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新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(stock code: 659)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

FINANCIAL HIGHLIGHTS

Revenue	**:**	**HK$6,941.9 million**
Profit attributable to shareholders	**:**	**HK$3,423.1 million**
Earnings per share – basic and diluted	**:**	**HK$1.01**
Interim dividend per share	**:**	**HK$0.50**

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 2011 (the "Current Period"), together with comparative figures for the six months ended 31 December 2010 (the "Last Period") as follows:

Condensed Consolidated Income Statement – Unaudited

		For the six months ended 31 December	
		2011	2010
	Note	**HK$'m**	HK$'m
Revenue	*2*	**6,941.9**	4,734.0
Cost of sales		**(5,451.9)**	(3,902.3)
Gross profit		**1,490.0**	831.7
Gain on deemed disposal of interest in a subsidiary	*8*	**1,842.7**	-
Other income/gains (net)	*3*	**76.1**	739.4
General and administrative expenses		**(346.8)**	(300.3)
Operating profit	*4*	**3,062.0**	1,270.8
Finance costs		**(211.3)**	(49.5)
Share of results of			
Associated companies		**280.5**	198.1
Jointly controlled entities		**711.4**	1,175.1
Profit before income tax		**3,842.6**	2,594.5
Income tax expenses	*5*	**(275.4)**	(187.3)
Profit for the period		**3,567.2**	2,407.2
Attributable to			
Shareholders of the Company		**3,423.1**	2,391.2
Non-controlling interests		**144.1**	16.0
		3,567.2	2,407.2
Dividend	*6*	**1,731.3**	1,226.9
Earnings per share attributable to the shareholders of the Company			
Basic and diluted	*7*	**HK$1.01**	HK$0.73

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Profit for the period	**3,567.2**	2,407.2
Other comprehensive income/(loss)		
Fair value changes on available-for-sale financial assets	**(325.0)**	230.9
Release of investment revaluation deficit to the income statement upon impairment of available-for-sale financial assets	**195.6**	-
Release of reserve upon disposal of available-for-sale financial assets	**(10.0)**	(0.6)
Release of reserves upon disposal of assets held for sale	**(0.5)**	(3.1)
Release of exchange reserve upon disposal of a subsidiary	**-**	(10.0)
Share of other comprehensive income of an associated company and jointly controlled entities	**29.3**	2.7
Cash flow hedges	**(66.6)**	53.5
Currency translation differences	**318.9**	289.2
	141.7	562.6
Total comprehensive income for the period	**3,708.9**	2,969.8
Total comprehensive income attributable to		
Shareholders of the Company	**3,555.6**	2,948.5
Non-controlling interests	**153.3**	21.3
	3,708.9	2,969.8

Condensed Consolidated Statement of Financial Position – Unaudited

	Note	At 31 December 2011 HK$'m	At 30 June 2011 HK$'m
ASSETS			
Non-current assets			
Investment properties		**3,085.7**	3,121.2
Property, plant and equipment		**386.1**	332.5
Intangible concession rights		**17,083.3**	894.6
Intangible assets		**533.2**	548.8
Associated companies	*8*	**8,631.8**	4,136.0
Jointly controlled entities		**19,662.8**	21,136.1
Available-for-sale financial assets		**1,148.3**	1,654.9
Other non-current assets		**13.7**	814.3
		50,544.9	32,638.4
Current assets			
Inventories		**384.9**	340.6
Trade and other receivables	*9*	**4,272.0**	3,410.9
Financial assets at fair value through profit or loss		**1.5**	1.6
Restricted bank balances		**332.5**	-
Cash and bank balances		**7,462.5**	4,500.5
		12,453.4	8,253.6
Assets held for sale	*10*	**156.3**	3,245.8
		12,609.7	11,499.4
Total assets		**63,154.6**	44,137.8

Condensed Consolidated Statement of Financial Position – Unaudited (continued)

