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ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

FINANCIAL HIGHLIGHTS

Revenue	:	HK\$6,249.5 million
Profit attributable to shareholders	:	HK\$2,305.4 million
Earnings per share - basic	:	HK\$1.11
Interim dividend per share	:	HK\$0.62

RESULTS

The board of directors (the “Board”) of NWS Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 31 December 2009 (the “Current Period”) together with comparative figures for the six months ended 31 December 2008 (the “Last Period”) as follows:

Condensed Consolidated Income Statement - Unaudited

		For the six months ended	
		31 December	
		2009	2008
	<i>Note</i>	HK\$'m	HK\$'m
Revenue	2	6,249.5	8,658.2
Cost of sales		(5,113.2)	(7,681.3)
Gross profit		1,136.3	976.9
General and administrative expenses		(667.6)	(581.4)
Gain on disposal of controlling interest in a subsidiary	3	728.7	27.4
Other charges (net)	4	(29.9)	(42.7)
Operating profit	5	1,167.5	380.2
Finance costs		(61.2)	(142.1)
Share of results of			
Associated companies		303.3	20.0
Jointly controlled entities		1,116.6	618.6
Profit before income tax		2,526.2	876.7
Income tax expenses	6	(163.4)	(47.6)
Profit for the period		2,362.8	829.1
Attributable to			
Shareholders of the Company		2,305.4	813.3
Non-controlling interests		57.4	15.8
		2,362.8	829.1
Dividend	7	1,308.9	411.1
Earnings per share attributable to the shareholders of the Company	8		
Basic		HK\$1.11	HK\$0.40
Diluted		HK\$1.11	HK\$0.40

Condensed Consolidated Statement of Comprehensive Income - Unaudited

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Profit for the period	2,362.8	829.1
Other comprehensive income/(loss)		
Fair value changes of available-for-sale financial assets	217.2	(214.8)
Release of investment revaluation deficit to the income statement	-	139.5
Release of reserve upon disposal of available-for-sale financial assets	(268.2)	-
Release of reserve upon disposal of non-current assets classified as assets held for sale	(0.7)	-
Share of other comprehensive income/(loss) of a jointly controlled entity	31.8	(66.3)
Currency translation differences	1.5	(10.1)
	(18.4)	(151.7)
Total comprehensive income for the period	2,344.4	677.4
Total comprehensive income attributable to		
Shareholders of the Company	2,285.1	668.4
Non-controlling interests	59.3	9.0
	2,344.4	677.4

Condensed Consolidated Balance Sheet - Unaudited

	<i>Note</i>	At 31 December 2009 HK\$'m	At 30 June 2009 HK\$'m
ASSETS			
Non-current assets			
Investment properties		1,117.7	1,117.7
Property, plant and equipment		631.7	719.7
Leasehold land and land use rights		700.7	727.7
Intangible concession rights		944.3	977.3
Intangible assets		595.8	1,046.8
Associated companies		3,561.1	3,162.8
Jointly controlled entities		15,765.2	15,152.7
Available-for-sale financial assets		1,527.8	600.5
Other non-current assets		546.6	601.7
		25,390.9	24,106.9
Current assets			
Inventories		237.3	250.2
Trade and other receivables	9	5,363.1	10,725.4
Financial assets at fair value through profit or loss		1.9	63.3
Cash held on behalf of customers		-	3,661.9
Cash and bank balances		7,919.5	5,205.1
		13,521.8	19,905.9
Non-current assets classified as assets held for sale		252.7	265.8
		13,774.5	20,171.7
Total assets		39,165.4	44,278.6

Condensed Consolidated Balance Sheet - Unaudited (continued)

		At 31 December 2009 HK\$'m	At 30 June 2009 HK\$'m
	<i>Note</i>		
EQUITY			
Share capital		2,071.3	2,071.3
Reserves		21,222.8	20,234.0
Proposed final dividend		-	869.9
Interim dividend		1,308.9	-
Shareholders' funds		24,603.0	23,175.2
Non-controlling interests		272.8	1,084.2
Total equity		24,875.8	24,259.4
LIABILITIES			
Non-current liabilities			
Borrowings		5,003.1	5,466.5
Other non-current liabilities		312.6	319.7
		5,315.7	5,786.2
Current liabilities			
Trade and other payables	10	7,379.0	10,671.7
Taxation		191.3	221.8
Borrowings		1,403.6	3,339.5
		8,973.9	14,233.0
Total liabilities		14,289.6	20,019.2
Total equity and liabilities		39,165.4	44,278.6
Net current assets		4,800.6	5,938.7
Total assets less current liabilities		30,191.5	30,045.6

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial information (the “interim financial information”) has been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”). The interim financial information should be read in conjunction with the 2009 annual financial statements.

