

*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.*



## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2010**

### **FINANCIAL HIGHLIGHTS**

<b>Revenue</b>	<b>:</b>	<b>HK\$12,089.0 million</b>
<b>Profit attributable to shareholders</b>	<b>:</b>	<b>HK\$4,011.7 million</b>
<b>Earnings per share – basic and diluted</b>	<b>:</b>	<b>HK\$1.92</b>
<b>Proposed final dividend per share</b>	<b>:</b>	<b>HK\$0.33</b>

## **RESULTS**

The board of directors (the “Board”) of NWS Holdings Limited (the “Company”) is pleased to announce the audited consolidated income statement, consolidated statement of comprehensive income of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2010 (“FY2010”) and the consolidated statement of financial position of the Group as at 30 June 2010, together with comparative figures for the year ended 30 June 2009 (“FY2009”) as follows:

## Consolidated Income Statement

### For the year ended 30 June

	<i>Note</i>	<b>2010</b> <b>HK\$'m</b>	2009 HK\$'m
Revenue	2	<b>12,089.0</b>	17,250.9
Cost of sales		<b>(10,111.7)</b>	(15,407.3)
Gross profit		<b>1,977.3</b>	1,843.6
Net gain on disposal of controlling interest in subsidiaries	3	<b>731.2</b>	39.4
Other income (net)	4	<b>358.8</b>	569.9
General and administrative expenses		<b>(1,145.7)</b>	(1,202.1)
Operating profit	5	<b>1,921.6</b>	1,250.8
Finance costs		<b>(114.4)</b>	(224.3)
Share of results of			
Associated companies		<b>485.0</b>	(63.5)
Jointly controlled entities		<b>2,122.0</b>	1,780.6
Profit before income tax		<b>4,414.2</b>	2,743.6
Income tax expenses	6	<b>(332.2)</b>	(162.9)
Profit for the year		<b>4,082.0</b>	2,580.7
Attributable to			
Shareholders of the Company		<b>4,011.7</b>	2,528.8
Non-controlling interests		<b>70.3</b>	51.9
		<b>4,082.0</b>	2,580.7
Dividends	7	<b>2,028.0</b>	1,281.0
Earnings per share attributable to the shareholders of the Company	8		
Basic and diluted		<b>HK\$1.92</b>	HK\$1.23

## Consolidated Statement of Comprehensive Income

### For the year ended 30 June

	2010 HK\$m	2009 HK\$m
Profit for the year	<b>4,082.0</b>	2,580.7
Other comprehensive (loss)/income		
Fair value changes on available-for-sale financial assets	55.0	258.5
Release of investment revaluation deficit to the income statement	-	156.2
Release of reserve upon disposal of available-for-sale financial assets	(248.4)	-
Release of reserve upon disposal of assets held for sale	(7.2)	(9.4)
Share of other comprehensive income/(loss) of a jointly controlled entity	6.0	(8.2)
Cash flow hedges	(5.8)	-
Currency translation differences	(10.0)	(6.7)
	<b>(210.4)</b>	390.4
Total comprehensive income for the year	<b>3,871.6</b>	2,971.1
Total comprehensive income attributable to		
Shareholders of the Company	3,799.4	2,918.6
Non-controlling interests	72.2	52.5
	<b>3,871.6</b>	2,971.1

## Consolidated Statement of Financial Position

### As at 30 June

	<i>Note</i>	2010 HK\$'m	2009 HK\$'m
<b>ASSETS</b>			
Non-current assets			
Investment properties		2,060.0	1,117.7
Property, plant and equipment		321.2	719.7
Leasehold land and land use rights		16.6	727.7
Intangible concession rights		911.1	977.3
Intangible assets		580.2	1,046.8
Associated companies		4,505.4	3,162.8
Jointly controlled entities		15,962.1	15,152.7
Available-for-sale financial assets		1,508.8	600.5
Other non-current assets		1,069.2	601.7
		26,934.6	24,106.9
Current assets			
Inventories		213.0	250.2
Trade and other receivables	9	3,510.2	10,725.4
Financial assets at fair value through profit or loss		35.5	63.3
Cash held on behalf of customers		-	3,661.9
Cash and bank balances		5,157.6	5,205.1
		8,916.3	19,905.9
Assets held for sale	10	1,830.0	265.8
		10,746.3	20,171.7
Total assets			
		37,680.9	44,278.6

## Consolidated Statement of Financial Position (continued)

**As at 30 June**

	<i>Note</i>	2010 HK\$'m	2009 HK\$'m
<b>EQUITY</b>			
Share capital		2,178.9	2,071.3
Reserves		23,289.1	20,234.0
Proposed final dividend		719.0	869.9
Shareholders' funds		<u>26,187.0</u>	<u>23,175.2</u>
Non-controlling interests		<u>265.1</u>	<u>1,084.2</u>
Total equity		<u>26,452.1</u>	<u>24,259.4</u>
<b>LIABILITIES</b>			
Non-current liabilities			
Borrowings		3,496.4	5,466.5
Other non-current liabilities		315.3	319.7
		<u>3,811.7</u>	<u>5,786.2</u>
Current liabilities			
Trade and other payables	<i>11</i>	4,473.9	10,671.7
Taxation		254.9	221.8
Borrowings		1,393.9	3,339.5
		<u>6,122.7</u>	<u>14,233.0</u>
Liabilities directly associated with assets held for sale	<i>10</i>	1,294.4	-
		<u>7,417.1</u>	<u>14,233.0</u>
Total liabilities		<u>11,228.8</u>	<u>20,019.2</u>
Total equity and liabilities		<u>37,680.9</u>	<u>44,278.6</u>
Net current assets		<u>3,329.2</u>	<u>5,938.7</u>
Total assets less current liabilities		<u>30,263.8</u>	<u>30,045.6</u>

## **Notes:**

### **1. Basis of preparation**

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss, and derivative financial instruments which are measured at fair value.