	Note	At 31 December 2011 HK$'m	At 30 June 2011 HK$'m
EQUITY			
Share capital		**3,461.3**	3,387.6
Reserves		**29,248.4**	26,571.9
Proposed final dividend		**-**	1,118.0
Interim dividend		**1,731.3**	-
Shareholders' funds		**34,441.0**	31,077.5
Non-controlling interests		**868.3**	1,268.6
Total equity		**35,309.3**	32,346.1
LIABILITIES			
Non-current liabilities			
Borrowings		**12,290.3**	2,763.7
Deferred tax liabilities		**2,568.0**	269.0
Other non-current liabilities		**241.3**	194.7
		15,099.6	3,227.4
Current liabilities			
Trade and other payables	*11*	**4,881.6**	3,742.4
Taxation		**508.4**	322.6
Borrowings		**7,355.7**	3,898.3
		12,745.7	7,963.3
Liabilities directly associated with assets held for sale	*10*	**-**	601.0
		12,745.7	8,564.3
Total liabilities		**27,845.3**	11,791.7
Total equity and liabilities		**63,154.6**	44,137.8
Net current (liabilities)/assets		**(136.0)**	2,935.1
Total assets less current liabilities		**50,408.9**	35,573.5

Notes:

1. Basis of preparation

The unaudited condensed consolidated interim financial statements (the "interim financial statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The interim financial statements should be read in conjunction with the June 2011 annual financial statements.

To finance the acquisition of Hangzhou Ring Road during the Current Period, the Group has drawn down a HK$5.0 billion bridging facility. Given the bridging facility will mature within one year whilst the majority of assets acquired are non-current in nature, the Group recorded net current liabilities amounting to HK$136.0 million as at 31 December 2011. With the subsequent successful issuance of US$500.0 million (approximately HK$3.9 billion) bonds (note 12(a)), the Group has returned to a net current assets position. Taking into account the available unutilized committed bank loan facilities and expected cash flows from operations, it is reasonable to expect that the Group will have adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, the Group has continued to adopt the going concern basis in preparing the interim financial statements.

The accounting policies used in the preparation of these interim financial statements are consistent with those set out in the annual report for the year ended 30 June 2011 except for the adoption of the revised standard, amendments to standards and interpretations, which are further explained as below.

1. Basis of preparation (continued)

(a) Adoption of new or revised standards

The Group has adopted the following revised standard, amendments to standards and interpretations which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2012:

HKFRSs Amendments	Improvements to HKFRSs 2010
HKFRS 1 Amendment	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 Amendment	Disclosure – Transfers of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) – Int 14 Amendment	Prepayments of a Minimum Funding Requirement

The adoption of these revised standards, amendments to standards and interpretations has no material effect on the results and financial position of the Group.

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

The following new or revised standards, amendments to standards and interpretation are mandatory for accounting periods beginning on or after 1 July 2012 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2013

HKAS 1 Amendment	Presentation of Items of Other Comprehensive Income

Effective for the year ending 30 June 2014 or after

HKFRS 7 Amendment	Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 32 Amendment	Offsetting Financial Assets and Financial Liabilities
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The Group has already commenced an assessment of the impact of these new or revised standards, amendments to standards 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

The Group's revenue is analyzed as follows:

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Ports & Logistics	**4.3**	-
Roads	**827.1**	131.8
Energy & Water	**-**	0.6
Facilities Management	**3,521.6**	2,753.3
Construction & Transport	**2,588.9**	1,848.3
	6,941.9	4,734.0

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. The Executive Committee considers the business from product and service perspectives, which comprises (i) Ports & Logistics; (ii) Roads; (iii) Energy & Water; (iv) Facilities Management; (v) Construction & Transport; and (vi) Strategic Investments.

