

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 659)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012

FINANCIAL HIGHLIGHTS

Revenue	:	HK\$7,971.0 million
Profit attributable to shareholders	:	HK\$2,106.2 million
Earnings per share – basic and diluted	:	HK\$0.59
Interim dividend per share	:	HK\$0.29

RESULTS

The board of directors (the “Board”) of NWS Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2012 (the “Current Period”), together with comparative figures for the six months ended 31 December 2011 (the “Last Period”) as follows:

Condensed Consolidated Income Statement – Unaudited

		For the six months ended 31 December	
	<i>Note</i>	2012 HK\$'m	2011 HK\$'m
Revenue	2	7,971.0	6,941.9
Cost of sales		(6,299.6)	(5,451.9)
Gross profit		1,671.4	1,490.0
Gain on deemed disposal of interest in a subsidiary		-	1,842.7
Other income/gains (net)	3	690.5	76.1
General and administrative expenses		(376.2)	(346.8)
Operating profit	4	1,985.7	3,062.0
Finance costs		(383.1)	(211.3)
Share of results of			
Associated companies		189.0	280.5
Jointly controlled entities		708.4	711.4
Profit before income tax		2,500.0	3,842.6
Income tax expenses	5	(358.6)	(275.4)
Profit for the period		2,141.4	3,567.2
Attributable to			
Shareholders of the Company		2,106.2	3,423.1
Non-controlling interests		35.2	144.1
		2,141.4	3,567.2
Dividend	6	1,056.7	1,738.8
Earnings per share attributable to the shareholders of the Company			
Basic and diluted	7	HK\$0.59	HK\$1.01

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended	
	31 December	
	2012	2011
	HK\$'m	HK\$'m
Profit for the period	2,141.4	3,567.2
Other comprehensive income/(loss)		
Fair value changes on available-for-sale financial assets	62.4	(325.0)
Release of investment revaluation deficit to the condensed consolidated income statement upon impairment of available-for-sale financial assets	-	195.6
Release of reserve upon disposal of available-for-sale financial assets	-	(10.0)
Release of reserves upon disposal of assets held for sale	(2.4)	(0.5)
Share of other comprehensive income of an associated company and jointly controlled entities	45.6	29.3
Cash flow hedges	(29.4)	(66.6)
Currency translation differences	699.4	318.9
Other comprehensive income for the period, net of tax	775.6	141.7
Total comprehensive income for the period	2,917.0	3,708.9
Total comprehensive income attributable to		
Shareholders of the Company	2,860.8	3,555.6
Non-controlling interests	56.2	153.3
	2,917.0	3,708.9

Condensed Consolidated Statement of Financial Position – Unaudited

		At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
ASSETS			
Non-current assets			
Investment properties		3,312.1	3,156.8
Property, plant and equipment		415.2	421.8
Intangible concession rights		16,818.6	16,747.5
Intangible assets		502.0	517.6
Associated companies		9,270.3	9,098.7
Jointly controlled entities		20,233.2	19,533.2
Available-for-sale financial assets		486.2	433.2
Other non-current assets		1,037.5	965.8
		52,075.1	50,874.6
Current assets			
Inventories		483.9	499.3
Trade and other receivables	8	6,577.5	4,686.6
Available-for-sale financial asset		583.5	583.5
Financial assets at fair value through profit or loss		230.7	1.5
Cash and bank balances		6,487.3	5,386.0
		14,362.9	11,156.9
Assets held for sale	9	7.8	54.7
		14,370.7	11,211.6
Total assets		66,445.8	62,086.2