During FY2010 the Group has adopted the following new or revised standards, amendments and interpretations which are mandatory for FY2010:

HKFRS 1 (Revised)	First-time Adoption of HKFRS
HKFRS 1 and HKAS 27 Amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 Amendments	Vesting Conditions and Cancellations
HKFRS 3 (Revised)	Business Combinations
HKFRS 7 Amendments	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 Amendment	Eligible Hedged Items
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs Amendments	Improvements to HKFRSs 2008

Except as described below, the adoption of these new or revised standards, amendments and interpretations have no material effect on the results and financial position of the Group.

## **1. Basis of preparation (continued)**

### **HKFRS 8 – Operating Segments**

The standard replaces HKAS 14 - Segment Reporting. The new standard uses a ‘management approach’, under which segment information is presented on the same basis as that used for internal reporting purposes. This standard includes certain new disclosures requirement, i.e. to report quantitative and qualitative information about its operating segments. The adoption of HKFRS 8 has resulted in a redesignation of the Group’s reportable segments such that segment information presented are consistent with internal reporting provided to chief operating decision maker, which is represented by the Executive Committee of the Company.

### **HKAS 1 (Revised) – Presentation of Financial Statements**

The standard required all non-owner changes in equity (i.e. comprehensive income) to be presented in a single statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The statement of comprehensive income includes various other comprehensive income, e.g. fair value gain of investments and exchange reserve movements. The Group has chosen to adopt the two statements approach and a new consolidated statement of comprehensive income is included after the consolidated income statement in the financial statements for FY2010.

### **HKAS 27 (Revised) – Consolidated and Separate Financial Statements**

The standard provides that the transactions undertaken with non-controlling interests that do not result in the loss of control are accounted for as equity transactions and these transactions will no longer result in goodwill or gains and losses. When control is lost, any remaining interest in the entity is remeasured to fair value and the difference between the fair value and the carrying amount is recognized in the income statement. The change in accounting policy in respect of HKAS 27 (Revised) has been applied prospectively to transactions during FY2010.

## 1. Basis of preparation (continued)

The effect of the changes in the accounting policies following the adoption of the HKAS 27 (Revised) on the consolidated income statement for FY2010 and the consolidated statement of financial position as at 30 June 2010 are as follows:

### Consolidated Income Statement

**For the year ended  
30 June 2010  
HK\$m**

Increase in fair value gain on non-controlling interest retained	<b>105.8</b>
Increase in basic and diluted earnings per share	<b>HK\$0.05</b>

### Consolidated Statement of Financial Position

**At 30 June 2010  
HK\$m**

Increase in interest in associated companies	<b>105.8</b>
Increase in revenue reserve	<b>105.8</b>

### HKAS 40 Amendment – Investment Property

The standard provides that all property that is being constructed or developed for future use as investment property was transferred from property, plant and equipment and revalued to fair value on that date determined by an external valuer. The change in accounting policy in respect of HKAS 40 Amendment has been applied prospectively to transactions during FY2010.

The effect of the changes in the accounting policies following the adoption of the HKAS 40 Amendment on the consolidated statement of financial position as at 30 June 2010 is as follows:

### Consolidated Statement of Financial Position

**At 30 June 2010  
HK\$m**

Increase in investment properties	<b>935.7</b>
Decrease in property, plant and equipment	<b>313.5</b>
Decrease in leasehold land and land use rights	<b>622.2</b>



## 1. Basis of preparation (continued)

The following new or revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2010 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2011

HKFRSs Amendments	Improvements to HKFRSs 2009
HKFRS 1 Amendment	Additional Exemptions for First-time Adopters
HKFRS 1 Amendment	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HKAS 32 Amendment	Classification of Rights Issues
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for the year ending 30 June 2012 or after

HKFRSs Amendments	Improvements to HKFRSs 2010
HKFRS 9	Financial Instruments
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 Amendment	Prepayments of a Minimum Funding Requirement

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

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

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 FY2010 is as follows:

HK\$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Contracting & Transport	Financial Services	Total
<b>2010</b>							
Total revenue	-	225.4	2.9	6,266.4	5,654.6	516.4	12,665.7
Inter-segment	-	-	-	(102.5)	(458.6)	(15.6)	(576.7)
Revenue – external	-	225.4	2.9	6,163.9	5,196.0	500.8	12,089.0
Attributable operating profit							
Company and subsidiaries	2.0	52.6	-	822.8	67.0	90.7	1,035.1
Associated companies	30.7	3.0	-	1.5	125.7	65.2	226.1 (2(b))
Jointly controlled entities	245.3	465.0	653.3	0.8	217.4 (i)	-	1,581.8 (2(b))
	278.0	520.6	653.3	825.1	410.1	155.9	2,843.0
Reconciliation							
Net gain on disposal of controlling interest in subsidiaries							731.2
Net gain from securities investments, net of tax							541.1 (ii)
Share of profit from Harbour Place							337.9
Net gain on disposal and restructuring of projects							213.7
Fair value gain on investment properties, net of tax							5.5
Goodwill impairment							(226.4)
Assets impairment loss							(30.5)
Corporate interest income							22.7
Corporate finance costs							(110.9)
Share-based payment							(15.3)
Corporate expenses and others							(300.3)
Profit attributable to shareholders							<u>4,011.7</u>

(i) The amount included the Group's share of attributable operating profit of HK\$151.5 million from its Transport business.

