, Henry.
- (2) The shares are held by a company / companies wholly owned by Mr Doo Wai Hoi, William.
- (3) The shares are held by a company of which Mr Chan Kam Ling holds 50% equity interests.
- (4) The shares are held by a company wholly owned by Mr Lam Wai Hon, Patrick.
- (5) The shares are held by a company / companies wholly owned by Mr William Junior Guilherme Doo.
- (6) The shares are held by the spouse of Dr Cheng Kar Shun, Henry.
- (7) The shares are held by the spouse of Mr Wong Kwok Kin, Andrew.
- (8) The shares are held by the spouse of Mr William Junior Guilherme Doo.
- (9) The interests represent the participating interests held by a company wholly owned by Mr Doo Wai Hoi, William.

## Additional Information

### DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

#### (b) Long position in underlying shares – share options

##### (i) The Company

The following directors of the Company have personal interests in options to subscribe for shares of the Company:

Name	Date of grant	Exercisable period (Note)	Number of share options			Exercise price per share HK\$
			Balance as at 01.07.08	Exercised during the period	Balance as at 31.12.08	
Dr Cheng Kar Shun, Henry	21 August 2007	(1)	3,001,277	–	3,001,277	16.193
Mr Doo Wai Hoi, William	21 August 2007	(1)	2,000,851	–	2,000,851	16.193
Mr Chan Kam Ling	21 August 2007	(1)	2,000,851	–	2,000,851	16.193
Mr Tsang Yam Pui	21 August 2007	(1)	1,500,638	–	1,500,638	16.193
Mr Wong Kwok Kin, Andrew	21 August 2007	(1)	1,500,638	–	1,500,638	16.193
Mr Lam Wai Hon, Patrick	21 August 2007	(1)	1,500,638	–	1,500,638	16.193
Mr Cheung Chin Cheung	21 August 2007	(1)	1,500,638	–	1,500,638	16.193
Mr William Junior Guilherme Doo	21 August 2007	(1)	1,500,638	–	1,500,638	16.193
Mr Wilfried Ernst Kaffenberger	21 August 2007	(1)	300,127	–	300,127	16.193
Mr To Hin Tsun, Gerald	21 August 2007	(1)	300,127	–	300,127	16.193
Mr Dominic Lai	21 August 2007	(1)	300,127	–	300,127	16.193
Mr Kwong Che Keung, Gordon	21 August 2007	(1)	600,255	–	600,255	16.193
Mr Cheng Wai Chee, Christopher	21 August 2007	(1)	600,255	–	600,255	16.193
Mr Shek Lai Him, Abraham	21 August 2007	(1)	600,255	–	600,255	16.193

Notes:

- (1) 40% of the share options are exercisable from 21 August 2008 to 20 August 2012 while the remaining 60% of the share options are divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012.
- (2) The cash consideration paid by each of the directors for the grant of share options is HK\$10.

##### (ii) NWD

Under the share option scheme of NWD, the holding company of the Company, the following director of the Company has personal interest in options to subscribe for its shares. Details of the share options of NWD granted to him are as follows:

Name	Date of grant	Exercisable period	Number of share options			Exercise price per share HK\$
			Balance as at 01.07.08	Exercised during the period	Balance as at 31.12.08	
Dr Cheng Kar Shun, Henry	19 March 2007	19 March 2007 to 18 March 2012	36,500,000	–	36,500,000	17.756

Note: The cash consideration paid by the director for the grant of the share options is HK\$10.

## DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

### (b) Long position in underlying shares – share options (continued)

#### (iii) New World China Land Limited

Under the share option scheme of New World China Land Limited (“NWCL”, a fellow subsidiary company of the Company), the following directors of the Company have personal interests in options to subscribe for its shares. Details of the share options of NWCL granted to them are as follows:

Name	Date of grant	Exercisable period (Note)	Number of share options				Exercise price per share HK\$
			Balance as at 01.07.08	Granted during the period	Exercised during the period	Balance as at 31.12.08	
Dr Cheng Kar Shun,	7 January 2008	(1)	2,000,000	–	–	2,000,000	6.972
Henry	29 December 2008	(2)	–	1,600,000	–	1,600,000	1.500
Mr Doo Wai Hoi,	7 January 2008	(1)	800,000	–	–	800,000	6.972
William	29 December 2008	(2)	–	650,000	–	650,000	1.500
Mr Cheng Wai Chee,	7 January 2008	(1)	300,000	–	–	300,000	6.972
Christopher	29 December 2008	(2)	–	300,000	–	300,000	1.500

Notes:

- (1) Divided into 3 tranches exercisable from 8 February 2008, 8 February 2009 and 8 February 2010 respectively to 7 February 2011.
- (2) Divided into 4 tranches exercisable from 30 January 2009, 30 January 2010, 30 January 2011 and 30 January 2012 respectively to 29 January 2013.
- (3) The cash consideration paid by each of the directors for each grant of the share options is HK\$10.

