新創建集團有限公司*

NWS Holdings Limited

(incorporated in Bermuda with limited liability)

(stock code: 0659)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2006

FINANCIAL HIGHLIGHTS

Turnover	:	HK$12,543.9 million
Profit attributable to shareholders of the Company	:	HK$1,656.6 million
Earnings per share – basic	:	HK$0.89
Proposed final dividend	:	HK$0.20 per share

RESULTS

The board of directors (the "Board") of NWS Holdings Limited (the "Company") is pleased to announce the audited consolidated income statement of the Company and its subsidiary companies (collectively, the "Group") for the year ended 30 June 2006 ("FY2006") and the consolidated balance sheet of the Group as at 30 June 2006 together with comparative figures for the year ended 30 June 2005 ("FY2005"), as follows:

Consolidated Income Statement

For the year ended 30 June 2006

	Note	**2006** **HK$'m**	2005 HK$'m (restated)
Turnover	2	**12,543.9**	10,286.1
Cost of sales		**(11,444.6)**	(9,568.2)
Gross profit		**1,099.3**	717.9
Other income	3	**355.1**	2,117.4
General and administrative expenses		**(774.7)**	(821.2)
Other charges	3	**(30.0)**	(59.9)
Operating profit	3	**649.7**	1,954.2
Finance costs		**(253.8)**	(227.1)
Share of results of			
Jointly controlled entities		**909.4**	862.2
Associated companies		**476.6**	360.7
Profit before income tax		**1,781.9**	2,950.0
Income tax expenses	4	**(104.7)**	(67.4)
Profit for the year		**1,677.2**	2,882.6
Attributable to			
Shareholders of the Company		**1,656.6**	2,886.1
Minority interests		**20.6**	(3.5)
		1,677.2	2,882.6

	Note		
Dividends	*5*	**845.8**	1,464.2
Earnings per share attributable to shareholders of the Company	*6*		
Basic		**HK$0.89**	HK$1.60
Diluted		**HK$0.85**	HK$1.52

Consolidated Balance Sheet
As at 30 June 2006

	Note	**2006** *HK$'m*	2005 *HK$'m* (restated)
ASSETS AND LIABILITIES			
Non-current assets			
Goodwill		**329.9**	329.9
Property, plant and equipment		**1,944.2**	2,181.3
Investment properties		**1,043.6**	1,040.3
Leasehold land and land use rights		**107.0**	134.2
Jointly controlled entities		**9,401.1**	9,002.7
Associated companies		**3,635.6**	3,010.0
Other non-current assets		**762.0**	635.4
		17,223.4	16,333.8
Current assets			
Inventories		**122.8**	145.5
Trade and other receivables	*7*	**5,692.6**	5,004.3
Financial assets at fair value through profit or loss		**1.1**	32.0
Short term deposits		**126.4**	–
Cash and cash equivalents		**2,421.3**	3,649.9
		8,364.2	8,831.7
Current liabilities			
Trade and other payables	*8*	**5,333.6**	4,647.8
Taxation		**96.6**	107.4
Borrowings		**1,216.7**	2,279.9
		6,646.9	7,035.1
Net current assets		**1,717.3**	1,796.6
Total assets less current liabilities		**18,940.7**	18,130.4
Non-current liabilities			
Borrowings		**3,311.6**	3,703.7
Other non-current liabilities		**775.7**	1,039.6
		4,087.3	4,743.3
Net assets		**14,853.4**	13,387.1
EQUITY			
Share capital		**1,943.8**	1,825.1
Reserves		**12,522.5**	11,199.8
Capital and reserves attributable to shareholders of the Company		**14,466.3**	13,024.9
Minority interests		**387.1**	362.2
Total equity		**14,853.4**	13,387.1

Notes:

1. **Basis of preparation and accounting policies**

   (a) *Basis of preparation*

   The consolidated financial statements have been prepared in accordance with accounting standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), including Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKAS") and Interpretations ("HK(SIC) – Int") (collectively the "HKFRSs") as described further below. They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, financial assets and financial liabilities at fair value through profit or loss and available-for-sale financial assets, which are carried at fair value.

   (b) *The adoption of new/revised HKFRSs*

   For the year ended 30 June 2005, the Group early adopted HKFRS 3 "Business Combinations", HKAS 36 "Impairment of Assets" and HKAS 38 "Intangible Assets". With effect from 1 July 2005, the Group has adopted the remaining HKFRSs that are currently in issue and effective for the accounting periods commencing on or after 1 January 2005 as below, which are relevant to its operation, and also early adopted the amendment to HKAS 21 "The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation" which is effective for the accounting periods commencing on or after 1 January 2006. The 2005 comparatives have been restated as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 2	Inventories
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowing Costs
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 31	Investments in Joint Ventures
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HK(SIC) – Int 15	Operating Leases – Incentives
HK(SIC) – Int 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
HKFRS 2	Share-based Payment

   The adoption of the above HKFRSs has the following impact on the Group's accounting policies:

   (i) HKAS 17 Leases

   The adoption of HKAS 17 has resulted in a change in the accounting policy relating to the reclassification of leasehold land and land use rights from property, plant and equipment to operating leases. The up-front prepayments made for the leasehold land and land use rights are expensed in the income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is expensed in the income statement. In prior years, the leasehold land and land use rights were accounted for at cost less accumulated depreciation and accumulated impairment. This change in accounting policy has been applied retrospectively.

(ii) HKAS 32 Financial Instruments: Disclosure and Presentation
HKAS 39 Financial Instruments: Recognition and Measurement

The adoption of HKAS 32 and HKAS 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and the change in the recognition and measurement of hedging activities. This change in accounting policy has been applied on a prospective basis.