(ii) The amount included the Group's share of profits of HK\$263.6 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 FY2010 is as follows: (continued)

HK\$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Contracting & Transport	Financial Services	Segment total	Corporate	Eliminations	Consolidated
<b>2010</b>										
Depreciation	-	2.1	-	61.9	26.7	17.2	107.9	7.6	-	115.5
Amortization of leasehold land and land use rights	-	-	-	0.2	1.3	-	1.5	0.4	-	1.9
Amortization of intangible concession rights	-	66.2	-	-	-	-	66.2	-	-	66.2
Amortization of intangible assets	-	-	-	31.2	-	3.9	35.1	-	-	35.1
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	144.7	2.2	-	117.1	60.4	17.1	341.5	2.0	-	343.5
Interest income	1.2	26.3	-	0.2	17.2	6.9	51.8	22.7	(6.0)	68.5
Finance costs	-	0.2	-	0.7	8.6	-	9.5	110.9	(6.0)	114.4
Income tax expenses	4.7	45.0	11.5	165.0	34.0	28.8	289.0	43.2	-	332.2
<b>As at 30 June 2010</b>										
Company and subsidiaries	980.1	1,580.4	2.3	3,324.3	4,336.1	-	10,223.2	6,990.2	-	17,213.4
Associated companies	337.4	399.4	-	-	1,096.2	736.5	2,569.5	1,935.9	-	4,505.4
Jointly controlled entities	3,141.4	5,220.8	5,766.7	17.3	1,717.1 (i)	-	15,863.3	98.8	-	15,962.1
Total assets	4,458.9	7,200.6	5,769.0	3,341.6	7,149.4	736.5	28,656.0	9,024.9	-	37,680.9
Total liabilities	11.0	405.6	16.1	1,025.7	3,100.7	-	4,559.1	6,669.7	-	11,228.8

(i) The balance included the Group's investment in its Transport business of HK\$1,554.9 million.

## 2. Revenue and segment information (continued)

(a) The information of the reportable segments provided to the Executive Committee for FY2010 is as follows: (continued)

HK\$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Contracting & Transport	Financial Services	Total
2009							
Total revenue	-	247.6	8.2	5,502.0	11,671.7	698.8	<b>18,128.3</b>
Inter-segment	-	-	-	(97.9)	(767.7)	(11.8)	<b>(877.4)</b>
Revenue – external	-	247.6	8.2	5,404.1	10,904.0	687.0	<b>17,250.9</b>
Attributable operating profit							
Company and subsidiaries	1.0	51.9	-	608.9	100.4	58.9	<b>821.1</b>
Associated companies	31.4	(31.4)	15.6	1.3	38.6	60.3	<b>115.8</b> (2(b))
Jointly controlled entities	267.7	768.9	415.0	1.9	146.7 (i)	-	<b>1,600.2</b> (2(b))
	300.1	789.4	430.6	612.1	285.7	119.2	<b>2,537.1</b>
Reconciliation							
Net gain on disposal of controlling interest in subsidiaries							<b>39.4</b>
Net loss from securities investments, net of tax							<b>(37.8)</b> (ii)
Share of profit from Harbour Place							<b>338.0</b>
Net gain on disposal and restructuring of projects							<b>176.3</b>
Fair value loss of investment properties, net of tax							<b>(10.0)</b>
Assets impairment loss							<b>(4.8)</b>
Gain on deemed acquisition of interest in a subsidiary							<b>32.6</b>
Corporate interest income							<b>16.1</b>
Corporate finance costs							<b>(214.1)</b>
Share-based payment							<b>(41.2)</b>
Corporate expenses and others							<b>(302.8)</b>
Profit attributable to shareholders							<b>2,528.8</b>

(i) The amount included the Group's share of attributable operating profit of HK\$101.4 million from its Transport business.

(ii) The amount included the Group's share of losses of HK\$173.7 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 FY2010 is as follows: (continued)

HK\$'m	Segment						Segment total	Corporate	Eliminations	Consolidated
	Ports & Logistics	Roads	Energy & Water	Facilities Management	Contracting & Transport	Financial Services				
2009										
Depreciation	0.6	1.8	-	53.9	28.5	29.6	<b>114.4</b>	6.3	-	<b>120.7</b>
Amortization of leasehold land and land use rights	-	-	-	0.2	1.4	-	<b>1.6</b>	0.4	-	<b>2.0</b>
Amortization of intangible concession rights	-	75.6	-	-	-	-	<b>75.6</b>	-	-	<b>75.6</b>
Amortization of intangible assets	-	-	-	7.8	-	7.7	<b>15.5</b>	-	-	<b>15.5</b>
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	142.8	2.2	-	396.1	14.8	58.6	<b>614.5</b>	16.5	-	<b>631.0</b>
Interest income	1.8	129.2	-	3.4	16.5	39.3	<b>190.2</b>	16.1	(6.1)	<b>200.2</b>
Finance costs	-	5.8	-	1.9	8.6	-	<b>16.3</b>	214.1	(6.1)	<b>224.3</b>
Income tax expenses	2.0	31.9	7.8	82.8	32.3	5.0	<b>161.8</b>	1.1	-	<b>162.9</b>
As at 30 June 2009										
Company and subsidiaries	1,034.4	1,899.6	3.3	3,408.9	6,827.9	9,095.6	<b>22,269.7</b>	3,693.4	-	<b>25,963.1</b>
Associated companies	333.5	422.9	-	1.9	1,050.8	437.3	<b>2,246.4</b>	916.4	-	<b>3,162.8</b>
Jointly controlled entities	2,861.7	5,417.0	5,174.1	18.6	1,516.1	(i) -	<b>14,987.5</b>	165.2	-	<b>15,152.7</b>
Total assets	4,229.6	7,739.5	5,177.4	3,429.4	9,394.8	9,532.9	<b>39,503.6</b>	4,775.0	-	<b>44,278.6</b>
Total liabilities	2.5	445.3	9.9	824.2	5,082.6	7,022.7	<b>13,387.2</b>	6,632.0	-	<b>20,019.2</b>