The accounting policies used in the preparation of this condensed consolidated interim financial information is consistent with those set out in the annual report for the year ended 30 June 2009 except for the adoption of the new or revised standards, which are further explained as below. The Group has adopted the following new or revised standards, amendments and interpretations which are relevant to the Group’s operations and are mandatory for the financial year ending 30 June 2010:

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
Annual Improvements Project	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 and accounting policies (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.

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 condensed consolidated statement of comprehensive income is included after the condensed consolidated income statement in the interim financial information for the Current Period.

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 the Current Period.

1. Basis of preparation and accounting policies (continued)

The effect of the changes in the accounting policies following the adoption of the HKAS 27 (Revised) on the interim condensed consolidated income statement for the Current Period and the interim condensed consolidated balance sheet as at 31 December 2009 are as follows:

Condensed Consolidated Income Statement

**For the six months ended
31 December 2009
HK\$m**

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

Condensed Consolidated Balance Sheet

**At 31 December 2009
HK\$m**

Increase in interest in associated companies	105.8
Increase in revenue reserve	105.8

1. Basis of preparation and accounting policies (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

Annual Improvements Project	Improvements to HKFRSs 2009
HKFRS 1 Amendment	Additional Exemptions for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HKAS 32 Amendment	Classification of Right Issues
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

Effective for the year ending 30 June 2012 or after

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 profits. 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 segment information provided to the Executive Committee for the reportable segments for the Current Period is as follow:

HK\$m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Contracting & Transport	Financial Services	Segment total	Eliminations	Total
For the six months ended									
31 December 2009									
External	-	106.1	1.9	2,984.1	2,665.6	491.8	6,249.5	-	6,249.5
Inter-segment	-	-	-	49.7	229.3	7.6	286.6	(286.6)	-
Revenue	-	106.1	1.9	3,033.8	2,894.9	499.4	6,536.1	(286.6)	6,249.5
Attributable operating profit									
Company and subsidiaries									
	1.3	10.0	-	399.2	70.4	88.5	569.4	-	569.4
Associated companies	24.9	(7.1)	-	0.5	69.1	32.0	119.4	-	119.4 (2(b))
Jointly controlled entities									
	125.5	230.6	337.7	0.7	118.9 (i)	-	813.4	-	813.4 (2(b))
	151.7	233.5	337.7	400.4	258.4	120.5	1,502.2	-	1,502.2
Reconciliation									
Gain on disposal of controlling interest in a subsidiary									728.7
Share of profit from Harbour Place									327.7
Net gain from securities investments									224.9 (ii)
Goodwill impairment									(226.4)
Assets impairment loss									(30.5)
Corporate interest income									8.0
Corporate finance costs									(59.1)
Share-based payment									(10.3)
Corporate expenses and others									(159.8)
Profit attributable to shareholders									<u>2,305.4</u>

- (i) The share of results of jointly controlled entities in respect of the Contracting and Transport segment included the Group's share of attributable operating profit of HK\$70.9 million from its Transport business.
- (ii) The amount included the Group's share of profits of HK\$187.1 million from three investment companies.