The Group is required to split the carrying value of its convertible bonds into equity and liability components in accordance with HKAS 32. The liability component is initially recognized at its fair value which is determined by using a market interest rate for an equivalent non-convertible bond and subsequently carried at amortized cost until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option which is recognized and included in shareholders' equity as special reserves, net of income tax effects. The notional interest expense calculated is charged to the income statement. This change in accounting policy has been applied retrospectively.

(iii) HKAS 40 Investment Property

The adoption of HKAS 40 has resulted in a change in the accounting policy of which the changes in fair value of investment properties are recorded in the income statement. In prior years, increases in fair value of investment properties were credited to the investment properties revaluation reserve. Decreases in fair value were first set off against increases on earlier valuations on a portfolio basis and thereafter expensed in the income statement.

The Group has applied the relevant transitional provisions under HKAS 40 and elected to apply HKAS 40 from 1 July 2005 onwards. As a result, investment properties revaluation reserve of HK$39.3 million as at 1 July 2005 has been transferred to the opening retained profits. Comparative information has not been restated.

(iv) HK(SIC) – Int 21 Income Taxes – Recovery of Revalued Non-Depreciable Assets

The adoption of HK(SIC) – Int 21 has resulted in a change in the accounting policy relating to the measurement of deferred tax liabilities arising from the revaluation of investment properties. Such deferred tax liabilities are measured on the basis of tax consequences that would follow from recovery of the carrying amount of that asset through use. In prior years, the carrying amount of that asset was expected to be recovered through sale.

(v) HKFRS 2 Share-based Payment

The adoption of HKFRS 2 has resulted in a change in the accounting policy for share-based payments. Until 30 June 2005, the provision of share options to employees did not result in an expense in the income statement. Effective on 1 July 2005, the Group expenses the fair value of share options in the income statement. As a transitional provision, the fair value of share options granted after 7 November 2002 and not vested on 1 July 2005 was expensed retrospectively in the income statement of the respective periods.

(vi) Other standards

The adoption of new/revised HKASs 1, 2, 7, 8, 10, 16, 21, 23, 24, 27, 28, 31, 33 and HK(SIC) - Int 15 did not result in substantial changes to the Group's accounting policies. In summary:

– HKAS 1 has affected the presentation of minority interests, share of net after-tax results of jointly controlled entities and associated companies and other disclosures.

– HKAS 21 had no material effect on the Group's policy. The functional currency of each of the consolidated entities has been re-evaluated based on the guidance of the revised standard.

– HKAS 24 has affected the disclosure of related-party transactions.

(vii) Summary of the effect of the adoption of new/revised HKFRSs

(a) Restatement of prior year and opening balances

i. Effect on the consolidated income statement for the year ended 30 June 2005

In HK$'m	2005 (as previously reported)	Effect of adopting new policies – increase/(decrease) of profit HKAS 1	HKAS 17	HKAS 32	HKFRS 2	Sub-total	2005 (as restated)
Turnover	10,286.1	–	–	–	–	–	10,286.1
Cost of sales	(9,568.2)	–	–	–	–	–	(9,568.2)
Gross profit	717.9	–	–	–	–	–	717.9
Other income	2,117.4	–	–	–	–	–	2,117.4
General and administrative expenses	(810.1)	–	0.7	–	(11.8)	(11.1)	(821.2)
Other charges	(59.9)	–	–	–	–	–	(59.9)
Operating profit	1,965.3	–	0.7	–	(11.8)	(11.1)	1,954.2
Finance costs	(205.5)	–	–	(21.6)	–	(21.6)	(227.1)
Share of results of							
Jointly controlled entities	1,019.1	(153.1)	(3.1)	(0.7)	–	(156.9)	862.2
Associated companies	423.3	(62.6)	–	–	–	(62.6)	360.7
Profit before income tax	3,202.2	(215.7)	(2.4)	(22.3)	(11.8)	(252.2)	2,950.0
Income tax expenses	(287.7)	215.7	–	4.6	–	220.3	(67.4)
Profit for the year	2,914.5	–	(2.4)	(17.7)	(11.8)	(31.9)	2,882.6
Attributable to							
Shareholders of the Company	2,918.0	–	(2.4)	(17.7)	(11.8)	(31.9)	2,886.1
Minority interests	(3.5)	–	–	–	–	–	(3.5)
Earnings per share attributable to shareholders of the Company							
Basic	HK$1.62	–	–	(HK$0.01)	(HK$0.01)	(HK$0.02)	HK$1.60
Diluted	HK$1.61	–	–	(HK$0.08)	(HK$0.01)	(HK$0.09)	HK$1.52

ii. Effect on the consolidated balance sheet as at 30 June 2005

In HK$'m	30.6.2005 (as previously reported)	Effect of adopting new policies – increase/(decrease) HKAS 1	HKAS 17	HKAS 32	HK(SIC) - Int 21	Sub-total	30.6.2005 (as restated)
ASSETS AND LIABILITIES							
Non-current assets							
Goodwill	329.9	–	–	–	–	–	329.9
Property, plant and equipment	2,319.0	–	(137.7)	–	–	(137.7)	2,181.3
Investment properties	1,040.3	–	–	–	–	–	1,040.3
Leasehold land and land use rights	–	–	134.2	–	–	134.2	134.2
Jointly controlled entities	9,009.1	–	(5.8)	(0.6)	–	(6.4)	9,002.7
Associated companies	3,010.0	–	–	–	–	–	3,010.0
Other non-current assets	635.4	–	–	–	–	–	635.4
	16,343.7	–	(9.3)	(0.6)	–	(9.9)	16,333.8
Current assets							
Inventories	145.5	–	–	–	–	–	145.5
Trade and other receivables	5,022.4	–	–	(18.1)	–	(18.1)	5,004.3
Financial assets at fair value through profit or loss	32.0	–	–	–	–	–	32.0
Short term deposits	–	–	–	–	–	–	–
Cash and cash equivalents	3,649.9	–	–	–	–	–	3,649.9
	8,849.8	–	–	(18.1)	–	(18.1)	8,831.7
Current liabilities							
Trade and other payables	4,607.5	40.3	–	–	–	40.3	4,647.8
Taxation	107.4	–	–	–	–	–	107.4
Borrowings	2,279.9	–	–	–	–	–	2,279.9
	6,994.8	40.3	–	–	–	40.3	7,035.1
Net current assets	1,855.0	(40.3)	–	(18.1)	–	(58.4)	1,796.6
Total assets less current liabilities	18,198.7	(40.3)	(9.3)	(18.7)	–	(68.3)	18,130.4
Non-current liabilities							
Borrowings	3,843.2	–	–	(139.5)	–	(139.5)	3,703.7
Other non-current liabilities	602.9	408.1	–	20.3	8.3	436.7	1,039.6
Minority interests and loans	810.6	(810.6)	–	–	–	(810.6)	–
	5,256.7	(402.5)	–	(119.2)	8.3	(513.4)	4,743.3
Net assets	12,942.0	362.2	(9.3)	100.5	(8.3)	445.1	13,387.1