(i) The balance included the Group's investment in its Transport business of HK\$1,399.7 million.

## 2. Revenue and segment information (continued)

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

HK\$'m	<u>Associated companies</u>		<u>Jointly controlled entities</u>	
	<u>2010</u>	2009	<u>2010</u>	2009
Attributable operating profit	<b>226.1</b>	115.8	<b>1,581.8</b>	1,600.2
Corporate associated companies and jointly controlled entities				
Investment companies	<b>263.6</b>	(173.7)	-	-
Harbour Place	-	-	<b>337.9</b>	338.0
Disposal gains of projects	-	-	<b>253.6</b>	-
Others	<b>(4.7)</b>	(5.6)	<b>(51.3)</b>	(157.6)
Share of results of associated companies and jointly controlled entities	<b>485.0</b>	(63.5)	<b>2,122.0</b>	1,780.6

- (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>2010</u>	2009	<u>2010</u>	2009
Hong Kong	<b>9,671.8</b>	11,672.5	<b>2,906.0</b>	3,464.8
Mainland China	<b>1,421.9</b>	1,832.1	<b>958.2</b>	1,057.4
Macau	<b>992.1</b>	3,742.4	<b>24.9</b>	67.0
Others	<b>3.2</b>	3.9	-	-
	<b>12,089.0</b>	17,250.9	<b>3,889.1</b>	4,589.2

### 3. Net gain on disposal of controlling interest in subsidiaries

	2010 HK\$m	2009 HK\$m
Net profit on disposal of partial interest in subsidiaries	622.9	56.7
Net profit/(loss) on disposal of subsidiaries	2.5	(17.3)
Fair value gain on non-controlling interest retained	105.8	-
	<u>731.2</u>	<u>39.4</u>

Pursuant to the sale and purchase agreement dated 19 November 2009, the Group disposed of part of its interest in Taifook Securities Group Limited (“Taifook Securities”) during FY2010 (the “Disposal”) and the Disposal was completed on 21 December 2009. Immediately before the completion of the Disposal, the Group held approximately 61.86% interest in Taifook Securities and pursuant to the Disposal, approximately 52.86% interest in Taifook Securities was disposed of and approximately 9% interest was retained.

Pursuant to the Group’s participation on the board of directors of Taifook Securities, the Board considers the Group has significant influence on Taifook Securities and accordingly, the Group’s retained interest in Taifook Securities is accounted for as an associated company.

Summarized financial information of Taifook Securities is set out below:

	<b>For the period up to the date of the Disposal HK\$m</b>	For the year ended 30 June 2009 HK\$m
Revenue	480.9	665.6
Profit for the period/year	140.4	74.4
	<b>At the date of the Disposal HK\$m</b>	At 30 June 2009 HK\$m
Total assets	8,410.1	9,094.4
Total liabilities	6,200.3	6,972.1

#### 4. Other income (net)

	2010 HK\$m	2009 HK\$m
Profit on disposal of available-for-sale financial assets	133.0	54.1
Profit on disposal of assets held for sale	257.8	274.5
Net profit/(loss) on disposal of financial assets at fair value through profit or loss	16.8	(71.0)
Fair value gain/(loss) on financial assets at fair value through profit or loss	4.1	(19.4)
Fair value gain/(loss) on investment properties	6.6	(12.0)
Interest income	68.5	200.2
Management fee income	54.3	40.1
Machinery hire income	39.8	43.0
Dividends and other income	34.8	7.2
Gain from extinguishment of financial liabilities	-	105.0
Gain on deemed acquisition of interest in a subsidiary	-	32.6
Net profit on disposal of an associated company and jointly controlled entities	-	71.3
Goodwill impairment	(226.4)	-
Assets impairment loss	(30.5)	(10.2)
Impairment loss on available-for-sale financial assets	-	(145.5)
	<u>358.8</u>	<u>569.9</u>



## 5. Operating profit

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

	2010 HK\$'m	2009 HK\$'m
<b>Crediting</b>		
Gross rental income from investment properties	43.3	44.5
Less: outgoings	(11.5)	(11.5)
	31.8	33.0
Exchange gains	13.6	0.4
<b>Charging</b>		
Cost of inventories sold	1,837.1	1,525.8
Depreciation	115.5	120.7
Amortization of leasehold land and land use rights	1.9	2.0
Amortization of intangible concession rights	66.2	75.6
Amortization of intangible assets	35.1	15.5
Operating lease rental expenses		
Properties	95.3	124.7
Other equipment	3.8	6.4

## 6. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits for the year. Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profits for the year at the rates of tax prevailing in the countries in which the Group operates. These rates range from 9% to 25% (2009: 9% to 25%).