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

2. Revenue and segment information (continued)

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

HK$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Construction & Transport		Strategic Investments		Total	
For the six months ended 31 December 2011										
Total revenue	**4.3**	**827.1**	**-**	**3,529.4**	**2,647.9**		**-**		**7,008.7**	
Inter-segment	**-**	**-**	**-**	**(7.8)**	**(59.0)**		**-**		**(66.8)**	
Revenue – external	**4.3**	**827.1**	**-**	**3,521.6**	**2,588.9**		**-**		**6,941.9**	
Attributable operating profit										
Company and subsidiaries	**(2.6)**	**171.7**	**-**	**578.9**	**219.0**		**12.2**		**979.2**	
Associated companies	**21.6**	**12.2**	**25.2**	**-**	**70.7**		**137.6**	**(ii)**	**267.3**	**(b)**
Jointly controlled entities	**133.5**	**429.4**	**265.4**	**(0.6)**	**(106.8)**	**(i)**	**5.0**		**725.9**	**(b)**
	152.5	**613.3**	**290.6**	**578.3**	**182.9**		**154.8**		**1,972.4**	
Reconciliation										
Net gain on deemed disposals of interests in a subsidiary and an associated company									**1,833.4**	
Share of profit from Harbour Place									**36.6**	
Assets impairment losses									**(195.6)**	**(iii)**
Corporate interest income									**18.1**	
Corporate finance costs									**(100.7)**	
Corporate expenses and others									**(141.1)**	
Profit attributable to shareholders									**3,423.1**	

(i) The amount included the Group's share of attributable operating profit of HK$91.7 million from its Transport business.

(ii) The amount included the Group's share of profits of HK$108.0 million from three associated companies engaged in investment activities.

(iii) Assets impairment losses included HK$143.8 million impairment loss of available-for-sale financial assets under Strategic Investments segment.

2. Revenue and segment information (continued)

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

HK$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
For the six months ended 31 December 2011										
Depreciation	**-**	**3.6**	**-**	**27.1**	**14.3**	**-**	**45.0**	**2.9**	**-**	**47.9**
Amortization of intangible concession rights	**-**	**217.3**	**-**	**-**	**-**	**-**	**217.3**	**-**	**-**	**217.3**
Amortization of intangible assets	**-**	**-**	**-**	**15.6**	**-**	**-**	**15.6**	**-**	**-**	**15.6**
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	**-**	**16,220.7**	**-**	**30.8**	**47.0**	**-**	**16,298.5**	**2.2**	**-**	**16,300.7**
Interest income	**0.8**	**26.7**	**6.2**	**0.1**	**3.6**	**4.6**	**42.0**	**18.1**	**(8.8)**	**51.3**
Finance costs	**5.2**	**109.4**	**-**	**1.0**	**3.8**	**-**	**119.4**	**100.7**	**(8.8)**	**211.3**
Income tax expenses	**2.3**	**119.9**	**22.9**	**116.9**	**9.6**	**3.0**	**274.6**	**0.8**	**-**	**275.4**
At 31 December 2011										
Company and subsidiaries	**1,952.9**	**19,388.8**	**336.8**	**3,255.0**	**3,147.5**	**1,742.4**	**29,823.4**	**5,036.6**	**-**	**34,860.0**
Associated companies	**278.8**	**430.5**	**632.4**	**-**	**1,221.0**	**5,996.2**	**8,558.9**	**72.9**	**-**	**8,631.8**
Jointly controlled entities	**3,847.6**	**6,045.2**	**6,757.8**	**18.3**	**1,472.3** (i)	**1,412.6**	**19,553.8**	**109.0**	**-**	**19,662.8**
Total assets	**6,079.3**	**25,864.5**	**7,727.0**	**3,273.3**	**5,840.8**	**9,151.2**	**57,936.1**	**5,218.5**	**-**	**63,154.6**
Total liabilities	**157.5**	**9,436.7**	**24.1**	**1,180.8**	**2,217.1**	**144.0**	**13,160.2**	**14,685.1**	**-**	**27,845.3**

(i) The balance included the Group's investment in its Transport business of HK$1,763.6 million.