**Condensed Consolidated Statement of Financial Position –
Unaudited (continued)**

		At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
	<i>Note</i>		
EQUITY			
Share capital		3,643.9	3,581.6
Reserves		33,784.8	31,314.7
Proposed final dividend		-	898.0
Interim dividend		1,056.7	-
Shareholders' funds		<u>38,485.4</u>	<u>35,794.3</u>
Non-controlling interests		<u>887.1</u>	<u>838.5</u>
Total equity		<u>39,372.5</u>	<u>36,632.8</u>
LIABILITIES			
Non-current liabilities			
Borrowings		17,259.4	15,110.0
Deferred tax liabilities		2,626.7	2,562.3
Other non-current liabilities		301.2	312.9
		<u>20,187.3</u>	<u>17,985.2</u>
Current liabilities			
Borrowings		1,435.7	2,556.1
Trade and other payables	<i>10</i>	5,051.6	4,464.0
Taxation		398.7	448.1
		<u>6,886.0</u>	<u>7,468.2</u>
Total liabilities		<u>27,073.3</u>	<u>25,453.4</u>
Total equity and liabilities		<u>66,445.8</u>	<u>62,086.2</u>
Net current assets		<u>7,484.7</u>	<u>3,743.4</u>
Total assets less current liabilities		<u>59,559.8</u>	<u>54,618.0</u>

Notes:

1. 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 (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The interim financial statements should be read in conjunction with the June 2012 annual financial statements, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies used in the preparation of these interim financial statements are consistent with those set out in the annual report for the year ended 30 June 2012 except for the adoption of the amendment to standard which is further explained as below.

(a) Adoption of new or revised standards

During the Current Period, the Group adopted the following amendment to standard which is relevant to the Group’s operations and is mandatory for the financial year ending 30 June 2013:

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

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

1. Basis of preparation and accounting policies (continued)

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

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

Effective for the year ending 30 June 2014

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

Effective for the year ending 30 June 2015 or after

HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 9	Financial Instruments
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities

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

2. Revenue and segment information

The Group's revenue is analyzed as follows:

	For the six months ended	
	31 December	
	2012	2011
	HK\$m	HK\$m
Roads	1,115.1	827.1
Ports & Logistics	52.3	4.3
Facilities Management	3,498.1	3,521.6
Construction & Transport	3,305.5	2,588.9
	<u>7,971.0</u>	<u>6,941.9</u>

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

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

2. Revenue and segment information (continued)

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

HK\$m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Total
For the six months ended							
31 December 2012							
Total revenue	1,115.1	-	52.3	3,508.1	3,305.5	-	7,981.0
Inter-segment	-	-	-	(10.0)	-	-	(10.0)
Revenue – external	<u>1,115.1</u>	-	52.3	3,498.1	3,305.5	-	<u>7,971.0</u>
Attributable operating profit							
Company and subsidiaries	383.9	-	34.2	686.5	(2.7)	133.8	1,235.7
Associated companies	11.2	27.6	12.3	-	28.6	142.5 (ii)	222.2 (b)
Jointly controlled entities	295.7	290.1	106.9	0.1	97.4 (i)	(52.1)	738.1 (b)
	<u>690.8</u>	<u>317.7</u>	<u>153.4</u>	<u>686.6</u>	<u>123.3</u>	<u>224.2</u>	<u>2,196.0</u>
Reconciliation							
Gain on fair value of investment properties							178.4
Share of profit from Harbour Place							25.5
Corporate net exchange gain							63.7
Corporate interest income							58.5
Corporate finance costs							(272.0)
Corporate expenses and others							<u>(143.9)</u>
Profit attributable to shareholders							<u><u>2,106.2</u></u>

- (i) The amount includes the Group's share of attributable operating profit of HK\$93.2 million from its Transport business.
- (ii) The amount includes the Group's share of profit of HK\$112.1 million from three associated companies engaged in investment activities.