ii. Effect on the consolidated balance sheet as at 30 June 2005 (continued)

In HK$'m	30.6.2005 (as previously reported)	Effect of adopting new policies – increase/(decrease) HKAS 1	HKAS 17	HKAS 32	HK(SIC) - Int 21	Sub-total	30.6.2005 (as restated)
EQUITY							
Share capital	1,825.1	–	–	–	–	–	1,825.1
Reserves	11,116.9	–	(9.3)	100.5	(8.3)	82.9	11,199.8
Capital and reserves attributable to shareholders of the Company	12,942.0	–	(9.3)	100.5	(8.3)	82.9	13,024.9
Minority interests	–	362.2	–	–	–	362.2	362.2
Total equity	12,942.0	362.2	(9.3)	100.5	(8.3)	445.1	13,387.1

(b) Estimated effect on the current year

i. Estimated effect on the consolidated income statement for the year ended 30 June 2006

In HK$'m	Estimated effect of adopting new policies – increase/(decrease) of profit HKAS 1	HKAS 17	HKAS 32	HKAS 40	HKFRS 2	HK(SIC) - Int 21	Total
Turnover	–	–	–	–	–	–	–
Cost of sales	–	–	–	–	–	–	–
Gross profit	–	–	–	–	–	–	–
Other income	–	–	43.7	3.0	–	–	46.7
General and administrative expenses	–	0.3	–	–	(1.7)	–	(1.4)
Other charges	–	–	–	–	–	–	–
Operating profit	–	0.3	43.7	3.0	(1.7)	–	45.3
Finance costs	–	–	(19.1)	–	–	–	(19.1)
Share of results of							
Jointly controlled entities	(139.0)	(0.1)	(0.1)	–	–	–	(139.2)
Associated companies	(64.1)	–	–	–	–	–	(64.1)
Profit before income tax	(203.1)	0.2	24.5	3.0	(1.7)	–	(177.1)
Income tax expenses	203.1	–	(6.9)	–	–	(0.5)	195.7
Profit for the year	–	0.2	17.6	3.0	(1.7)	(0.5)	18.6
Attributable to							
Shareholders of the Company	–	0.2	17.6	3.0	(1.7)	(0.5)	18.6
Minority interests	–	–	–	–	–	–	–
Earnings per share attributable to shareholders of the Company							
Basic	–	–	HK$0.01	–	–	–	HK$0.01
Diluted	–	–	HK$0.01	–	–	–	HK$0.01

ii. Estimated effect on the consolidated balance sheet as at 30 June 2006

In HK$'m	Estimated effect of adopting new policies – increase/(decrease)				
	HKAS 1	HKAS 17	HKAS 32	HK(SIC) - Int 21	Total
ASSETS AND LIABILITIES					
Non-current assets					
Goodwill	–	–	–	–	–
Property, plant and equipment	–	(110.2)	–	–	(110.2)
Investment properties	–	–	–	–	–
Leasehold land and land use rights	–	107.0	–	–	107.0
Jointly controlled entities	–	(5.9)	(0.8)	–	(6.7)
Associated companies	–	–	–	–	–
Other non-current assets	–	–	–	–	–
	–	(9.1)	(0.8)	–	(9.9)
Current assets					
Inventories	–	–	–	–	–
Trade and other receivables	–	–	(13.3)	–	(13.3)
Financial assets at fair value through profit or loss	–	–	–	–	–
Short term deposits	–	–	–	–	–
Cash and cash equivalents	–	–	–	–	–
	–	–	(13.3)	–	(13.3)
Current liabilities					
Trade and other payables	31.6	–	–	–	31.6
Taxation	–	–	–	–	–
Borrowings	–	–	–	–	–
	31.6	–	–	–	31.6
Net current assets	(31.6)	–	(13.3)	–	(44.9)
Total assets less current liabilities	(31.6)	(9.1)	(14.1)	–	(54.8)
Non-current liabilities					
Borrowings	–	–	(47.3)	–	(47.3)
Other non-current liabilities	374.8	–	8.3	8.8	391.9
Minority interests and loans	(793.5)	–	–	–	(793.5)
	(418.7)	–	(39.0)	8.8	(448.9)
Net assets	387.1	(9.1)	24.9	(8.8)	394.1
EQUITY					
Share capital	–	–	–	–	–
Reserves	–	(9.1)	24.9	(8.8)	7.0
Capital and reserves attributable to shareholders of the Company	–	(9.1)	24.9	(8.8)	7.0
Minority interests	387.1	–	–	–	387.1
Total equity	387.1	(9.1)	24.9	(8.8)	394.1

2. Turnover and segment information

The Group is principally engaged in the businesses of container handling, logistics and warehousing, infrastructure operations, facilities, contracting, transport and other services.