2. Revenue and segment information (continued)

HK\$m	Ports & Logistics		Energy & Water	Facilities Management	Contracting & Transport	Financial Services	Segment			Consolidated
	Logistics	Roads	& Water	Management	& Transport	Services	total	Corporate	Eliminations	
For the six months ended										
31 December 2009										
Depreciation	-	1.0	-	29.6	12.5	17.1	60.2	3.8	-	64.0
Amortization of leasehold land and land use rights	-	-	-	0.1	0.7	-	0.8	0.2	-	1.0
Amortization of intangible concession rights	-	33.0	-	-	-	-	33.0	-	-	33.0
Amortization of intangible assets	-	-	-	15.6	-	3.9	19.5	-	-	19.5
Additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets	17.1	1.2	-	54.0	28.1	17.1	117.5	1.2	-	118.7
Interest income	0.6	9.8	-	0.1	7.8	6.9	25.2	8.0	(3.1)	30.1
Finance costs	-	0.2	-	0.4	4.6	-	5.2	59.1	(3.1)	61.2
Income tax expenses	1.5	23.4	-	83.5	27.2	27.8	163.4	-	-	163.4
As at 31 December 2009										
Company and subsidiaries	1,255.1	1,265.0	2.8	3,493.0	6,583.2	108.3	12,707.4	7,131.7	-	19,839.1
Associated companies	344.8	416.0	-	1.8	1,044.8	734.1	2,541.5	1,019.6	-	3,561.1
Jointly controlled entities	3,170.2	5,112.4	5,307.6	19.2	1,666.6 (i)	-	15,276.0	489.2	-	15,765.2
Total assets	4,770.1	6,793.4	5,310.4	3,514.0	9,294.6	842.4	30,524.9	8,640.5	-	39,165.4
Total liabilities	3.1	402.9	4.6	941.2	4,851.7	76.6	6,280.1	8,009.5	-	14,289.6

- (i) The balance of jointly controlled entities in respect of the Contracting and Transport segment included the Group's investment in its Transport business of HK\$1,499.2 million.

2. Revenue and segment information (continued)

HK\$'m	Ports & Logistics		Energy & Water	Facilities Management	Contracting & Transport	Financial Services	Segment total	Eliminations	Total
	Logistics	Roads	& Water	Management	& Transport	Services	total		
For the six months ended									
31 December 2008									
External	-	154.1	4.8	2,733.3	5,434.2	331.8	8,658.2	-	8,658.2
Inter-segment	-	-	-	53.4	364.1	5.8	423.3	(423.3)	-
Revenue	-	154.1	4.8	2,786.7	5,798.3	337.6	9,081.5	(423.3)	8,658.2
Attributable operating profit									
Company and subsidiaries									
	1.4	45.8	-	313.6	116.0	8.1	484.9	-	484.9
Associated companies	27.6	(22.0)	2.5	-	24.8	29.3	62.2	-	62.2 (2(b))
Jointly controlled entities									
	142.9	358.8	133.4	1.1	57.9 (i)	-	694.1	-	694.1 (2(b))
	171.9	382.6	135.9	314.7	198.7	37.4	1,241.2	-	1,241.2
Reconciliation									
Gain on disposal of controlling interest in a subsidiary									27.4
Net gain on disposal and restructuring of projects									97.4
Share of loss from Harbour Place									(32.8)
Net loss from securities investments									(258.5) (ii)
Assets impairment loss									(3.2)
Gain on deemed acquisition of interest in a subsidiary									32.6
Fair value loss of investment properties, net of tax									(10.0)
Corporate interest income									11.8
Corporate finance costs									(135.5)
Share-based payment									(25.4)
Corporate expenses and others									(131.7)
Profit attributable to shareholders									813.3

- (i) The share of results of jointly controlled entities in respect of the Contracting and Transport segment included the Group's share of attributable operating profit of HK\$54.7 million from its Transport business.
- (ii) The amount included the Group's share of losses of HK\$38.1 million from three investment companies.