2. Revenue and segment information (continued)

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

HK\$m	Segment						Total	Corporate	Eliminations	Consolidated
	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments				
For the six months ended										
31 December 2012										
Depreciation	4.4	-	-	27.6	19.0	-	51.0	4.7	-	55.7
Amortization of intangible concession rights	344.2	-	-	-	-	-	344.2	-	-	344.2
Amortization of intangible assets	-	-	-	15.6	-	-	15.6	-	-	15.6
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	3.8	-	-	18.9	20.7	-	43.4	6.1	-	49.5
Interest income	27.8	7.3	0.5	0.2	3.1	95.3	134.2	58.5	(8.4)	184.3
Finance costs	110.7	-	5.4	0.3	3.1	-	119.5	272.0	(8.4)	383.1
Income tax expenses	178.4	26.9	4.1	137.3	2.3	9.3	358.3	0.3	-	358.6
As at 31 December 2012										
Company and subsidiaries	18,611.4	180.5	2,126.2	4,173.9	4,296.6	1,769.0	31,157.6	5,784.7	-	36,942.3
Associated companies	416.5	639.5	287.6	-	1,293.0	6,549.1	9,185.7	84.6	-	9,270.3
Jointly controlled entities	6,270.6	7,194.0	3,789.5	14.7	1,633.9 (i)	1,287.5	20,190.2	43.0	-	20,233.2
Total assets	25,298.5	8,014.0	6,203.3	4,188.6	7,223.5	9,605.6	60,533.5	5,912.3	-	66,445.8
Total liabilities	6,305.5	48.7	111.8	816.5	3,225.4	763.4	11,271.3	15,802.0	-	27,073.3

- (i) The balance includes the Group's investment in its Transport business of HK\$1,925.5 million.

2. Revenue and segment information (continued)

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

HK\$'m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Total
For the six months ended							
31 December 2011							
Total revenue	827.1	-	4.3	3,529.4	2,647.9	-	7,008.7
Inter-segment	-	-	-	(7.8)	(59.0)	-	(66.8)
Revenue – external	<u>827.1</u>	<u>-</u>	<u>4.3</u>	<u>3,521.6</u>	<u>2,588.9</u>	<u>-</u>	<u>6,941.9</u>
Attributable operating profit							
Company and subsidiaries	171.7	-	(2.6)	578.9	219.0	12.2	979.2
Associated companies	12.2	25.2	21.6	-	70.7	137.6 (ii)	267.3 (b)
Jointly controlled entities	429.4	265.4	133.5	(0.6)	(106.8) (i)	5.0	725.9 (b)
	613.3	290.6	152.5	578.3	182.9	154.8	1,972.4
Reconciliation							
Net gain on deemed disposals of interests in a subsidiary and an associated company							1,833.4
Share of profit from Harbour Place							36.6
Assets impairment losses							(195.6) (iii)
Corporate net exchange gain							5.0
Corporate interest income							18.1
Corporate finance costs							(100.7)
Corporate expenses and others							<u>(146.1)</u>
Profit attributable to shareholders							<u>3,423.1</u>

- (i) The amount included the Group's share of attributable operating profit of HK\$91.7 million from its Transport business.
- (ii) The amount included the Group's share of profit of HK\$108.0 million from three associated companies engaged in investment activities.
- (iii) Assets impairment losses mainly included HK\$143.8 million impairment loss of an available-for-sale financial asset under the Strategic Investments segment due to volatile and adverse market conditions.

2. Revenue and segment information (continued)

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

HK\$'m	Energy &		Ports &	Facilities	Construction	Strategic	Segment		Eliminations	Consolidated
	Roads	Water	Logistics	Management	& Transport	Investments	Total	Corporate		
For the six months ended										
31 December 2011										
Depreciation	3.6	-	-	27.1	14.3	-	45.0	2.9	-	47.9
Amortization of intangible concession rights	217.3	-	-	-	-	-	217.3	-	-	217.3
Amortization of intangible assets	-	-	-	15.6	-	-	15.6	-	-	15.6
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	16,220.7	-	-	30.8	47.0	-	16,298.5	2.2	-	16,300.7
Interest income	26.7	6.2	0.8	0.1	3.6	4.6	42.0	18.1	(8.8)	51.3
Finance costs	109.4	-	5.2	1.0	3.8	-	119.4	100.7	(8.8)	211.3
Income tax expenses	119.9	22.9	2.3	116.9	9.6	3.0	274.6	0.8	-	275.4
As at 30 June 2012										
Company and subsidiaries	18,101.3	122.4	2,003.6	4,074.7	3,649.4	1,699.4	29,650.8	3,803.5	-	33,454.3
Associated companies	420.9	637.8	270.3	-	1,274.1	6,420.2	9,023.3	75.4	-	9,098.7
Jointly controlled entities	5,992.6	6,897.3	3,809.7	19.6	1,488.1 (i)	1,292.1	19,499.4	33.8	-	19,533.2
Total assets	24,514.8	7,657.5	6,083.6	4,094.3	6,411.6	9,411.7	58,173.5	3,912.7	-	62,086.2
Total liabilities	6,345.0	25.7	129.8	1,315.7	2,653.8	304.0	10,774.0	14,679.4	-	25,453.4