2. Revenue and segment information (continued)

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

HK$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Construction & Transport		Strategic Investments		Total	
For the six months ended 31 December 2010										
Total revenue	-	131.8	0.6	2,761.5	2,120.9		-		5,014.8	
Inter-segment	-	-	-	(8.2)	(272.6)		-		(280.8)	
Revenue – external	-	131.8	0.6	2,753.3	1,848.3		-		4,734.0	
Attributable operating profit										
Company and subsidiaries	(0.4)	27.1	-	404.8	118.8		268.5		818.8	
Associated companies	20.9	7.2	-	-	41.9		130.6	(ii)	200.6	(b)
Jointly controlled entities	131.5	713.8	360.6	(0.5)	(10.9)	(i)	-		1,194.5	(b)
	152.0	748.1	360.6	404.3	149.8		399.1		2,213.9	
Reconciliation										
Gain on disposal of projects									186.6	(iii)
Gain on fair value of investment properties									165.9	
Excess of fair value of net assets acquired over the cost of acquisition of interests of a jointly controlled entity									26.8	
Share of loss from Harbour Place									(1.2)	
Corporate interest income									7.0	
Corporate finance costs									(48.8)	
Corporate expenses and others									(159.0)	
Profit attributable to shareholders									2,391.2	

(i) The amount included the Group's share of attributable operating profit of HK$79.8 million from its Transport business.

(ii) The amount included the Group's share of profits of HK$89.1 million from three associated companies engaged in investment activities.

(iii) The amount represented the gain on the first tranche of disposal of certain non-core service businesses under a management buyout arrangement.

2. Revenue and segment information (continued)

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

HK$'m	Ports & Logistics	Roads	Energy & Water	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
For the six months ended 31 December 2010										
Depreciation	-	1.4	-	23.4	13.5	-	38.3	3.1	-	41.4
Amortization of intangible concession rights	-	34.0	-	-	-	-	34.0	-	-	34.0
Amortization of intangible assets	-	-	-	15.6	-	-	15.6	-	-	15.6
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	278.1	4.2	-	20.6	13.1	-	316.0	1.6	-	317.6
Interest income	0.2	21.6	-	0.1	4.4	-	26.3	7.0	(3.0)	30.3
Finance costs	-	-	-	0.4	3.3	-	3.7	48.8	(3.0)	49.5
Income tax expenses	2.8	40.9	-	82.5	42.6	18.5	187.3	-	-	187.3
At 30 June 2011										
Company and subsidiaries	1,939.6	2,086.9	3.6	3,714.2	3,367.8	5,415.7	16,527.8	2,337.9	-	18,865.7
Associated companies	363.7	420.5	-	-	1,154.5	2,127.8	4,066.5	69.5	-	4,136.0
Jointly controlled entities	3,861.2	7,680.3	6,449.0	18.8	1,654.7 (i)	1,373.7	21,037.7	98.4	-	21,136.1
Total assets	6,164.5	10,187.7	6,452.6	3,733.0	6,177.0	8,917.2	41,632.0	2,505.8	-	44,137.8
Total liabilities	176.3	425.8	23.4	1,111.0	2,234.0	886.3	4,856.8	6,934.9	-	11,791.7

(i) The balance included the Group's investment in its Transport business of HK$1,672.1 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:

	Associated companies		Jointly controlled entities	
	For the six months ended 31 December		For the six months ended 31 December	
HK$'m	**2011**	2010	**2011**	2010
Attributable operating profit	**267.3**	200.6	**725.9**	1,194.5
Corporate associated companies and jointly controlled entities				
Harbour Place	**-**	-	**36.6**	(1.2)
Others	**13.2**	(2.5)	**(51.1)**	(18.2)
Share of results of associated companies and jointly controlled entities	**280.5**	198.1	**711.4**	1,175.1

(c) Information by geographical areas:

	Revenue		Non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	
	For the six months ended 31 December		At 31 December	At 30 June
HK$'m	**2011**	2010	**2011**	2011
Hong Kong	**5,955.4**	4,227.1	**3,919.9**	3,935.6
Mainland China	**862.7**	446.3	**17,168.4**	943.0
Macau	**123.3**	60.5	**-**	18.5
Others	**0.5**	0.1	**-**	-
	6,941.9	4,734.0	**21,088.3**	4,897.1