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

	2010 HK\$'m	2009 HK\$'m
Current income tax		
Hong Kong profits tax	198.0	84.7
Mainland China and overseas taxation	113.3	83.5
Deferred income tax charge/(credit)	20.9	(5.3)
	<u>332.2</u>	<u>162.9</u>

Share of taxation of associated companies and jointly controlled entities of HK\$38.7 million (2009: HK\$27.4 million) and HK\$347.1 million (2009: HK\$296.6 million) respectively are included in the consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

## 7. Dividends

	2010 HK\$'m	2009 HK\$'m
Interim dividend paid of HK\$0.62 (2009: HK\$0.20) per share	1,309.0	411.1
Final dividend proposed of HK\$0.33 (2009: paid of HK\$0.42) per share	719.0	869.9
	<u>2,028.0</u>	<u>1,281.0</u>

At a meeting held on 5 October 2010, the Board recommended a final dividend of HK\$0.33 per share in scrip form with a cash option. This proposed dividend is not reflected as a dividend payable in the financial statements but will be reflected as an appropriation of the retained profits for the year ending 30 June 2011.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") granting the listing of and permission to deal in the new shares, 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 will be given the option to elect to receive payment in cash of HK0.33 per share instead of the allotment of shares. Full details of the final scrip dividend will be set out in a circular to be sent to the shareholders together with a form of election for cash dividend on or about 24 November 2010.

## 8. Earnings per share

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

	2010 HK\$'m	2009 HK\$'m
Profit attributable to shareholders of the Company and for calculation of basic and diluted earnings per share	<u>4,011.7</u>	<u>2,528.8</u>
	Number of shares	
	2010	2009
Weighted average number of shares for calculating basic earnings per share	2,093,228,132	2,056,499,872
Effect of dilutive potential ordinary shares Share options	-	21,972
Weighted average number of shares for calculating diluted earnings per share	<u>2,093,228,132</u>	<u>2,056,521,844</u>

## 9. Trade and other receivables

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

	<b>2010</b>	2009
	<b>HK\$'m</b>	HK\$'m
Receivables arising from securities business (i)	-	2,746.0
Other trade receivables	<b>611.3</b>	1,217.9
	<b>611.3</b>	3,963.9

- (i) Receivables arising from securities business mainly represented accounts receivable from clients, brokers, dealers and clearing houses which were mainly aged under 3 months and accounts receivable from subscription of new shares in initial public offerings amounted to HK\$1,646.9 million which were settled within one week after 30 June 2009. As set out in note 3, the Group disposed its controlling interest in securities business in December 2009.

The ageing analysis of trade receivables is as follows:

	<b>2010</b>	2009
	<b>HK\$'m</b>	HK\$'m
Under 3 months	<b>418.7</b>	3,737.5
4 to 6 months	<b>157.9</b>	80.3
Over 6 months	<b>34.7</b>	146.1
	<b>611.3</b>	3,963.9

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

## 10. Assets held for sale/liabilities directly associated with assets held for sale

Assets held for sale/liabilities directly associated with assets held for sale mainly represented the assets and liabilities of the Disposal Group, which is defined as below.

On 11 June 2010, New World Development Company Limited (“NWD”, the holding company of the Company) and the Company jointly announced that agreements were entered into in respect of the disposal of certain of the Group’s non-core businesses under a management buyout arrangement, including (a) laundry and landscaping; (b) security and guarding; (c) trading of building materials; (d) senior residents’ home; (e) insurance and brokerage; (f) property management in Hong Kong; (g) cleaning; and (h) electrical and mechanical engineering (collectively, the “Disposal Group”) subject to certain conditions precedent. Total consideration for this disposal was HK\$888.5 million and the expected gain would amount to approximately HK\$0.3 billion upon completion of the transactions. Assets and liabilities of the Disposal Group are reclassified as held for sale.

## 11. Trade and other payables

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

		<b>2010</b>	2009
		<b>HK\$'m</b>	HK\$'m
Payables arising from securities business	(i)	-	4,694.1
Other trade payables	(ii)	<u>413.0</u>	<u>453.2</u>
		<u><b>413.0</b></u>	<u>5,147.3</u>

(i) Payables arising from securities business mainly represented accounts payable to clients, brokers, dealers and clearing houses. The majority of accounts payable balances were repayable on demand except where certain accounts payable to clients represented those required margin deposits received from clients for their trading activities under normal course of business. As set out in note 3, the Group disposed of its controlling interest in securities business in December 2009.

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

	<b>2010</b>	2009
	<b>HK\$'m</b>	HK\$'m
Under 3 months	<b>390.0</b>	355.9
4 to 6 months	<b>1.4</b>	40.3
Over 6 months	<u>21.6</u>	<u>57.0</u>
	<u><b>413.0</b></u>	<u>453.2</u>

## 12. Comparative figures

Certain comparative figures have been reclassified to conform with FY2010's presentation as a result of changes in segment presentation.

## **FINAL DIVIDEND AND BONUS ISSUE OF SHARES**

The Board has resolved to recommend a final dividend for the year ended 30 June 2010 in scrip form equivalent to HK\$0.33 per share (2009: HK\$0.42 per share) with a cash option to the shareholders whose names appear on the register of members of the Company on 23 November 2010. Together with the interim dividend of HK\$0.62 (2009: HK\$0.20 per share) paid in June 2010, total distribution of dividend by the Company for the year ended 30 June 2010 will thus be HK\$0.95 per share (2009: HK\$0.62 per share).