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

2. Revenue and segment information (continued)

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

HK\$'m	<u>Associated companies</u>		<u>Jointly controlled entities</u>	
	<u>For the six months ended 31 December</u>		<u>For the six months ended 31 December</u>	
	2012	2011	2012	2011
Attributable operating profit	222.2	267.3	738.1	725.9
Corporate associated companies, jointly controlled entities and non-recurring items				
Harbour Place	-	-	25.5	36.6
Others	(33.2)	13.2	(55.2)	(51.1)
Share of results of associated companies and jointly controlled entities	189.0	280.5	708.4	711.4

- (c) Information by geographical areas:

HK\$'m	<u>Revenue</u>		<u>Non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets</u>	
	<u>For the six months ended 31 December</u>		<u>At 31 December</u>	<u>At 30 June</u>
	2012	2011	2012	2012
Hong Kong	6,822.8	5,955.4	4,149.1	4,014.2
Mainland China	1,146.8	862.7	16,887.6	16,815.3
Macau	1.4	123.3	11.2	14.2
Others	-	0.5	-	-
	7,971.0	6,941.9	21,047.9	20,843.7

3. Other income/gains (net)

	For the six months ended 31 December	
	2012	2011
	HK\$'m	HK\$'m
Gain on fair value of investment properties	178.4	-
Gain on fair value of a derivative financial instrument	58.8	-
Net gain on fair value of financial assets at fair value through profit or loss	34.5	-
Net exchange gain	113.3	48.5
Interest income		
Available-for-sale financial assets	82.1	-
Bank deposits and others	102.2	51.3
Profit on disposal of a subsidiary	-	73.4
Profit on disposal of assets held for sale	45.4	8.8
Machinery hire income	31.5	41.7
Dividends and other income	30.8	17.3
Management fee income	13.5	30.7
Assets impairment losses	-	(195.6)
	690.5	76.1

4. Operating profit

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

	For the six months ended 31 December	
	2012	2011
	HK\$'m	HK\$'m
Crediting		
Gross rental income from investment properties	78.9	25.1
Less: outgoings	(13.0)	(6.6)
	65.9	18.5
Charging		
Cost of inventories sold	1,175.2	1,184.1
Cost of services rendered	5,124.4	4,267.8
Depreciation	55.7	47.9
Amortization of intangible concession rights	344.2	217.3
Amortization of intangible assets	15.6	15.6
Operating lease rental expenses – properties	30.6	24.8

5. Income tax expenses

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

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

	For the six months ended	
	31 December	
	2012	2011
	HK\$'m	HK\$'m
Current income tax		
Hong Kong profits tax	145.2	127.0
Mainland China and overseas taxation	209.1	163.9
Deferred income tax charge/(credit)	4.3	(15.5)
	<u>358.6</u>	<u>275.4</u>

Share of taxation of associated companies and jointly controlled entities of HK\$16.7 million (2011: HK\$11.9 million) and HK\$148.6 million (2011: HK\$224.0 million) respectively 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	
	2012	2011
	HK\$'m	HK\$'m
Interim dividend declared of HK\$0.29 (2011: paid of HK\$0.50) per share	<u>1,056.7</u>	<u>1,738.8</u>

7. Earnings per share

The calculation of basic and diluted earnings per share for the Current Period is based on earnings of HK\$2,106.2 million (2011: HK\$3,423.1 million) and on the weighted average of 3,590,308,151 and 3,590,727,932 (2011: 3,388,932,354 and 3,389,946,446) ordinary shares outstanding during the Current Period respectively, calculated as follows:

	For the six months ended	
	31 December	
	2012	2011
	HK\$m	HK\$m
Profit attributable to shareholders of the Company and for calculation of basic and diluted earnings per share	<u>2,106.2</u>	<u>3,423.1</u>
	Number of shares	
	2012	2011
Weighted average number of shares for calculating basic earnings per share	3,590,308,151	3,388,932,354
Effect of dilutive potential ordinary shares Share options	<u>419,781</u>	<u>1,014,092</u>
Weighted average number of shares for calculating diluted earnings per share	<u>3,590,727,932</u>	<u>3,389,946,446</u>

8. Trade and other receivables

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

	At	At
	31 December	30 June
	2012	2012
	HK\$m	HK\$m
Under 3 months	1,143.7	947.8
4 to 6 months	10.6	21.9
Over 6 months	<u>12.5</u>	<u>35.8</u>
	<u>1,166.8</u>	<u>1,005.5</u>

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

9. Assets held for sale

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Equity securities listed in Hong Kong	7.8	7.8
Equity securities listed in Mainland China	-	46.9
	<u>7.8</u>	<u>54.7</u>

10. Trade and other payables

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

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Under 3 months	336.9	425.5
4 to 6 months	2.0	2.7
Over 6 months	15.8	20.4
	<u>354.7</u>	<u>448.6</u>

11. Subsequent event

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

After the JV Establishment and completion of the Trend Wood Disposal, the Group will hold 13.8% interest in the JV Company. Assuming these transactions had been completed on 31 December 2012, the Board estimates that it would result in a gain of approximately HK\$0.6 billion to the Group. Such gain does not take into account the change in the carrying value of the Group's interest in NWXY Terminal and Trend Wood as a result of the profit or loss of NWXY Terminal and Trend Wood for the period from 1 January 2013 to the date of JV Establishment and completion of the Trend Wood Disposal. A call option was also granted to the Group to acquire an additional 6.2% interest in the JV Company which will be exercisable for a period of three years from the JV Establishment. If such call option is exercised by the Group, its interest in the JV Company will be increased to 20%.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the year ending 30 June 2013 in scrip form equivalent to HK\$0.29 per share with a cash option to the shareholders registered on 21 March 2013.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholder could elect to receive in cash and that shareholders be given the option to elect to receive payment in cash of HK\$0.29 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 dividend, on or about 2 April 2013. It is expected that certificates for the scrip shares and dividend warrants will be despatched to shareholders on or about 16 May 2013.

BOOK CLOSE DATES

Book close dates (both days inclusive):	Monday, 18 March 2013 to Thursday, 21 March 2013
Latest time to lodge transfer with transfer office:	4:30 pm on Friday, 15 March 2013
Name and address of transfer office:	Tricor Standard Limited 26/F, Tesbury Centre 28 Queen's Road East Hong Kong

FINANCIAL REVIEW

Group overview

The Group recorded an Attributable Operating Profit (“AOP”) of HK\$2.196 billion for the Current Period, representing an increase of HK\$223.6 million or 11%, as compared to HK\$1.972 billion for the Last Period. Infrastructure division generated an AOP of HK\$1.162 billion, an increase of 10% as compared to HK\$1.056 billion in the Last Period. The AOP of Services division recorded an increase of 13% to HK\$1.034 billion.

Due to the one-off dilution gain of approximately HK\$1.8 billion arising from the listing of Newton Resources Ltd (“Newton Resources”) in the Last Period, profit attributable to shareholders decreased by HK\$1.317 billion or 38% to HK\$2.106 billion in the Current Period.

A gain on fair value of HK\$178.4 million from revaluation of investment properties was recognized during the Current Period as the Hong Kong property market remained buoyant.