#### (iv) New World Department Store China Limited

Under the share option scheme of New World Department Store China Limited (“NWDS”, a fellow subsidiary company of the Company), the following director of the Company has personal interest in options to subscribe for its shares. Details of the share options of NWDS granted to him are as follows:

Name	Date of grant	Exercisable period (Note)	Number of share options			Exercise price per share HK\$
			Balance as at 01.07.08	Exercised during the period	Balance as at 31.12.08	
Dr Cheng Kar Shun, Henry	27 November 2007	(1)	1,000,000	–	1,000,000	8.66

Notes:

- (1) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013.
- (2) The cash consideration paid by the director for the grant of share options is HK\$1.

## Additional Information

### DIRECTORS' INTERESTS IN SECURITIES (CONTINUED)

#### (b) Long position in underlying shares – share options (continued)

(v) Wai Kee Holdings Limited

Under the share option scheme of Wai Kee Holdings Limited (“Wai Kee”, an associated company of the Company), the following director of the Company has personal interest in options to subscribe for its shares. Details of the share options of Wai Kee granted to him are as follows:

Name	Date of grant	Exercisable period	Number of share options			Exercise price per share HK\$
			Balance as at 01.07.08	Exercised during the period	Balance as at 31.12.08	
Mr Lam Wai Hon, Patrick	9 July 2007	9 July 2008 to 8 July 2011	330,000	–	330,000	3.39

#### (c) Long position in debentures

The following directors have interests in the debentures issued by New World China Land Finance Limited (“NWCLF”), an indirect wholly owned subsidiary company of NWCL. Details of the debentures of NWCLF held by them are as follows:

Name	Amount of debentures in RMB			Total	Percentage to the total debentures in issue as at 31.12.08
	Personal interests	Family interests	Corporate interests		
Mr Doo Wai Hoi, William	10,000,000 <sup>(1)</sup>	28,000,000 <sup>(2)</sup>	59,000,000 <sup>(3)</sup>	97,000,000	3.80%
Mr Wong Kwok Kin, Andrew	26,000,000 <sup>(4)</sup>	–	–	26,000,000	1.02%

Notes:

- (1) These debentures are convertible into 1,300,172 shares of HK\$0.1 each of NWCL, representing approximately 0.03% of its issued share capital as at 31 December 2008, for the period from 26 June 2007 to 26 May 2012.
- (2) These debentures are convertible into 3,640,482 shares of HK\$0.1 each of NWCL, representing approximately 0.09% of its issued share capital as at 31 December 2008, for the period from 26 June 2007 to 26 May 2012, which are beneficially held by a company owned by the spouse of Mr Doo Wai Hoi, William.
- (3) These debentures are convertible into 7,671,016 shares of HK\$0.1 each of NWCL, representing approximately 0.20% of its issued share capital as at 31 December 2008, for the period from 26 June 2007 to 26 May 2012, which are beneficially held by companies wholly owned by Mr Doo Wai Hoi, William.
- (4) These debentures are convertible into 3,380,447 shares of HK\$0.1 each of NWCL, representing approximately 0.09% of its issued share capital as at 31 December 2008, for the period from 26 June 2007 to 26 May 2012.

Save as disclosed above, no interests and short positions were held or deemed to be taken to be held under Part XV of the SFO by any director or chief executive of the Company or their respective associates in the shares, the underlying shares and debentures of the Company or any of its associated corporations which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which are required pursuant to section 352 of the SFO to be entered in the register referred to therein.

## SHARE OPTION SCHEME

### (a) The Company

During the Current Period, movement of share options granted by the Company under its share option scheme was as follows:

- (i) Details of movement of share options granted to the directors of the Company were disclosed under the section headed "Directors' interests in securities" above.
- (ii) Details of movement of share options granted to other eligible participants were as follows:

Date of grant	Exercisable period (Note)	Number of share options					Balance as at 31.12.08	Exercise price per share HK\$
		Balance as at 01.07.08	Granted during the period	Adjusted during the period	Exercised during the period	Lapsed during the period		
21 July 2003	(1)	710,250	–	(254,128) <sup>(3)</sup>	(456,122)	–	3.709	
21 August 2007	(2)	12,499,272	–	–	(268,114)	12,231,158	16.193	
28 January 2008	(2)	700,295	–	–	–	700,295	20.591	

Notes:

- (1) Divided into 3 tranches exercisable from 21 January 2004, 21 July 2004 and 21 July 2005 respectively to 20 July 2008.
- (2) 40% of the share options are exercisable from 21 August 2008 to 20 August 2012 while the remaining 60% of the share options are divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012.
- (3) The weighted average closing price of the shares immediately before the dates on which share options were exercised was HK\$20.035.
- (4) The cash consideration paid by each eligible participant for each grant of share options is HK\$10.