In accordance with the Group's internal financial reporting and operating activities, the primary reporting format is by business segments and the secondary reporting format is by geographical segments.

(a) Primary reporting format – business segments

In HK$'m	Container handling, logistics and warehousing	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Transport	Others	Eliminations	Consolidated
Year 2006										
External sales	16.3	239.2	–	858.0	2,629.4	8,619.9	–	181.1	–	12,543.9
Inter-segment sales	–	–	–	0.1	158.7	494.8	–	18.1	(671.7)	–
Total turnover	16.3	239.2	–	858.1	2,788.1	9,114.7	–	199.2	(671.7)	12,543.9
Segment results	6.5	107.7	12.5	241.8	142.2	88.0	–	15.4	–	614.1
Profit on disposal of a subsidiary company	–	65.7	–	–	–	–	–	–	–	65.7
Profit on disposal of a jointly controlled entity	–	68.7	–	–	–	–	–	–	–	68.7
Fair value gains on investment properties	–	–	–	3.0	–	–	–	–	–	3.0
Profit on disposal of land use rights and properties	22.7	–	–	–	–	–	–	–	–	22.7
Assets impairment loss	–	–	–	–	–	–	–	(30.0)	–	(30.0)
Gain on redemption of convertible bonds										48.0
Unallocated corporate expenses										(142.5)
Operating profit										649.7
Finance costs										(253.8)
Share of results of										
Jointly controlled entities	54.8	420.7	123.2	188.1	(0.1)	37.6	85.6	(0.5)	–	909.4
Associated companies	11.7	(11.9)	368.5	–	0.3	51.0	–	57.0	–	476.6
Profit before income tax										1,781.9
Income tax expenses										(104.7)
Profit for the year										1,677.2
Segment assets	139.9	1,872.5	–	1,237.8	671.7	4,860.0	–	517.5	–	9,299.4
Jointly controlled entities	409.6	3,699.9	1,451.3	1,818.1	9.2	760.8	1,252.2	–	–	9,401.1
Associated companies	292.5	413.2	1,527.9	–	0.8	774.5	–	626.7	–	3,635.6
Unallocated assets										3,251.5
Total assets										25,587.6
Segment liabilities	3.4	627.8	0.4	287.9	465.2	4,016.4	–	181.1	–	5,582.2
Unallocated liabilities										5,152.0
Total liabilities										10,734.2
Capital expenditure	0.1	1.1	–	42.8	23.2	42.0	–	11.3	–	120.5
Depreciation	1.5	88.8	–	19.3	39.5	39.3	–	10.0	–	198.4
Amortization of leasehold land and land use rights	–	–	–	–	0.2	2.3	–	0.5	–	3.0

In HK$'m	Container handling, logistics and warehousing	Roads and bridges	Energy, water treatment and waste management	Facilities rental	Facilities management	Contracting	Transport	Others	Eliminations	Consolidated
Year 2005 (restated)										
External sales	13.4	221.1	–	776.5	2,588.2	6,386.7	–	300.2	–	10,286.1
Inter-segment sales	–	–	–	0.3	153.9	428.9	–	19.6	(602.7)	–
Total turnover	13.4	221.1	–	776.8	2,742.1	6,815.6	–	319.8	(602.7)	10,286.1
Segment results	2.8	43.0	11.9	224.1	157.0	(345.1)	–	(8.3)	–	85.4
Profit on disposal of subsidiary companies	684.7	64.6	–	–	–	–	–	–	–	749.3
Profit/(loss) on disposal of jointly controlled entities	1,092.3	–	(2.1)	–	–	–	–	–	–	1,090.2
Profit on disposal of an investment	–	190.7	–	–	–	–	–	–	–	190.7
Assets impairment loss	(7.4)	(15.4)	–	–	–	–	–	(35.0)	–	(57.8)
Unallocated corporate expenses										(103.6)
Operating profit										1,954.2
Finance costs										(227.1)
Share of results of										
Jointly controlled entities	36.1	319.5	278.1	147.6	–	(0.7)	63.0	18.6	–	862.2
Associated companies	38.8	(0.3)	177.6	38.9	0.3	60.8	–	44.6	–	360.7
Profit before income tax										2,950.0
Income tax expenses										(67.4)
Profit for the year										2,882.6
Segment assets	126.0	1,854.1	–	1,199.9	531.9	4,588.6	–	345.5	–	8,646.0
Jointly controlled entities	410.2	3,753.4	1,339.0	1,804.5	8.7	620.3	1,066.6	–	–	9,002.7
Associated companies	94.9	375.7	1,219.0	–	0.9	750.0	–	569.5	–	3,010.0
Unallocated assets										4,506.8
Total assets										25,165.5
Segment liabilities	3.2	688.8	0.4	272.9	373.3	3,458.3	–	74.4	–	4,871.3
Unallocated liabilities										6,907.1
Total liabilities										11,778.4
Capital expenditure	1.0	1.3	–	19.4	22.6	18.7	–	10.6	–	73.6
Depreciation	3.8	71.6	–	16.9	36.8	60.2	–	8.0	–	197.3
Amortization of leasehold land and land use rights	0.5	–	–	–	0.3	1.4	–	0.4	–	2.6

(b) Secondary reporting format – geographical segments

In HK$'m	Turnover	Segment results	Capital expenditure	Segment assets
Year 2006				
Hong Kong	8,955.0	374.2	98.8	5,978.7
Mainland China	1,427.3	137.2	17.4	2,694.8
Macau	2,159.4	97.3	4.3	613.2
Others	2.2	5.4	–	12.7
	12,543.9	614.1	120.5	9,299.4
Year 2005 (restated)				
Hong Kong	8,822.5	42.2	65.0	6,068.0
Mainland China	1,294.3	30.0	8.3	2,471.5
Macau	167.5	12.0	0.3	106.5
Others	1.8	1.2	–	–
	10,286.1	85.4	73.6	8,646.0