Contribution by Division		
For the six months ended 31 December		
	2012	2011
	HK\$'m	HK\$'m
Infrastructure	1,161.9	1,056.4
Services	1,034.1	916.0
Attributable operating profit	2,196.0	1,972.4
<i>Head office and non-operating items</i>		
Net gain on deemed disposals of interests in a subsidiary and an associated company	-	1,833.4
Gain on fair value of investment properties	178.4	-
Share of profit from Harbour Place	25.5	36.6
Assets impairment losses	-	(195.6)
Corporate net exchange gain	63.7	5.0
Corporate interest income	58.5	18.1
Corporate finance costs	(272.0)	(100.7)
Corporate expenses and others	(143.9)	(146.1)
	(89.8)	1,450.7
Profit attributable to shareholders	2,106.2	3,423.1

Contributions from the operations in Hong Kong accounted for 53% of AOP in the Current Period as compared to 52% in the Last Period. Mainland China and Macau & others contributed 39% and 8% respectively, as compared to 38% and 10% respectively in the Last Period.

Earnings per share

The basic earnings per share in the Current Period decreased by 42% from HK\$1.01 in the Last Period to HK\$0.59 in the Current Period.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the six months ended 31 December

	2012	2011	Change %
	HK\$'m	HK\$'m	Fav.
Roads	690.8	613.3	13
Energy	110.2	90.1	22
Water	207.5	200.5	3
Ports & Logistics	153.4	152.5	1
Total	<u>1,161.9</u>	<u>1,056.4</u>	10

Roads

The toll standardization policy in Guangdong Province and the holiday toll free policy introduced by the Central Government in 2012 have adversely impacted the performance of the Group's toll road projects during the Current Period to the tune of around 12% of Last Period's AOP. However, these negative impacts were offset by the increased contribution from the newly acquired Hangzhou Ring Road ("HZRR"), the shareholding of which was increased from approximately 58.66% to 95% in January 2012. Consequently, the Roads segment showed an AOP growth of 13% from HK\$613.3 million to HK\$690.8 million during the Current Period.

HZRR recorded an average daily traffic flow of over 88,000 vehicles and had a positive impact on the AOP for the Current Period. On the other hand, the partial closure of Tangjin Expressway (Tianjin North Section) starting from June 2012 as required for its expansion works significantly reduced the average daily traffic flow by 40% when compared to the Last Period.

In the Pearl River Delta Region, the average daily traffic flow of Guangzhou City Northern Ring Road showed an increase of 14%, as a result of the opening of an interchange in June 2012. The average daily traffic flows of Guangzhou-Zhaoqing Expressway and Shenzhen-Huizhou Expressway grew by 13% and 9% respectively when compared to the Last Period. Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) registered a slight decrease in its average daily traffic flow by 1% for the Current Period.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel grew by 4% when compared to the Last Period.

Energy

The increase in AOP in this segment was mainly attributable to softened coal price.

Due to weakened demand and increase in hydro-electricity supply from the western provinces in Mainland China during the Current Period, Zhujiang Power registered a decrease in sales volume of 24%. The electricity sales of Chengdu Jintang Power Plant dropped by 5% when compared to the Last Period.

AOP from Guangzhou Fuel Company decreased during the Current Period as a result of 3% reduction in trading revenue and a lower profit margin when compared to the Last Period.

The electricity sales of Macau Power grew by 7% during the Current Period resulting from more entertainment and hotel facilities that came into operation.

Water

The sales volume of Sanya Water Plant increased by 7% during the Current Period. Waste water treated by Chongqing Tangjiatuo Waste Water Plant also increased by 19% while Shanghai SCIP Water Treatment Plants reported a healthy growth of industrial water sales revenue by 6%. The water sales volume in Macau Water Plant grew by 7% during the Current Period.

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

Ports & Logistics

The throughput of NWCY Terminal in Xiamen decreased by 13% to 462,000 TEUs due to the loss of a number of customers who had upgraded the vessel size of their fleet which exceeded the handling capability of NWCY Terminal. The AOP of the segment was also negatively impacted by the full-period effect of initial operating loss incurred by the Haicang Xinhaida Container Terminals which commenced operations in September 2011.

In Tianjin, the throughput of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd., grew by 5% to 486,000 TEUs and 1% to 1,132,000 TEUs respectively in the Current Period.

The occupancy rate at ATL Logistics Centre maintained at 98% while the average rental grew by 3% during the Current Period. NWS Kwai Chung Logistics Centre, which commenced operations in December 2011, was fully leased out and provided the Group with a steady stream of rental income during the Current Period.