2. Revenue and segment information (continued)

HK\$'m	Segment						Corporate	Eliminations	Consolidated	
	Ports & Logistics	Roads	Energy & Water	Facilities Management	Contracting & Transport	Financial Services				total
For the six months ended										
31 December 2008										
Depreciation	0.3	0.7	-	27.4	15.0	13.1	56.5	3.2	-	59.7
Amortization of leasehold land and land use rights	-	-	-	0.1	0.7	-	0.8	0.3	-	1.1
Amortization of intangible concession rights	-	38.2	-	-	-	-	38.2	-	-	38.2
Amortization of intangible assets	-	-	-	-	-	3.9	3.9	-	-	3.9
Additions to non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets	62.2	1.8	-	104.3	4.3	29.7	202.3	0.3	-	202.6
Interest income	1.1	5.9	-	4.0	9.9	30.3	51.2	11.8	(3.1)	59.9
Finance costs	-	3.9	-	1.4	4.4	-	9.7	135.5	(3.1)	142.1
Income tax expenses	0.2	(0.4)	-	25.9	21.1	0.8	47.6	-	-	47.6
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	22,269.7	3,693.4	-	25,963.1
Associated companies	333.5	422.9	-	1.9	1,050.8	437.3	2,246.4	916.4	-	3,162.8
Jointly controlled entities	2,861.7	5,417.0	5,174.1	18.6	1,516.1 (i)	-	14,987.5	165.2	-	15,152.7
Total assets	4,229.6	7,739.5	5,177.4	3,429.4	9,394.8	9,532.9	39,503.6	4,775.0	-	44,278.6
Total liabilities	2.5	445.3	9.9	824.2	5,082.6	7,022.7	13,387.2	6,632.0	-	20,019.2

- (i) The balance of jointly controlled entities in respect of the Contracting and Transport segment 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 condensed consolidated income statement:

HK\$'m	<u>Associated companies</u>		<u>Jointly controlled entities</u>	
	<u>For the six months ended</u>		<u>For the six months ended</u>	
	31 December		31 December	
	2009	2008	2009	2008
Attributable operating profit	119.4	62.2	813.4	694.1
Corporate associated companies and jointly controlled entities				
Investment companies	187.1	(38.1)	-	-
Harbour Place	-	-	327.7	(32.8)
Others	(3.2)	(4.1)	(24.5)	(42.7)
Share of results of associated companies and jointly controlled entities	303.3	20.0	1,116.6	618.6

(c) Information by geographical areas:

HK\$'m	<u>Segment revenue</u>		<u>Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets</u>	
	<u>For the six months ended</u>		<u>As at</u>	<u>As at</u>
	31 December		31 December	30 June
	2009	2008	2009	2009
Hong Kong	5,027.6	5,752.6	2,917.4	3,464.8
Mainland China	677.6	969.2	1,013.5	1,057.4
Macau	541.7	1,933.5	59.3	67.0
Others	2.6	2.9	-	-
	6,249.5	8,658.2	3,990.2	4,589.2

3. Gain on disposal of controlling interest in a subsidiary

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Net profit on disposal of partial interest in a subsidiary	622.9	27.4
Fair value gain on non-controlling interest retained	105.8	-
	<u>728.7</u>	<u>27.4</u>

Pursuant to a sale and purchase agreement dated 19 November 2009, the Group disposed of part of its interest in Taifook Securities Group Limited (“Taifook Securities”) during the Current Period and the transaction was completed on 21 December 2009 (the “Disposal”). Immediately before the completion of the transaction, 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 the remaining 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, that consolidated or would have consolidated in the Group’s financial statements as if Taifook Securities continued as a subsidiary of the Company are set out below:

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Revenue	480.9	320.2
Profit for the period	140.4	0.6
	At	At
	31 December	30 June
	2009	2009
	HK\$'m	HK\$'m
Total assets	8,410.1	9,094.4
Total liabilities	6,200.3	6,972.1

4. Other charges (net)

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Profit on disposal of available-for-sale financial assets	93.5	-
Profit on disposal of non-current assets classified as assets held for sale	20.6	-
Net profit/(loss) on disposal of financial assets at fair value through profit or loss	10.0	(27.2)
Fair value gain/(loss) on financial assets at fair value through profit or loss	4.8	(105.2)
Interest income	30.1	59.9
Management fee income	25.3	23.3
Machinery hire income	16.2	22.2
Dividends and other income	26.5	4.8
Gain from extinguishment of financial liabilities	-	105.0
Gain on deemed acquisition of interest in a subsidiary	-	32.6
Goodwill impairment	(226.4)	-
Assets impairment loss	(30.5)	(5.1)
Impairment loss of available-for-sale financial assets	-	(139.5)
Fair value loss of investment properties	-	(12.0)
Loss on disposal of a jointly controlled entity	-	(1.5)
	<u>(29.9)</u>	<u>(42.7)</u>