The Board has also proposed to make a bonus issue of shares to the shareholders of the Company on the basis of one bonus share for every two shares held by the shareholders whose names appear on the register of members of the Company on 23 November 2010 (the “Bonus Issue”). The bonus shares will not be entitled to the aforesaid final dividend, but will rank *pari passu* in all other respects with the existing issued shares of the Company.

The final scrip dividend and the Bonus Issue are conditional upon the passing of the relevant resolutions at the forthcoming annual general meeting and the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the final scrip dividend and the Bonus Issue. Details about the Bonus Issue will be set out in a circular to be sent to the shareholders on or about 29 October 2010 and the full details of the final scrip dividend and further details of the Bonus Issue will be set out in another circular to be sent to the shareholders together with a form of election for cash dividend on or about 24 November 2010.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 18 November 2010 to Tuesday, 23 November 2010 (both days inclusive), during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, 23 November 2010 will be entitled to receive the final dividend and the bonus shares. In order to qualify for the final dividend and the Bonus Issue, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with Tricor Standard Limited, the Company’s branch registrar in Hong Kong, at 26/F, Tesbury Centre, 28 Queen’s Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 17 November 2010.

# FINANCIAL REVIEW

## Group overview

The Group achieved a record-high profit attributable to shareholders of HK\$4.012 billion for FY2010, representing an increase of HK\$1.483 billion or 59%, as compared to HK\$2.529 billion in FY2009. Attributable Operating Profit (“AOP”) rose by 12% to HK\$2.843 billion in FY2010. Infrastructure division generated an AOP of HK\$1.452 billion, marking a decrease of 4% as compared to HK\$1.520 billion in FY2009. The AOP of Services division recorded a significant growth of 37% to HK\$1.391 billion in FY2010.

A significant gain from the disposal of controlling interest in Taifook Securities of HK\$728.7 million was recognized during FY2010. This is in line with the Group’s continuing corporate strategy to consolidate its non-core businesses in order to enhance shareholders’ value and to refocus its efforts and resources on stable growth areas such as infrastructure business.

The Group also recorded a net gain of HK\$541.1 million during the year through the disposal of several securities investments.

Sale of residential flats of Harbour Place continued and contributed a profit of HK\$337.9 million in FY2010 thanks to the robust property market.

Keen competition and shrinkage in margin owing to the adverse market conditions were foreseen for certain operations in the mechanical and engineering business and the facility services business. Hence impairment assessments were performed and a provision for goodwill impairment of HK\$226.4 million was recognized during the year.

<b>Contribution by Division</b>		
<b>For the year ended 30 June</b>		
	<b>2010</b>	2009
	<b>HK\$'m</b>	HK\$'m
Infrastructure	<b>1,451.9</b>	1,520.1
Services	<b>1,391.1</b>	1,017.0
<b>Attributable operating profit</b>	<b>2,843.0</b>	2,537.1
<i>Head office and non-operating items</i>		
Net gain on disposal of controlling interest in subsidiaries	<b>731.2</b>	39.4
Net gain/(loss) from securities investments, net of tax	<b>541.1</b>	(37.8)
Share of profit from Harbour Place	<b>337.9</b>	338.0
Net gain on disposal and restructuring of projects	<b>213.7</b>	176.3
Fair value gain/(loss) on investment properties, net of tax	<b>5.5</b>	(10.0)
Goodwill impairment	<b>(226.4)</b>	-
Assets impairment loss	<b>(30.5)</b>	(4.8)
Gain on deemed acquisition of interest in a subsidiary	<b>-</b>	32.6
Corporate interest income	<b>22.7</b>	16.1
Corporate finance costs	<b>(110.9)</b>	(214.1)
Share-based payment	<b>(15.3)</b>	(41.2)
Corporate expenses and others	<b>(300.3)</b>	(302.8)
	<b>1,168.7</b>	(8.3)
<b>Profit attributable to shareholders</b>	<b>4,011.7</b>	2,528.8

Contributions from operations in Hong Kong accounted for 57% of AOP in FY2010 as compared to 43% in FY2009. Mainland China and Macau contributed 35% and 8% respectively, as compared to 45% and 12% respectively in FY2009.

Final dividend for FY2010 of HK\$0.33 per share (2009: HK\$0.42) was proposed by the Board. The final dividend represents payment ratio of approximately 50.6% which is in line with the dividend policy of the Company.

## **Earnings per share**

The basic earnings per share increased by 56% from HK\$1.23 in FY2009 to HK\$1.92 in FY2010.

## OPERATIONAL REVIEW – INFRASTRUCTURE

### *AOP Contribution by Segment*

For the year ended 30 June

	<b>2010</b>	2009	Change %
	<b>HK\$'m</b>	HK\$'m	Fav./Unfav.)
Roads	<b>520.6</b>	789.4	(34)
Energy	<b>420.0</b>	245.0	71
Water	<b>233.3</b>	185.6	26
Ports & Logistics	<b>278.0</b>	300.1	(7)
Total	<b><u>1,451.9</u></b>	<u>1,520.1</u>	(4)

### **Roads**

Performance of Guangzhou City Northern Ring Road was severely affected by the partial closure of the expressway during its major repair and maintenance works from July to November 2009. Its average daily traffic flow shrank by 18% in FY2010.

The average daily traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Shenzhen-Huizhou Roadway and Expressway rose by 15% and 19% respectively when compared to FY2009.

The average daily traffic flow of Tangjin Expressway (Tianjin North Section) grew by 15%. However, the toll revenue dropped as the average toll per vehicle fell in FY2010.

The average daily traffic flow of Tate's Cairn Tunnel remained at a similar level in FY2010.