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3. Operating profit

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

	2006	2005
	HK$'m	*HK$'m*
		(restated)
Crediting:–		
Gross rental income from investment properties	**42.2**	40.9
Less: Outgoings	**(12.5)**	(10.1)
	29.7	30.8
Other income		
Profit on disposal of subsidiary companies	**65.7**	749.3
Profit on disposal of a jointly controlled entity	**68.7**	1,092.3
Profit on disposal of an investment	**–**	190.7
Profit on disposal of land use rights and properties	**22.7**	–
Interest income	**76.6**	33.5
Management fee	**44.8**	31.4
Machinery hire income	**14.2**	20.2
Fair value gains on investment properties	**3.0**	–
Gain on redemption of convertible bonds	**48.0**	–
Dividend and other income	**11.4**	–
	355.1	2,117.4
Charging:–		
Cost of inventories sold	**827.3**	905.6
Write-down of inventories	**7.2**	2.2
Depreciation	**198.4**	197.3
Amortization of leasehold land and land use rights	**3.0**	2.6
Other charges		
Loss on disposal of a jointly controlled entity	**–**	2.1
Assets impairment loss	**30.0**	57.8
	30.0	59.9

4. Income tax expenses

Hong Kong profits tax is provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits for the year. Taxation on Mainland China and overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 3% to 33% (2005: 3% to 33%).

	2006	2005
	HK$'m	*HK$'m*
		(restated)
Current income tax		
Hong Kong profits tax	**58.4**	53.4
Mainland China and overseas taxation	**30.3**	12.0
Deferred income tax	**16.0**	2.0
	104.7	67.4

Share of jointly controlled entities' and associated companies' taxation of HK$139.0 million (2005: HK$153.1 million) and HK$64.0 million (2005: HK$62.6 million) are included in the consolidated income statement as share of results of jointly controlled entities and associated companies respectively.

5. Dividends

	2006	2005
	HK$'m	*HK$'m*
Interim dividend paid of HK$0.24 (2005: HK$0.18) per share	**455.0**	325.3
Final dividend proposed of HK$0.20 (2005: paid of HK$0.62) per share	**390.8**	1,138.9
	845.8	1,464.2

On 9 October 2006, the Board recommended a final dividend of HK$0.20 per share. This dividend will be accounted for as an appropriation of the retained profits for the year ending 30 June 2007.

6. Earnings per share

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

	2006	2005
	HK$'m	*HK$'m*
		(restated)
Profit attributable to shareholders of the Company	**1,656.6**	2,886.1
Effect of dilutive potential ordinary shares		
Interest on convertible bonds, net of tax	**19.7**	21.7
Profit for calculation of diluted earnings per share	**1,676.3**	2,907.8

	Number of shares	
	2006	2005
		(restated)
Weighted average number of shares for calculating basic earnings per share	**1,869,586,707**	1,803,667,218
Effect of dilutive potential ordinary shares		
Share options	**1,800,667**	9,465,762
Convertible bonds	**89,225,798**	99,046,222
Weighted average number of shares for calculating diluted earnings per share	**1,960,613,172**	1,912,179,202

7. Trade and other receivables

Included in trade and other receivables are trade receivables with their ageing analysis as follows:

	2006	2005
	HK$'m	*HK$'m*
Under 3 months	**962.4**	865.3
Between 4 – 6 months	**108.2**	56.1
Over 6 months	**122.9**	183.9
	1,193.5	1,105.3

The Group has various credit policies for different business operations depending on the requirements of the markets and businesses in which these businesses operate. Retention money receivables in respect of contracting services are settled in accordance with the terms of respective contracts.

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of internationally dispersed customers.

The Group has recognized a loss of HK$31.1 million (2005: HK$152.9 million) for the impairment of its trade and other receivables during the year ended 30 June 2006. The loss has been included in general and administrative expenses in the income statement.

8. Trade and other payables

Included in trade and other payables are trade payables with their ageing analysis as follows:

	2006	2005
	HK$'m	*HK$'m*
Under 3 months	**567.4**	479.6
Between 4 - 6 months	**51.3**	35.2
Over 6 months	**66.4**	63.7
	685.1	578.5

9. Events after the balance sheet date

On 28 September 2006, the Group entered into a joint venture agreement to establish a sino-foreign equity joint venture enterprise in Mainland China (the "JV Enterprise"). The JV Enterprise will participate in developing and operating rail container terminals and related businesses in Mainland China and the total investment cost will be approximately HK$11.5 billion. The Group will have a 22% interest in the JV Enterprise and is required to pay approximately HK$0.9 billion as its portion of the JV Enterprise's registered capital and to provide financial support for any possible financing arrangement in proportion to its interest in the JV Enterprise up to approximately HK$1.6 billion.

FINAL DIVIDEND

The Board has resolved to recommend a final dividend for the year ended 30 June 2006 in scrip form equivalent to HK$0.20 per share (2005: HK$0.62 per share) with a cash option to shareholders registered on 21 November 2006. Together with the interim dividend of HK$0.24 per share (2005: HK$0.18 per share) paid in June 2006, total distributions for 2006 would thus be HK$0.44 per share (2005: HK$0.80 per share).

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "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 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 final scrip dividend will be set out in a letter to be sent to shareholders together with a form of election for cash on or about 21 November 2006.

The register of members of the Company will be closed from Thursday, 16 November 2006 to Tuesday, 21 November 2006, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with Standard Registrars Limited, the Company's branch share registrars in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 15 November 2006.