5. Operating profit

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

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Crediting		
Gross rental income from investment properties	22.2	23.0
Less: outgoings	(5.8)	(5.6)
	16.4	17.4
Charging		
Cost of inventories sold	869.9	781.0
Depreciation	64.0	59.7
Amortization of leasehold land and land use rights	1.0	1.1
Amortization of intangible concession rights	33.0	38.2
Amortization of intangible assets	19.5	3.9
Exchange losses	1.1	0.7
Operating lease rental expenses		
Properties	63.7	65.7
Other equipment	2.5	3.5

6. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits for the Current Period. Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profits for the Current Period at the rates of tax prevailing in the countries in which the Group operates. These rates range from 9% to 25% (2008: 3% to 33%).

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

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Current income tax		
Hong Kong profits tax	109.8	42.7
Mainland China and overseas taxation	49.1	24.7
Deferred income tax charge/(credit)	4.5	(19.8)
	<u>163.4</u>	<u>47.6</u>

Share of taxation of associated companies and jointly controlled entities of HK\$19.2 million (2008: HK\$13.4 million) and HK\$206.7 million (2008: HK\$91.1 million) are included in the condensed consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

7. Dividend

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Interim dividend declared of HK\$0.62 (2008: paid of HK\$0.20) per share	<u>1,308.9</u>	<u>411.1</u>

8. Earnings per share

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

	For the six months ended	
	31 December	
	2009	2008
	HK\$'m	HK\$'m
Profit attributable to shareholders of the Company and for calculation of diluted earnings per share	<u>2,305.4</u>	<u>813.3</u>
	Number of shares	
	2009	2008
Weighted average number of shares for calculating basic earnings per share	2,071,307,860	2,056,098,998
Effect of dilutive potential ordinary shares Share options	<u>-</u>	<u>44,050</u>
Weighted average number of shares for calculating diluted earnings per share	<u>2,071,307,860</u>	<u>2,056,143,048</u>

9. Trade and other receivables

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

	At 31 December 2009 HK\$'m	At 30 June 2009 HK\$'m
Receivables arising from securities business (i)	-	2,746.0
Other trade receivables	<u>1,255.7</u>	<u>1,217.9</u>
	<u>1,255.7</u>	<u>3,963.9</u>

- (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 to be settled within one week after 30 June 2009. As set out in note 3, the Group disposed of its controlling interest in securities business in December 2009.

The ageing analysis of trade receivables is as follows:

	At 31 December 2009 HK\$'m	At 30 June 2009 HK\$'m
Under 3 months	966.4	3,737.5
4 to 6 months	191.2	80.3
Over 6 months	98.1	146.1
	<u>1,255.7</u>	<u>3,963.9</u>

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

10. Trade and other payables

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

	At 31 December 2009 HK\$'m	At 30 June 2009 HK\$'m
Payables arising from securities business	(i) -	4,694.1
Other trade payables	(ii) 792.9	453.2
	792.9	5,147.3

- (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:

	At 31 December 2009 HK\$'m	At 30 June 2009 HK\$'m
Under 3 months	710.1	355.9
4 to 6 months	27.3	40.3
Over 6 months	55.5	57.0
	792.9	453.2

11. Comparative figures

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

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the year ending 30 June 2010 in scrip form equivalent to HK\$0.62 per share with a cash option to shareholders registered on 13 April 2010.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholders could elect to receive in cash and they be given the option to elect to receive payment in cash of HK\$0.62 per share instead of the allotment of shares. Full details of the interim scrip dividend will be set out in a circular to be sent to shareholders together with a form of election for cash on or about 27 April 2010.

BOOK CLOSE DATES

Book close dates (both days inclusive):	Thursday, 8 April 2010 to Tuesday, 13 April 2010
Latest time to lodge transfer with transfer office:	4:30 pm on Wednesday, 7 April 2010
Name and address of transfer office:	Tricor Standard Limited 26/F, Tesbury Centre 28 Queen's Road East, Hong Kong

FINANCIAL REVIEW

Group overview

The Group reported an outstanding profit attributable to shareholders of HK\$2.305 billion for the Current Period, an increase of HK\$1.492 billion or 183%, as compared to HK\$813.3 million for the Last Period. Attributable Operating Profit (“AOP”) of the Group rose 21% to HK\$1.502 billion in the Current Period. Infrastructure division generated an AOP of HK\$722.9 million, marking an increase of 5% as compared to HK\$690.4 million in the Last Period. The AOP of Services division achieved a significant growth of 41% to HK\$779.3 million in the Current Period.