The eight operating rail container terminals of China United International Rail Containers Co., Limited handled an aggregate throughput of 766,000 TEUs for the Current Period, as compared to 757,000 TEUs for the Last Period. These terminals in Kunming, Chongqing, Chengdu, Zhengzhou, Dalian, Qingdao, Wuhan and Xian form part of the overall plan to build 18 such terminals at major railway hubs within Mainland China. Two further terminals are in the advance stage of planning and construction preparation.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the six months ended 31 December

	2012	2011	Change %
	HK\$'m	HK\$'m	Fav./Unfav.)
Facilities Management	686.6	578.3	19
Construction & Transport	123.3	182.9	(33)
Strategic Investments	224.2	154.8	45
Total	<u>1,034.1</u>	<u>916.0</u>	13

Facilities Management

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

The Group continued to benefit from the growth of exhibition and convention industry. During the Current Period, 629 events were held at HKCEC with a total patronage of approximately 3.5 million. Through upgrading its complex and facilities, HKCEC continues to sustain healthy growth. Turnover of food and beverage has continued to be a key growth driver of the business.

As the concession contract at the Hong Kong International Airport expired on 17 November 2012, the impact of this expiration in the Current Period was insignificant. Besides, Free Duty’s tobacco and liquor retail business at all land border crossings continues to thrive and experience remarkable growth by capitalizing on the strong patronage of high-spending visitors from Mainland China.

Construction & Transport

The Construction business recognized an AOP of HK\$30.1 million in the Current Period, representing a 67% decrease from the Last Period, mainly due to the reduced profit contribution from an associated company and the non-occurrence of exceptional profits from certain construction projects. As at 31 December 2012, the gross value of contracts on hand for the Construction business was approximately HK\$36.0 billion. To cope with the shortage of labour supply, more resources will be put on staff training. Enhancing industrial safety continues to be high on the management priority list.

The Group’s Transport business reported an AOP of HK\$93.2 million in the Current Period, representing a 2% increase over the Last Period, despite the absence of the non-recurring gain from the disposal of the Macau ferry operation in the Last Period. This was mainly attributable to an increase in fare revenue and advertising income. Fuel costs remained steady due to a fuel cost hedging arrangement. The franchise for New World First Bus Services Limited and Franchise 2 for Citybus Limited (the Airport and North Lantau Bus Network) have been renewed for a period of 10 years. These two new franchises will take effect when the current franchises expire on 1 July 2013 and 1 May 2013 respectively.

Strategic Investments

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

Tricor recorded a steady growth in its corporate services and investor services businesses during the Current Period. It captured about 43% of the total share of new listings in Hong Kong in the Current Period. Its business operations in Hong Kong, Singapore and Mainland China altogether contributed about 75% of the total profit of Tricor in the Current Period.

The Group holds 48% shareholding interest in Newton Resources. Since its listing, Newton Resources has experienced a number of execution problems which led to the temporary cessation of commercial production. These include disputes relating to land expropriation and staff issues. Following prolonged negotiations with various parties involved and with the support of the local government, these problems were largely resolved and trial production at the mine was made possible in November 2012. Management of Newton Resources anticipates that commercial production will gradually resume once the safety production permit for the new tailings storage facility is granted. The mining and production of gabbro-diabase products have yet to commence at the Yanjiazhuang Mine pending the completion of the remaining stripping and preparation works in the first quarry and the issuance of one remaining safety permit necessary for production. Management of Newton Resources believes that the production of gabbro-diabase products could commence in the first half of 2013.

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

OUTLOOK

The overall performance in the Current Period demonstrated the Group’s effort and commitment in maintaining a healthy growth momentum across its core business segments. The robust performance of HZRR, which the Group acquired during the year ended 30 June 2012, and duty free business played a major role in generating an AOP growth of 11% in the Current Period. The decrease in profit attributable to shareholders was mainly due to the recognition of a HK\$1.8 billion dilution gain in the Last Period from the listing of Newton Resources.