3. Other income/gains (net)

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Profit on disposal of a subsidiary	**73.4**	21.4
(Loss)/profit on disposal of available-for-sale financial assets	**(1.0)**	185.2
Profit on disposal of assets held for sale	**8.8**	289.0
Profit on disposal of investment properties	**1.7**	-
Net profit on disposal of financial assets at fair value through profit or loss	**-**	2.7
Gain on fair value of investment properties	**-**	165.9
Interest income	**51.3**	30.3
Management fee income	**30.7**	15.0
Machinery hire income	**41.7**	20.0
Net exchange gains	**48.5**	-
Dividends and other income	**16.6**	9.9
Assets impairment losses	**(195.6)**	-
	76.1	739.4

4. Operating profit

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

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Crediting		
Gross rental income from investment properties	**25.1**	23.0
Less: outgoings	**(6.6)**	(5.9)
	18.5	17.1
Charging		
Cost of inventories sold	**1,184.1**	933.4
Cost of services rendered	**4,267.8**	2,968.9
Depreciation	**47.9**	41.4
Amortization of intangible concession rights	**217.3**	34.0
Amortization of intangible assets	**15.6**	15.6
Operating lease rental expenses - properties	**24.8**	23.5

5. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2010: 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% (2010: 9% to 25%).

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

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Current income tax		
Hong Kong profits tax	**127.0**	100.9
Mainland China and overseas taxation	**163.9**	50.7
Deferred income tax (credit)/charge	**(15.5)**	35.7
	275.4	187.3

Share of taxation of associated companies and jointly controlled entities of HK$11.9 million (2010: HK$10.5 million) and HK$224.0 million (2010: HK$171.7 million) are included in the condensed consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

6. Dividend

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Interim dividend declared of HK$0.50 (2010: paid of HK$0.37) per share	**1,731.3**	1,226.9

7. Earnings per share

The calculation of basic and diluted earnings per share for the Current Period is based on earnings of HK$3,423.1 million (2010: HK$2,391.2 million) and the weighted average of 3,388,932,354 and 3,389,946,446 (2010: 3,271,765,862) ordinary shares outstanding during the Current Period respectively, calculated as follows:

	For the six months ended 31 December	
	2011	2010
	HK$'m	HK$'m
Profit attributable to shareholders of the Company and for calculation of basic and diluted earnings per share	**3,423.1**	2,391.2

	Number of shares	
	2011	2010
Weighted average number of shares for calculating basic earnings per share	**3,388,932,354**	3,271,765,862
Effect of dilutive potential ordinary shares		
Share options	**1,014,092**	-
Weighted average number of shares for calculating diluted earnings per share	**3,389,946,446**	3,271,765,862

8. Associated companies

As at 30 June 2011, the Group had an effective interest of approximately 60% in Newton Resources Ltd ("Newton Resources"), a subsidiary of the Group and classified as assets held for sale/liabilities directly associated with assets held for sale as the Hong Kong Stock Exchange had approved the separate listing of Newton Resources on the Main Board in May 2011. On 4 July 2011, the spin-off of Newton Resources had completed and dealings of Newton Resources' shares on the Main Board of the Hong Kong Stock Exchange commenced on the same day. Upon the listing, the Company's effective interest in Newton Resources decreased to 48%. Newton Resources therefore ceased to be a subsidiary and became an associated company of the Group. As a result, a gain of HK$1,842.7 million on the deemed disposal of interests was recorded in the condensed consolidated income statement for the Current Period. As at 31 December 2011, the Group's interest in Newton Resources is accounted for as investment in an associated company.