A significant gain from the partial disposal of Taifook Securities of HK\$728.7 million was recognized during the Current Period. 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.

Sale of residential flats of Harbour Place during the Current Period contributed a profit of HK\$327.7 million owing to the robust property market in 2009.

The Group also realized a net gain of HK\$224.9 million during the Current Period through the disposals of several securities investments.

The Group foresees certain operations in the mechanical and engineering business and the facility services business may continue to operate under keen competition and shrinkage in margin owing to the adverse market conditions. Therefore, impairment assessments were performed and a provision for goodwill impairment of HK\$226.4 million was recognized during the Current Period.

Contribution by Division		
For the six months ended 31 December		
	2009	2008
	HK\$m	HK\$m
Infrastructure	722.9	690.4
Services	779.3	550.8
Attributable operating profit	1,502.2	1,241.2
<i>Head office and non-operating items</i>		
Gain on disposal of controlling interest in a subsidiary	728.7	27.4
Net gain on disposal and restructuring of projects	-	97.4
Share of profit/(loss) from Harbour Place	327.7	(32.8)
Net gain/(loss) from securities investments	224.9	(258.5)
Goodwill impairment	(226.4)	-
Assets impairment loss	(30.5)	(3.2)
Gain on deemed acquisition of interest in a subsidiary	-	32.6
Fair value loss of investment properties, net of tax	-	(10.0)
Corporate interest income	8.0	11.8
Corporate finance costs	(59.1)	(135.5)
Share-based payment	(10.3)	(25.4)
Corporate expenses and others	(159.8)	(131.7)
	803.2	(427.9)
Profit attributable to shareholders	2,305.4	813.3

Contributions from operations in Hong Kong accounted for 60% of AOP in the Current Period as compared to 46% in the Last Period. Mainland China and Macau contributed 35% and 5% respectively, as compared to 42% and 12% respectively in the Last Period.

Earnings per share

The basic earnings per share increased by 178% from HK\$0.40 in the Last Period to HK\$1.11 in the Current Period.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the six months ended 31 December

	2009	2008	Change %
	HK\$'m	HK\$'m	Fav./Unfav.)
Roads	233.5	382.6	(39)
Energy	216.9	42.8	407
Water	120.8	93.1	30
Ports & Logistics	151.7	171.9	(12)
Total	<u>722.9</u>	<u>690.4</u>	5

Roads

The decrease in AOP was mainly due to the performance of Guangzhou City Northern Ring Road, which 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 decreased significantly by 33% in the Current Period. Performance of other expressways within the Pearl River Delta Region rebounded during the Current Period. Average daily traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Shenzhen-Huizhou Roadway and Expressway grew by 11% and 13% respectively when compared to the Last Period.

The average daily traffic flow of Tangjin Expressway (Tianjin North Section) grew by 28% mainly due to the economic development of the Bohai Rim region and the introduction of administrative measures to bar overloaded trucks in July 2009 which led to an increase in their frequency of travel within normal capacity. However, its toll revenue dropped by 1% as the average toll per vehicle fell.

The average daily traffic flow of Tate's Cairn Tunnel ("TCT") decreased by 3% due to the opening of Route 8 in March 2008 and a toll hike by TCT in November 2008. Average toll per vehicle increased as a result of the toll hike during the Current Period.

Energy

AOP of the Energy segment surged from HK\$42.8 million to HK\$216.9 million mainly due to the growth in electricity sales and softened coal prices during the Current Period.

Combined electricity sales of Zhujiang Power Plants grew by 11% on the strength of the economic recovery. Electricity sales of Chengdu Jintang Power Plant was up 10% from the Last Period.

Electricity sales of Macau Power also registered an increase of 7% due to the opening of new hotels and entertainment facilities during the Current Period.