FINANCIAL REVIEW

Group Overview

The Group reported a profit attributable to shareholders of HK$1.657 billion for FY2006, a decrease of HK$1.229 billion or 43%, as compared to HK$2.886 billion for FY2005. The Group's exceptional profit during FY2005 included a sum of HK$1.777 billion generated by the disposal of its attributable interests in Container Terminal No. 3 and Container Terminal No. 8 West in Hong Kong. When the profits of these disposals are excluded, the Group's net profit for FY2006 increased by HK$547.5 million, or 49% over the previous year. Attributable operating profit ("AOP") increased by 37% from HK$1.412 billion in FY2005 to HK$1.938 billion in FY2006. The Group's Infrastructure division maintained a steady growth of 11%, generating an AOP of HK$1.116 billion, as compared to HK$1.008 billion in FY2005. Service & Rental division also increased its AOP which rose 103% from HK$404.3 million in FY2005 to HK$821.6 million in FY2006. Apart from the operating results, profit of HK$152.5 million was recognized mainly for disposal of interests in two roadways. Whilst the Group progressively reduced its debts in FY2006, a surge in interest rates caused the Group's finance costs to increase.

Contribution by Division *For the year ended 30 June*	**2006** ***HK$'m***	2005 *HK$'m* (restated)
Infrastructure	**1,116.0**	1,007.6
Service & Rental	**821.6**	404.3
Attributable operating profit	**1,937.6**	1,411.9
Head office and non-operating items		
Net profit on disposal of infrastructure projects	**152.5**	2,030.2
Assets impairment loss	**(30.0)**	(57.8)
Gain on redemption of convertible bonds	**39.6**	–
Other interest income	**74.3**	56.8
Other finance costs	**(227.6)**	(196.9)
Others	**(289.8)**	(358.1)
	(281.0)	1,474.2
Profit attributable to shareholders	**1,656.6**	2,886.1

Contributions from operations in Hong Kong accounted for 38% of AOP in FY2006 as compared to 33% in FY2005. Mainland China and Macau contributed 51% and 11% respectively, as compared to 58% and 9% respectively in FY2005.

Earnings per Share

Basic earnings per share for FY2006 stood at HK$0.89 (FY2005: HK$1.60). When profits generated by the Group's disposal of its interests in ports in Hong Kong in FY2005 are excluded, earnings per share actually increased by 46%.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the year ended 30 June

	2006 *HK$'m*	2005 *HK$'m* (restated)	Change % Fav./(Unfav.)
Energy	**487.8**	489.9	–
Roads	**469.1**	372.3	26
Water	**87.4**	80.6	8
Ports	**71.7**	64.8	11
	1,116.0	1,007.6	11

The performance of the Group's Infrastructure division remained satisfactory, largely due to Mainland China's continued strong economic performance.

Energy

Combined electricity sales from the Zhujiang Power Plants recorded a slight increase of 1% during FY2006. Aggregate sales revenue for the year also grew by 5%. The latter figure reflects not only a rise in electricity sales but also a tariff increment introduced in May 2005. In FY2006, the total fuel costs of Zhujiang Power Plants increased approximately by 6% which was due to the increase in coal price and was in line with the growth in electricity sales. Increases in both sales volume and tariffs, together with tight cost control, led to a slight improvement in Zhujiang Power Plants' overall profitability.

With an 11% increase in electricity sales, the overall performance of Macau Power continued to be satisfactory but its contribution to the Group's profit remains stable as a result of profit control scheme restrictions.

Roads

Performance of projects within the Pearl River Delta region was outstanding. Average daily traffic flow of Guangzhou City Northern Ring Road increased by 13%, while toll income grew by RMB44.7 million during FY2006. Toll income of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) surged by RMB117.7 million or 20% in FY2006 as benefited by the strong economic development of the Pearl River Delta region and the opening of a connecting expressway in November 2005. The combined average daily traffic flow of Shenzhen-Huizhou Roadway and Expressway was up 14%. In December 2005, Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Northern Section) commenced operation and now carries some 6,450 vehicles per day.

Water

Key reasons behind the increase in AOP included the commencement of operations of the Tanggu Water Plant and Shanghai SCIP Water Treatment Plants in April 2005, and the strong performance of the Chongqing Water Plant. The Chongqing Water Plant had a satisfactory growth of 12% in water sales revenue and also a substantial increase in income derived from water connection works. Performance of other water projects in Mainland China was satisfactory while contribution from Far East Landfill Technologies Limited grew by 4% in FY2006.

Average daily water sales volume of Macau Water Plant achieved a year-on-year increase of 6% over FY2005. This result was negatively impacted by an average increase of 16% in the raw water tariff and increase in operating costs due to the seasonal salinity problem in early 2006.

Ports

AOP from Xiamen New World Xiangyu Terminals Co., Ltd. achieved a satisfactory growth of 55%. The increase was mainly driven by a 16% volume growth in throughput to 736,000 TEUs in FY2006. Contribution from Tianjin Orient Container Terminals Co., Ltd. decreased 26% from FY2005, its throughput grew by 5% to 1.15 million TEUs in FY2006. The primary reason for the decline in its AOP was the cessation of its coal business in March 2005.

In November 2005, the Group invested 18% interest in Tianjin Five Continents International Container Terminal Co., Ltd.. It handled 831,000 TEUs in its first few months of operation.

OPERATIONAL REVIEW – SERVICE & RENTAL

AOP Contribution by Segment

For the year ended 30 June

	2006 ***HK$'m***	2005 *HK$'m* (restated)	Change % Fav./(Unfav.)
Facilities Rental	**390.7**	384.0	2
Contracting	**163.0**	(252.7)	165
Transport	**85.6**	64.4	33
Others	**182.3**	208.6	(13)
Total	**821.6**	404.3	103

The significant increase in AOP was mainly attributable to the turnaround of the Contracting segment and the ongoing recovery of the Hong Kong economy.