### **Energy**

The combined AOP of Zhujiang Power Plants for FY2010 achieved a growth of 94%. Combined electricity sales of Zhujiang Power Plants grew by 12% in FY2010 on the strength of the economic recovery.

The AOP from Chengdu Jintang Power Plant improved significantly in FY2010. Its electricity sales volume was up by 4% over FY2009 and achieved a better average tariff in FY2010.

Electricity sales of Macau Power reported a healthy growth of 8%, benefiting from the opening of new hotels and entertainment facilities during FY2010.



## **Water**

The acquisition of Chongqing Water Group Company Limited (“CWG”) in August 2008 provided a full-year contribution in FY2010. In March 2010, CWG was listed on the Shanghai Stock Exchange and our effective interest, as a result of the listing, has been diluted from 7.5% to 6.72%.

## **Ports and Logistics**

Xiamen New World Xiangyu Terminals Co., Ltd. reported an 8% growth in throughput volume to 753,000 TEUs as trade activities rebounded during FY2010. However, its average tariff dropped as competition in Xiamen intensified during the year.

Despite the global freight market downturn, ATL Logistics Centre is still making a steady profit contribution. The average occupancy remained high at 97% in FY2010.

China United International Rail Containers Co., Ltd. commenced operations of three terminals in Chongqing, Chengdu and Zhengzhou in FY2010. The throughput volume of Kunming terminal, which was opened in January 2008, increased remarkably by 68% to 267,000 TEUs in FY2010. The construction of the terminals in Dalian, Qingdao and Wuhan has been completed recently in the third quarter of 2010. All 18 rail container terminals are planned to be completed by end of 2012.

## OPERATIONAL REVIEW – SERVICES

### *AOP Contribution by Segment*

For the year ended 30 June

	<b>2010</b>	2009	Change %
	<b>HK\$'m</b>	HK\$'m	Fav.
Facilities Management	<b>825.1</b>	612.1	35
Contracting & Transport	<b>410.1</b>	285.7	44
Financial Services	<b>155.9</b>	119.2	31
Total	<b><u>1,391.1</u></b>	<u>1,017.0</u>	37

### **Facilities Management**

The Facilities Management segment comprises various service businesses including the Hong Kong Convention and Exhibition Centre (“HKCEC”), Free Duty and facility services such as property management, security and guarding, cleaning and laundry.

HKCEC achieved remarkable success with its exhibition business for FY2010 subsequent to the increase of its total rental space to 91,500 sq m after the completion of extension works in April 2009. During FY2010, 1,185 events were held with total patronage in excess of 4.8 million.

Benefiting from the robust growth in Mainland visitor arrivals via railway and the increased spending per passenger, Free Duty in MTR Lo Wu and MTR Hung Hom Stations registered particularly strong growths during FY2010 with an increasing trend in average spending per passenger. MTR Lok Ma Chau Station also recorded significant improvements in terms of both retail sales revenue and profits.

Profit contributions from the facility services business dropped by 14% over FY2009. The sharp decrease was primarily due to the loss of revenue and shrinkage in margin owing to keen competition in general.

## **Contracting & Transport**

The Contracting business gained an AOP of HK\$258.6 million for FY2010, representing a 40% increase over FY2009. The increase was mainly due to the general improvement in performance of the construction business in Hong Kong. As at 30 June 2010, the gross value of contracts on hand for the Construction business was approximately HK\$17.6 billion. The performance of the Group's mechanical and engineering business remained in line with our expectations. The total contracts on hand as at 30 June 2010 amounted to approximately HK\$5.4 billion.

The Group's Transport business scored an AOP of HK\$151.5 million for FY2010, representing a 49% increase over FY2009. The performance of local bus and ferry operations improved markedly as a result of the significant decline in overall fuel costs which had been hedged at a reasonable price level for the purpose of better cost control. Excluding a material gain on disposal of fixed assets recorded in FY2009, there was a turnaround in the operation of Macau ferry services with profit recorded due to reduction in fuel cost despite the decreasing trend of average daily patronage.

## **Financial Services**

A significant improvement in AOP contribution from Taifook Securities was chiefly due to increase in stock market turnover and greater contribution from its core operations including brokerage service, corporate finance and margin finance during FY2010 since the stock market showed clear signs of rebound in March 2009. As part of the Group's continuing corporate strategy to consolidate its service-related businesses, the Group reduced its shareholding interest in Taifook Securities from approximately 61.9% to approximately 9% on 21 December 2009 following the completion of disposal of 373,434,720 Taifook Securities shares to Hai Tong (HK) Financial Holdings Limited at HK\$4.88 per share.

Tricor Holdings Limited recorded a steady growth in its corporate services and investor services businesses during FY2010. Its business operations in Hong Kong and Singapore together contributed approximately 78% of the total profit during FY2010.

## BUSINESS OUTLOOK

The automobile industry gained major support from various national policies, including reduction of vehicle sales tax, subsidies for purchase of new vehicles on a trade-in basis, replacement of road maintenance fee with the newly introduced fuel tax and the cancellation of toll collection of grade II roadways. Yet challenges faced in toll roads will be intensified by surging investment costs and increasing government interventions such as Green Passage Policy and Expressway Widening Policy.

The operating environment for the power industry in Mainland China remained challenging. Coal price has gone up noticeably since the fourth quarter of 2009 and will put pressure on the profitability of power producers.

Environmental issue remains as a top priority on the Mainland Government's agenda. The Central Government's increased support for environmental initiatives, such as wastewater and sludge treatment, has created investment opportunities for this segment.