Water

Contribution from water projects in Mainland China rose 4% during the Current Period.

The acquisition of Chongqing Water Group in August 2008 provided a full-period contribution in the Current Period.

In March 2009, the Group acquired a 26% effective interest in Tianjin Jieyuan Water Plant, which has been contributing an AOP ever since.

Ports and Logistics

Xiamen New World Xiangyu Terminals Co., Ltd. reported a 2% decrease in throughput volume to 373,000 TEUs. In Tianjin, the throughput of Tianjin Orient Container Terminals Co., Ltd. shrunk 3% to 458,000 TEUs as a result of competition from new terminals and a slowdown in economic activities. Tianjin Five Continents International Container Terminal Co., Ltd. handled 997,000 TEUs during the Current Period, rebounded by 2% mainly due to the increase in domestic trade activities. However, its handling income dropped due to the change in cargo mix.

Owing to the global freight market downturn, profit contribution from ATL Logistics Centre fell during the Current Period. While the average occupancy rate maintained at a high level of 97% and an increase in overall average rental was observed during the Current Period, a significant drop in container freight station revenue, storage and gate charge income was recorded. With the aim of providing professional warehousing and terminal services for an ever-growing global clientele, a new logistics warehouse in Kwai Chung with a total leasable area of approximately 920,000 sq ft under construction is scheduled for completion by 2011.

China United International Rail Containers Co., Ltd., the joint venture company that develops 18 rail container terminals in Mainland China, was established in March 2007. The new Chongqing Terminal commenced operation in December 2009 and the Kunming Terminal handled a total throughput of 110,000 TEUs during the Current Period, representing an increase of 31% over the Last Period. The construction of the terminals in Zhengzhou, Chengdu, Dalian, Qingdao, Wuhan and Xian is expected to be completed in 2010. All 18 rail container terminals are planned to be completed by end of 2012.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the six months ended 31 December

	2009	2008	Change %
	HK\$'m	HK\$'m	Fav./Unfav.)
Facilities Management	400.4	314.7	27
Contracting & Transport	258.4	198.7	30
Financial Services	120.5	37.4	222
Total	<u>779.3</u>	<u>550.8</u>	41

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 a remarkable success with its exhibition business for the Current Period subsequent to the increase of its total rental space to 91,500 sq m after the completion of extension works in April 2009. During the Current Period, 547 events were held in total with total patronage in excess of 3.4 million. Most recurrent international trade exhibitions reflected growth in gross exhibition space and increase in the overall attendance. The food and beverage revenue also improved following the opening of three new restaurants and the additional banquet space provided. HKCEC will not rest on its laurels but continue to enhance its services, facilities and equipment in order to maintain its leading position in the market.

Free Duty, the duty free tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong, achieved outstanding results during the Current Period. Benefiting from the robust growth in Mainland Chinese visitor arrivals via railway and the increased spending per passenger, Free Duty in Lo Wu and Hung Hom MTR Stations registered particularly strong growths during the Current Period. Lok Ma Chau MTR Station also recorded significant improvements in terms of both retail sales revenue and profits.

Profit contributions from the facility services business dropped by 30% over the Last Period. The sharp decrease was primarily due to the loss of revenue in general resulting from the economic downturn. The Group’s property management portfolio remains impressive, covering over 16.5 million sq m of commercial, industrial and residential areas in Hong Kong and Mainland China.

Contracting & Transport

The Contracting business achieved an AOP of HK\$187.5 million for the Current Period, representing a 32% increase over the Last Period. The increase was mainly due to the general improvement in performance of the construction business in Hong Kong. As at 31 December 2009, the gross value of contracts on hand for the Construction Group was approximately HK\$21.2 billion. Although the impact of the global financial tsunami is yet to be fully reflected, the management is cautiously optimistic about the medium to long-term prospects in Hong Kong, and the Group is well positioned to take advantage of mega-sized projects. The performance of the Group's mechanical and engineering business remained satisfactory which is in line with our expectation. The total contracts on hand as at 31 December 2009 amounted to approximately HK\$5.4 billion and the remaining value amounted to HK\$2.6 billion. The mechanical and engineering business will continue to operate under keen competitions with decreasing margin and increasing operating costs.