Facilities Rental

Hong Kong Convention and Exhibition Centre ("HKCEC") continued to achieve satisfactory result in FY2006 with more than 1,300 events held during the year serving over 4.9 million guests. Its average occupancy rate achieved a record high of 58%, up by 5% due to the positive impact of the Sixth WTO Ministerial Conference held in December 2005. New venues such as the AsiaWorld-Expo and other conference and exhibition facilities in Mainland China and other Asian countries have increased competition in this market. Construction works of the atrium link expansion has commenced in August 2006 and is due for completion in 2009. The new 19,400 square metre expansion will increase HKCEC's available space up to a total of 83,400 square metres.

ATL Logistics Centre ("ATL") has also benefited from the ongoing recovery of the local economy and the growth of the Mainland China market. It recorded a steady profit with average occupancy rate reaching 96% in FY2006. The Group expects that ATL will continue to deliver stable profits as a result of the continuous growth of Hong Kong economy following the relaxation of personal travel restrictions on Mainlanders and increased local consumer spending.

Contracting

The significant improvement in operating results is due to a combination of factors including effective cost control measures and increased volume of works.

Leveraging its proven expertise in managing mega-sized and high quality construction projects and following the recent recovery of the private property development sector, our Construction group has secured contracts of substantial size with total contract sum over HK$21.0 billion as at 30 June 2006. The Group was also among the most competitive and successful specialist player in Macau's rapidly expanding construction market. Notable among a number of large-scale projects Hip Hing Construction Company Limited secured in Macau were the Grand Lisboa Hotel and the MGM Casino projects.

Performance of the Group's Engineering business remained satisfactory during FY2006 given a market whose prevailing conditions included material price fluctuations and tender price war. Contracts on hand as at 30 June 2006 amounted to HK$4.6 billion, while the contracts awarded for FY2006 amounted to HK$2.3 billion in which 64% was secured in Mainland China and Macau.

Transport

The Group's Transport segment achieved an AOP of HK$85.6 million in FY2006, a 33% increase compared with FY2005. However, excluding the impact of impairment provisions made in FY2005 which were not required to be made in FY2006, the result of FY2006 actually compared unfavourably to that of FY2005 by 20%. The unfavourable result was mainly attributed to the vast increase in fuel costs by nearly 30% over the previous year. Other negative factors including the rise in interest rates, tunnel tolls and vessel maintenance costs also played a part in reducing profitability. The AOP of local bus businesses recorded a drop of 12%. Despite a fare increase, the local ferry operation registered a loss of HK$3.5 million. New World First Ferry Services (Macau) Limited saw a patronage growth of 9% but was merely able to maintain the guaranteed profit from Chow Tai Fook Enterprise Limited under the current vessel leasing arrangement.

Others

The 13% decrease in AOP was a result of the closure of certain subsidiary companies and keen competition of the local market.

Robust patronage arising from the rebound in Hong Kong's tourism sector made a major contribution to Free Duty's excellent performance during FY2006. Following the increasing trend in spending per passenger and the opening of its new retail outlets totaling approximately 28,000 square feet at the Lok Ma Chau KCRC Station, it is expected that Free Duty will continually deliver steady revenues for the Group.

Tricor Holdings Limited achieved excellent results with a year-on-year growth of 40%. Both Taifook Securities Group Limited (formerly known as Tai Fook Securities Group Limited) and New World Insurance Management Limited reported stable results for FY2006.

The property management business contributed a stable profit to the Group despite tough market competitions and maintained a clientele of over 165,000 residential units under management. The Group continued to explore new market opportunities in Mainland China.

BUSINESS OUTLOOK

Infrastructure

Mainland China electricity consumption growth in 2005 was 13.4% and slowed down to 12.0% in the first half of 2006 while supply shortages have eased especially since the fourth quarter of 2005. New capacity coming on line in the next two years is estimated to be equivalent to one third of current capacity, while the National Development and Reform Commission anticipates a further fall in the growth of demand for electricity to around 11% in 2006. Apart from the gradual rise in coal prices, profitability is also threatened by lower utilization hours and competitive tariff bidding as grids move to market-based pricing due to shortages are being overcome. Macau Power will continue to increase electricity importation from Southern Grid of China as the Macau SAR Government ceased to expand local generating capacity and rising oil-fuel price gives pressure on self-production.

To facilitate a booming economy and the demand for better transportation systems, an additional 20,000 km of expressways is due to be built by 2010 and this forms part of the Central Government's long-term goal of constructing 85,000 km of expressways across Mainland China. Such plans offer ample investment opportunities for road investors. Government policies encouraging privately owned local enterprises to enter the toll road market have intensified competition between foreign investors and privately owned local enterprises. This development has pushed up investment costs, negatively impacting returns for investors.

The outlook at the Shanghai Chemical Industry Park (the "Park") remains optimistic. Several new industrialists have confirmed their investments in the Park, and some have already mobilized their site construction works. Both our water treatment and waste water treatment plants have commenced commercial operations in early 2005 and have contributed AOP to the Group since its first year of operation. The joint venture company has already started the third phase of investment aimed at satisfying further increases in demand.

Xiamen port reported a 16% growth in container throughput and handled 1.9 million TEUs in the first half of 2006. Under the 11th Five-Year Plan, Xiamen port will focus on expanding its overall handling capacity by developing new port zones in Haicang, Songyu and Liuwudian. Xiamen's ultimate aim is to replace Kaohsiung as the region's key transhipment hub. Tianjin port reported a 23% growth in container throughput and reached 2.8 million TEUs in the first half of 2006. The growth of Tianjin port has been constrained by the terminals' limited handling capacity. As a result, the port is accelerating container terminal developments in North Basin and Man-made Island.

Service & Rental

Notwithstanding the surging oil prices and increasing interest rates, the Hong Kong economy continues to show above-trend growth with real GDP rising by 5.2% in the second quarter of 2006 on a year-to-year basis. Benefiting from steady growth in the local economy, the Facilities Rental segment is expected to continuously deliver consistently stable contributions as a result of HKCEC and ATL's market leadership positions across the region.