China has adopted various measures to stimulate domestic consumption to compensate for the decline in foreign trade volume. Throughput of Chinese ports, after a 6% negative growth in 2009, rose by 22.3% in the first half of 2010 on a period-to-period basis. However, it is expected the growth of container market will be slowed down in the second half of 2010.

In view of the increasing demand for logistics and distribution facilities in Hong Kong, the Group has capitalized on this opportunity by developing a new logistics warehouse in Kwai Chung which is scheduled for completion in 2011.

Facing increasing operational cost, we are aiming to maximize the revenue of our Facilities Management segment by promoting licence rental associated with food and beverage functions, exploring events to be held over off-peak seasons and giving priority to events with potential growth, together with investment in staff development and training.

Despite the negative impact on sales due to the HKSAR Government's new cigarette entry restriction for all arriving passengers, the revenue and profit contribution of Free Duty are expected to be maintained at a stable level, with increasing passenger traffic between Hong Kong and Mainland China. Management will concentrate on encouraging spending per passenger as the global economy continues to improve.

Expenditure on building and construction from public sector works continued to grow rapidly as the HKSAR Government expedited small-scale works and as some large-scale infrastructure projects started. However, private-sector construction activity remained slack. With this gradual pick-up in the construction activities in Hong Kong led by a booming property market and government infrastructure, our Construction business will concentrate its effort on the Hong Kong market, while downsizing or withdrawing from other markets.

The profit of the Transport business is highly dependent on the fuel prices which have been affected by the financial derivatives in addition to the supply and demand in the energy markets.

On 11 June 2010, NWD and the Company jointly announced that agreements were entered into in respect of the disposal of some of its non-core businesses under a management buyout arrangement, including (a) laundry and landscaping; (b) security and guarding; (c) trading of building materials; (d) senior residents' homes; (e) insurance brokerage; (f) property management in Hong Kong; (g) cleaning; and (h) electrical and mechanical engineering subject to certain conditions precedent. Total consideration for this disposal was HK\$888.5 million and the expected gain to be derived would amount to approximately HK\$0.3 billion upon completion of the transactions.

## **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 30 June 2010, the Group's total cash and bank balances amounted to HK\$5.158 billion, as compared to HK\$5.205 billion as at 30 June 2009. The Group also turned its Net Debt position of HK\$3.601 billion as at 30 June 2009 to Net Cash position of HK\$267.3 million as at 30 June 2010. The proceeds from the sale of the residential flats of Harbour Place and the disposal of Taifook Securities were the major contributors to the increase in cash and bank balances and reduced borrowings. In order to continually develop our core businesses, the Group is prepared to increase bank borrowings when necessary. The capital structure of the Group was 16% debt and 84% equity as at 30 June 2010, as compared to 27% debt and 73% equity as at 30 June 2009.

### **Debt profile and maturity**

As at 30 June 2010, the Group's Total Debt decreased to HK\$4.890 billion from HK\$8.806 billion as at 30 June 2009. Long-term bank loans and borrowings decreased to HK\$3.496 billion as at 30 June 2010 from HK\$5.467 billion as at 30 June 2009, with HK\$2.445 billion maturing in the second year and the remainder in the third to fifth year. Bank loans were all unsecured and mainly denominated in Hong Kong dollars and were mainly floating rate interest-bearing. The Group did not have any material exposure in exchange risk other than RMB during FY2010. No property, plant and equipment, investment properties or leasehold land and land use rights were pledged as at 30 June 2010.

### **Commitments**

The Group's commitments for capital expenditure were HK\$2.710 billion as at 30 June 2010 as compared to HK\$1.974 billion as at 30 June 2009. This represented commitment for capital contributions in certain associated companies, jointly controlled entities, other projects and listed investment of HK\$2.097 billion as at 30 June 2010 as compared to HK\$1.251 billion as at 30 June 2009, and commitments for properties and equipment of HK\$613.0 million as at 30 June 2010 as compared to HK\$723.3 million as at 30 June 2009. The share of commitments for capital expenditure committed by jointly controlled entities was HK\$982.8 million as at 30 June 2010 as compared to HK\$1.429 billion as at 30 June 2009. Sources of funding for capital expenditure include internally generated resources and banking facilities.

## **CONTINGENT LIABILITIES**

Contingent liabilities of the Group were HK\$239.0 million as at 30 June 2010 as compared to HK\$347.5 million as at 30 June 2009. 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\$115.4 million and HK\$111.7 million respectively as at 30 June 2010 as compared to HK\$11.9 million, HK\$223.9 million and HK\$111.7 million respectively as at 30 June 2009. The share of contingent liabilities of jointly controlled entities was HK\$2.6 million as at 30 June 2010, the same as that as at 30 June 2009.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 June 2010, approximately 40,000 staff were employed by entities under the Group's management of which approximately 21,000 were employed in Hong Kong. Total staff related costs excluding directors' remunerations, were HK\$2.468 billion (2009: HK\$2.743 billion), of which provident funds and staff bonuses were included. Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed accordingly to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

## **REVIEW OF ANNUAL RESULTS**

The Audit Committee of the Company 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 2010.

## **CORPORATE GOVERNANCE PRACTICES**

The Board is committed to maintaining a high standard of corporate governance practices within the Group and devotes considerable effort to identifying and formalizing best practices. It is believed 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.

Throughout FY2010, the Company has complied with all the applicable code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange.

## **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 FY2010.

### **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 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, 5 October 2010

*\* For identification purposes only*