The Group's Transport business achieved an AOP of HK\$70.9 million for the Current Period, representing a 25% increase over the Last Period. The performance of local bus and ferry operations improved significantly as a result of the decline in overall fuel costs which have been hedged at a reasonable price level for the purpose of better cost control. The drop in results of the Macau ferry services was mainly due to the material gain on disposal of fixed assets recorded in the Last Period.

Financial Services

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

A significant improvement in AOP contribution from Taifook Securities was chiefly due to increase in stock market turnover and higher contribution from its core operations including brokerage service, corporate finance and margin finance during the Current Period 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, we reduced our shareholding interest in Taifook Securities to approximately 9% from approximately 61.86% 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.

Having successfully expanded into 21 cities in 12 countries/territories, Tricor has acquired two companies in the Current Period, which provide software consulting and general business support services in Malaysia. Its business operations in Hong Kong and Singapore together contributed over 80% of the total profit during the Current Period.

OUTLOOK

There is clear evidence of a global economic recovery but various challenges still exist which will impact on Mainland China and Hong Kong. In the case of the Group, both our Infrastructure and Services divisions have benefitted from the recovery, albeit in different degrees. We will continue to expand our investments in infrastructure projects in Mainland China. At the same time, the Group will continue to consolidate its non-core businesses in order to enhance shareholders' value. The disposal of the majority shareholding in Taifook Securities is part of this corporate strategy. Resulting from this disposal, the Group has for the first time achieved a net cash position, this will allow the Group to deploy substantial capital to invest in large-scale infrastructure projects.

FINANCIAL RESOURCES

Treasury management and cash funding

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

Liquidity

As at 31 December 2009, the Group's total cash and bank balances amounted to HK\$7.920 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\$1.513 billion as at 31 December 2009. The proceeds from the sale of the residential flats of Harbour Place and the disposal of Taifook Securities were the major contributors of the increase in cash and bank balances and reduced borrowings. The capital structure of the Group was 20% debt and 80% equity as at 31 December 2009, as compared to 27% debt and 73% equity as at 30 June 2009.

Debt profile and maturity

As at 31 December 2009, the Group's Total Debt decreased to HK\$6.407 billion from HK\$8.806 billion as at 30 June 2009. Long-term bank loans and borrowings decreased to HK\$5.003 billion as at 31 December 2009 from HK\$5.467 billion as at 30 June 2009, with HK\$2.678 billion maturing in the second year and the remaining 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 the Current Period. No property, plant and equipment, investment properties or leasehold land and land use rights were pledged as at 31 December 2009.

Commitments

The Group's commitments for capital expenditure were HK\$1.125 billion as at 31 December 2009 as compared to HK\$1.974 billion as at 30 June 2009. This represented commitment for capital contributions in certain associated companies and jointly controlled entities and other projects of HK\$722.4 million as at 31 December 2009 as compared to HK\$1.251 billion as at 30 June 2009, and commitments for property, plant and equipment of HK\$403.0 million as at 31 December 2009 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\$933.3 million as at 31 December 2009 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\$347.5 million as at both 31 December 2009 and 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\$223.9 million and HK\$111.7 million respectively as at both 31 December 2009 and 30 June 2009. The share of contingent liabilities of jointly controlled entities was HK\$2.6 million as at both 31 December 2009 and 30 June 2009.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2009, over 40,000 staff were employed by entities under the Group's management of which approximately 22,000 were employed in Hong Kong. Total staff related costs excluding directors' remunerations, were HK\$1.355 billion (2008: HK\$1.422 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 INTERIM RESULTS

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

The unaudited interim results of the Company for the Current Period have been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance practices within the Group. The Group has made further inroads towards building a good corporate governance culture through adopting the best practices, ensuring full compliance of laid down rules and regulations and updating members on the latest developments on the corporate governance front.

Throughout the six months ended 31 December 2009, the Company has complied with all the applicable code provisions in the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

THE BOARD

As at the date of this announcement: (a) the executive directors of the Company are Dr Cheng Kar Shun, Henry, Mr Tsang Yam Pui, Mr Wong Kwok Kin, Andrew, 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, 16 March 2010

** For identification purposes only*