Upcoming huge Government infrastructure projects are sure to provide many exciting opportunities for the Contracting segment in the coming years. The Group's attitude towards tendering for new projects in Mainland China remains cautious and selective. Our business performance in Macau continues to be encouraging, with all projects we have tendered for, or been awarded, being predominantly sizable ones.

On the contrary, rising fuel prices and Government policies favouring railway operators mean the operation of the Group's Transport segment remains difficult. Cost reduction measures through better resources allocation and utilization between the two bus companies were implemented continuously so as to minimize the adverse impacts of escalating fuel price and intensified market competition arising from the proposed merger of MTR Corporation Limited and Kowloon-Canton Railway Corporation.

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 are centralized at the corporate level. The Group's treasury function regularly reviews the funding requirements of its subsidiary companies in order to enhance the cost-efficiency of funding initiatives. With bank deposit and cash in hand as well as available banking facilities, the Group maintains strong and sound liquidity position, having sufficient financial resources to fund its recurring operating activities, its present investment as well as future investment opportunities.

Liquidity

As at 30 June 2006, the Group's total cash and bank balances amounted to HK$2.548 billion, as compared to HK$3.650 billion as at 30 June 2005. The Group's ongoing reduction of its debts led to a fall in Net Debt by 15% from HK$2.334 billion at the end of FY2005 to HK$1.981 billion at the end of FY2006. The Group's strong financial position was also reflected by the gearing ratio which decreased from 17% as at 30 June 2005 to 13% as at 30 June 2006. The capital structure of the Group was 23% debt and 77% equity as at 30 June 2006, as compared to 31% debt and 69% equity as at 30 June 2005.

Debt Profile and Maturity

As at 30 June 2006, the Group's total debt had fallen to HK$4.528 billion from HK$5.984 billion as at 30 June 2005. Besides the zero coupon guaranteed convertible bonds due 2009 (the "Convertible Bonds"), long-term bank loans and borrowings increased from HK$2.493 billion as at 30 June 2005 to HK$2.792 billion as at 30 June 2006, with HK$1.998 billion maturing in the second year and the remaining in the third to fifth year. No bank loans and overdrafts were secured as at 30 June 2006. All bank loans were denominated in Hong Kong dollars. With the exception of the Convertible Bonds, all other debts were bearing interest at floating rate. The Group did not have any material exposure in exchange risk other than RMB during FY2006. As at 30 June 2006, the Group had pledged no fixed assets.

Commitments

The Group's total commitments for capital expenditure were HK$286.3 million as at 30 June 2006 as compared to HK$22.0 million as at 30 June 2005, and the share of commitments for capital expenditure committed by jointly controlled entities was HK$1.303 billion as at 30 June 2006 as compared to HK$166.2 million as at 30 June 2005. Commitments for capital expenditure were funded by internally generated resources and banking facilities.

The Group has contracted to provide sufficient funds in the form of capital and loan contributions to certain jointly controlled entities and associated companies to finance relevant projects. The Board estimates that the Group's share of projected funds requirements of these projects would be approximately HK$928.1 million (2005: HK$15.8 million) which represents the attributable portion of the capital and loan contributions to be made to the jointly controlled entities and associated companies. In addition, the Group has authorized to acquire interests in various projects in Mainland China. The estimated total relevant commitments as at 30 June 2006 were approximately HK$2.824 billion (2005: HK$829.2 million). Included in the above an amount of approximately HK$2.5 billion for a project of development and operation of rail container terminals and related businesses in Mainland China was contracted for on 28 September 2006, as detailed in note 9 to the consolidated balance sheet.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK$1.141 billion as at 30 June 2006 as compared to HK$1.122 billion as at 30 June 2005. 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$1.074 billion and HK$55.0 million as at 30 June 2006 as compared to HK$19.2 million, HK$1.048 billion and HK$55.0 million respectively as at 30 June 2005.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2006, over 42,000 staff were employed by entities under the Group's management of which some 25,000 were employed in Hong Kong. Total staff related costs, excluding directors' remunerations, were HK$2.190 billion, of which provident funds and staff bonuses were included, as compared to HK$2.226 billion for FY2005. 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 are provided to employees on an ongoing basis.

REVIEW OF ANNUAL RESULTS

The Company's Audit Committee has reviewed the accounting principles and practices adopted by the Group and the audited financial statements of the Company for the year ended 30 June 2006.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, NWSH Capital Finance Limited, a direct wholly owned subsidiary company of the Company, redeemed its Convertible Bonds from certain bondholders in the total amount of HK$430.0 million.

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 year.

CODE ON CORPORATE GOVERNANCE PRACTICES

Same as the status as reported by the Company in its last interim report, the Company has complied with all the code provisions as set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the year except for the deviations from the code provisions A.4.2 and A.5.4 as described below.

Pursuant to code provision A.4.2 of the CG Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Amendments on the relevant bye-laws of the Company were approved by its shareholders at the annual general meeting held on 29 November 2005 in order to comply with this code provision.

Moreover, as required under code provision A.5.4 of the CG Code, the Board should establish written guidelines on no less exacting terms 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") for relevant employees in respect of their dealing in the securities of the Company. The Board has established the guidelines for employees in respect of their dealing in the Company's securities as set out in the handbook for "Corporate Policy on Staff Responsibility" but they are not on no less exacting terms than the Model Code. The deviation is mainly due to the fact that the Company currently has over 42,000 employees and operates diversified businesses, it will cause immense administrative burden for processing written notifications from the relevant employees by the Company.

THE BOARD

As at the date of this announcement: (a) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, 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 and Mr. William Junior Guilherme Doo; (b) the non-executive directors of the Company are Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), 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, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 9 October 2006

* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.