Notwithstanding the challenging global economic environment which is expected to persist for some time to come, the Group is uniquely positioned to capitalize on the continuous economic growth and development in Mainland China and take advantage of the booming services and retail related businesses in Hong Kong. At the same time, the Group will continue to leverage on its financial strength in seeking investment opportunities that could deliver both stable and recurring income streams and enhance long-term shareholders’ value.

FINANCIAL RESOURCES

Treasury management and cash funding

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

Liquidity

As at 31 December 2012, the Group's total cash and bank balances amounted to HK\$6.487 billion, as compared to HK\$5.386 billion as at 30 June 2012. The Group's Net Debt as at 31 December 2012 was HK\$12.208 billion, as compared to HK\$12.280 billion as at 30 June 2012. The capital structure of the Group was 32% debt and 68% equity as at 31 December 2012, as compared to 33% debt and 67% equity as at 30 June 2012.

Debt profile and maturity

As at 31 December 2012, the Group's Total Debt increased to HK\$18.695 billion from HK\$17.666 billion as at 30 June 2012. Long-term loans and borrowings increased to HK\$17.259 billion as at 31 December 2012 from HK\$15.110 billion as at 30 June 2012, with HK\$3.822 billion maturing in the second year; HK\$12.199 billion in the third to fifth year and the remainder after the fifth year. Bank loans were denominated in Hong Kong Dollar or Renminbi, while bonds were denominated in Renminbi or United States Dollar. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. The Group used cross currency swaps and interest rate swaps to hedge part of the Group's underlying exchange risk and interest rate exposure respectively. The Group did not have any material exposure to exchange risk other than Renminbi during the Current Period. As at 31 December 2012, intangible concession rights of HZRR were pledged as securities for a banking facility of the Group.

Commitments

The Group's commitments for capital expenditure were HK\$2.171 billion as at 31 December 2012 as compared to HK\$922.5 million as at 30 June 2012. This represented commitment for capital contributions to/acquisition of an associated company and certain jointly controlled entities of HK\$2.147 billion as at 31 December 2012 as compared to HK\$889.2 million as at 30 June 2012; and commitments for properties and equipment, intangible concession rights or other investments of HK\$24.9 million as at 31 December 2012 as compared to HK\$33.3 million as at 30 June 2012. The share of commitments for capital expenditure committed by jointly controlled entities was HK\$1.547 billion as at 31 December 2012 as compared to HK\$1.572 billion as at 30 June 2012. Sources of funding for capital expenditure include internally generated resources and banking facilities.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK\$619.2 million as at 31 December 2012, as compared to HK\$714.1 million as at 30 June 2012. These composed of guarantees for credit facilities granted to associated companies, jointly controlled entities and a related company of HK\$24.2 million, HK\$483.3 million and HK\$111.7 million respectively as at 31 December 2012, as compared to HK\$2.2 million, HK\$600.2 million and HK\$111.7 million respectively as at 30 June 2012. The share of contingent liabilities of jointly controlled entities was HK\$20.3 million as at 31 December 2012 and HK\$14.7 million as at 30 June 2012.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, approximately 26,000 staff were employed by entities under the Group's management of which approximately 9,000 staff were employed in Hong Kong. Total staff related costs including provident funds and staff bonus but excluding directors' remunerations were HK\$884.5 million (2011: HK\$700.2 million). Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

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

The unaudited interim results of the Company for the Current Period have been reviewed by the Company's external auditor, PricewaterhouseCoopers, 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 HKICPA.

CORPORATE GOVERNANCE PRACTICES

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

Pursuant to code provision E.1.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "CG Code"), the Chairman of the Board should attend the annual general meeting of the Company. Due to another meeting engagement in China, Dr Cheng Kar Shun, Henry, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 20 November 2012 (the "2012 AGM"). Mr Doo Wai Hoi, William, the Deputy Chairman of the Board who took the chair of the 2012 AGM, together with other members of the Board who attended this meeting, were of sufficient calibre for answering questions at the 2012 AGM.

Except the abovementioned deviation, throughout the six months ended 31 December 2012, the Company has complied with all the applicable code provisions in the CG Code.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

THE BOARD

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

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 26 February 2013

** For identification purposes only*