### (b) Taifook Securities

During the Current Period, movements of share options granted by Taifook Securities, a subsidiary company of the Company, under its share option scheme, which was adopted on 23 August 2002, were as follows:

Date of grant	Exercisable period (Note)	Number of share options					Balance as at 31.12.08	Exercise price per share HK\$
		Balance as at 01.07.08	Granted during the period	Adjusted during the period	Exercised during the period	Lapsed during the period		
5 September 2003	(1)	300,000	–	10,985 <sup>(4)</sup>	–	–	310,985	1.158 <sup>(4)</sup>
10 February 2006	(2)	50,000	–	1,830 <sup>(5)</sup>	–	–	51,830	0.907 <sup>(5)</sup>
1 December 2007	(3)	28,500,000	–	1,000,223 <sup>(6)</sup>	–	(2,807,235)	26,692,988	5.875 <sup>(6)</sup>

Notes:

- (1) Exercisable from 5 March 2004 to 4 March 2009.
- (2) Exercisable from 10 August 2006 to 9 August 2014.
- (3) Exercisable from 1 June 2008 to 31 May 2016.
- (4) Taifook Securities declared (a) final dividend for the year ended 31 December 2007 in scrip form (with cash option) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 300,000 to 306,509 while the exercise price per share of the share options was adjusted from HK\$1.200 to HK\$1.175 on 17 July 2008; and (b) interim dividend for the six months ended 30 June 2008 in scrip form (with cash option) on 11 September 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 306,509 to 310,985 while the exercise price per share of the share options was adjusted from HK\$1.175 to HK\$1.158 on 28 November 2008.

## Additional Information

### SHARE OPTION SCHEME (CONTINUED)

#### (b) Taifook Securities (continued)

- (5) Taifook Securities declared (a) final dividend for the year ended 31 December 2007 in scrip form (with cash option) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 50,000 to 51,084 while the exercise price per share of the share options was adjusted from HK\$0.940 to HK\$0.920 on 17 July 2008; and (b) interim dividend for the six months ended 30 June 2008 in scrip form (with cash option) on 11 September 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 51,084 to 51,830 while the exercise price per share of the share options was adjusted from HK\$0.920 to HK\$0.907 on 28 November 2008.
- (6) Taifook Securities declared (a) final dividend for the year ended 31 December 2007 in scrip form (with cash option) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 27,700,000 to 28,301,079 while the exercise price per share of the share options was adjusted from HK\$6.090 to HK\$5.961 on 17 July 2008; and (b) interim dividend for the six months ended 30 June 2008 in scrip form (with cash option) on 11 September 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 27,330,464 to 27,729,608 while the exercise price per share of the share options was adjusted from HK\$5.961 to HK\$5.875 on 28 November 2008.
- (7) The cash consideration paid by each eligible participant for each grant of share options is HK\$1.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2008, so far as are known to the directors, the following parties (other than a director or chief executive of the Company) were recorded in the register kept by the Company under section 336 of the SFO as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Name	Number of shares			Approximate percentage to the issued share capital of the Company as at 31.12.08
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited	–	1,230,160,910 <sup>(1)</sup>	1,230,160,910	59.92%
Centennial Success Limited	–	1,230,160,910 <sup>(2)</sup>	1,230,160,910	59.92%
CTF	59,831,893	1,170,329,017 <sup>(3)</sup>	1,230,160,910	59.92%
NWD	769,837,804	400,491,213 <sup>(4)</sup>	1,170,329,017	57.00%
Mombasa Limited	351,351,559	–	351,351,559	17.11%

Notes:

- (1) Cheng Yu Tung Family (Holdings) Limited holds 51% direct interest in Centennial Success Limited ("CSL") and is accordingly deemed to have an interest in the shares deemed to be interested by CSL.
- (2) CSL holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF.
- (3) CTF, together with its subsidiary companies, hold more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD.
- (4) NWD holds 100% indirect interest in Mombasa Limited and is accordingly deemed to have an interest in the shares held by Mombasa Limited in the Company. NWD is also deemed to be interested in 1,986,513 shares held by Financial Concepts Investment Limited, 15,196,770 shares held by Hing Loong Limited, 15,196,770 shares held by Fine Reputation Incorporated, 13,493,674 shares held by New World Hotels Corporation Limited and 3,265,927 shares held by Hong Kong Island Development Limited, all of them are subsidiary companies of NWD.
- (5) All the interests stated above represent long positions.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 336 of the SFO as at 31 December 2008.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company repurchased a total of 4,712,000 shares of the Company on the Hong Kong Stock Exchange during the Current Period, details of which are summarized as follows:

Month	Number of shares repurchased	Repurchase price per share		Aggregate purchase price HK\$
		Highest price HK\$	Lowest price HK\$	
August 2008	308,000	17.20	16.00	5,244,680
September 2008	528,000	17.60	16.30	9,000,480
October 2008	3,876,000	10.58	7.07	32,532,320
	4,712,000			46,777,480

The repurchased shares were cancelled during the Current Period and the issued share capital of the Company was reduced by the par value thereof. The directors considered that the shares were repurchased for the purpose of enhancing the net asset value per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiary companies has purchased, sold or redeemed any of the Company's listed securities during the Current Period.

**Dr Cheng Kar Shun, Henry**

*Chairman*

Hong Kong, 17 March 2009



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Dr Cheng Kar Shun, Henry (Chairman)  
Mr Doo Wai Hoi, William (Deputy Chairman)  
Mr Chan Kam Ling (Chief Executive Officer)  
Mr Tsang Yam Pui  
Mr Wong Kwok Kin, Andrew  
Mr Lam Wai Hon, Patrick  
Mr Cheung Chin Cheung  
Mr William Junior Guilherme Doo

### Non-executive Directors

Mr Wilfried Ernst Kaffenberger  
Mr To Hin Tsun, Gerald  
Mr Dominic Lai  
Mr Yeung Kun Wah, David  
(Alternate director to Mr Wilfried Ernst Kaffenberger)

### Independent Non-executive Directors

Mr Kwong Che Keung, Gordon  
Mr Cheng Wai Chee, Christopher  
The Honourable Shek Lai Him, Abraham

## BOARD COMMITTEES

### Executive Committee

Dr Cheng Kar Shun, Henry (Chairman)  
Mr Doo Wai Hoi, William  
Mr Chan Kam Ling  
Mr Tsang Yam Pui  
Mr Wong Kwok Kin, Andrew  
Mr Lam Wai Hon, Patrick  
Mr Cheung Chin Cheung  
Mr William Junior Guilherme Doo

### Audit Committee

Mr Kwong Che Keung, Gordon (Chairman)  
Mr Dominic Lai  
Mr Cheng Wai Chee, Christopher  
The Honourable Shek Lai Him, Abraham

### Remuneration Committee

Mr Chan Kam Ling (Chairman)  
Mr Lam Wai Hon, Patrick  
Mr Kwong Che Keung, Gordon  
Mr Cheng Wai Chee, Christopher  
The Honourable Shek Lai Him, Abraham

### Corporate Social Responsibility Committee

Mr Tsang Yam Pui (Chairman)  
Mr Lam Wai Hon, Patrick  
Mr William Junior Guilherme Doo  
Mr Dominic Lai  
Mr Kwan Chuk Fai  
Ms Lam Yuet Wan, Elina

## COMPANY SECRETARY

Mr Chow Tak Wing

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

28/F, New World Tower  
18 Queen's Road Central  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fund Services (Bermuda) Limited  
Rosebank Centre  
11 Bermudiana Road  
Pembroke HM08  
Bermuda

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Standard Limited  
26/F, Tesbury Centre  
28 Queen's Road East  
Hong Kong

## AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
Central  
Hong Kong

## PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd. Hong Kong Branch  
BNP Paribas Hong Kong Branch  
China Construction Bank (Asia) Corporation Limited  
Chong Hing Bank Limited  
CITIC Ka Wah Bank Limited  
DBS Bank Ltd. Hong Kong Branch  
Hang Seng Bank Limited  
Mizuho Corporate Bank, Ltd. Hong Kong Branch  
Oversea-Chinese Banking Corporation Limited  
Scotiabank (Hong Kong) Limited  
Standard Chartered Bank (Hong Kong) Limited  
Sumitomo Mitsui Banking Corporation Hong Kong Branch  
The Bank of Tokyo – Mitsubishi UFJ, Ltd. Hong Kong Branch  
The Hongkong and Shanghai Banking Corporation Limited

## WEBSITE

[www.nws.com.hk](http://www.nws.com.hk)



# 新創建 NWS

## NWS Holdings Limited

*(incorporated in Bermuda with limited liability)*

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