9. Trade and other receivables

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

	At 31 December 2011 HK$'m	At 30 June 2011 HK$'m
Under 3 months	**593.9**	528.4
4 to 6 months	**32.2**	9.8
Over 6 months	**34.6**	119.3
	660.7	657.5

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

	Note	**At 31 December 2011 HK$'m**	At 30 June 2011 HK$'m
Listed securities			
Equity securities listed in Hong Kong		**13.3**	13.3
Equity securities listed in Mainland China		**46.9**	57.0
Unlisted shares in Mainland China		**96.1**	-
Assets of Newton Resources reclassified as held for sale	*8*	**-**	3,175.5
		156.3	3,245.8

Liabilities directly associated with assets held for sale

	Note	**At 31 December 2011 HK$'m**	At 30 June 2011 HK$'m
Liabilities of Newton Resources reclassified as held for sale	*8*	**-**	(601.0)

11. Trade and other payables

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

	At 31 December 2011 HK$'m	At 30 June 2011 HK$'m
Under 3 months	**349.0**	297.6
4 to 6 months	**4.7**	7.3
Over 6 months	**17.0**	18.2
	370.7	323.1

12. Subsequent events

(a) On 2 February 2012, Rosy Unicorn Limited (the "Issuer", an indirect wholly-owned subsidiary of the Company) entered into a subscription agreement with Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities Ltd. and Standard Chartered Bank as the joint bookrunners and the joint lead managers in relation to an international offering of US$500.0 million 6.5% guaranteed bonds due 2017 (the "Bonds") to be issued by the Issuer and guaranteed by the Company. The net proceeds from the issuance of the Bonds were for general working capital purpose of the Group and to refinance the existing banking facilities utilized to finance the acquisition of the Group's interest in Hangzhou Ring Road. The Bonds were successfully issued on 9 February 2012.

(b) Chinese Future Corporation ("CFC"), an indirect wholly-owned subsidiary of the Company, redeemed the outstanding US$225.0 million 12% senior notes due 2015 (the "Notes") in its entirety on 13 February 2012 at a redemption price of 107.5% of the principal amount of the Notes, plus accrued and unpaid interest up to the redemption date.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for the year ending 30 June 2012 in scrip form equivalent to HK$0.50 per share with a cash option to the shareholders registered on 22 March 2012.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholder could elect to receive in cash and that shareholders be given the option of electing to receive payment in cash of HK$0.50 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 2 April 2012.

BOOK CLOSE DATES

Book close dates (both days inclusive):	Monday, 19 March 2012 to Thursday, 22 March 2012
Latest time to lodge transfer with transfer office:	4:30 pm on Friday, 16 March 2012
Name and address of transfer office:	Tricor Standard Limited 26/F, Tesbury Centre 28 Queen's Road East Hong Kong

FINANCIAL REVIEW

Group overview

The Group recorded a profit attributable to shareholders of HK$3.423 billion for the Current Period, representing an increase of HK$1.032 billion or 43%, as compared to HK$2.391 billion for the Last Period. Attributable Operating Profit ("AOP") dropped by 11% to HK$1.972 billion in the Current Period. Infrastructure division generated an AOP of HK$1.056 billion, a decrease of 16% as compared to HK$1.261 billion in the Last Period. The AOP of Services division recorded a decrease of 4% to HK$916.0 million.

During the Current Period, the Group acquired 95% effective interest in Hangzhou Ring Road. The acquisition was partially financed by a bridging loan and subsequently USD denominated bonds issued in February 2012.

As a result of the listing of Newton Resources on 4 July 2011 on the Main Board of the Hong Kong Stock Exchange, the Group's effective interest decreased from approximately 60% to 48%. Newton Resources ceased to be a subsidiary of the Group immediately upon listing and a dilution gain of approximately HK$1.8 billion was recorded.

Contribution by Division For the six months ended 31 December	2011 HK$'m	2010 HK$'m
Infrastructure	**1,056.4**	1,260.7
Services	**916.0**	953.2
Attributable operating profit	**1,972.4**	2,213.9
Head office and non-operating items		
Net gain on deemed disposals of interests in a subsidiary and an associated company	**1,833.4**	-
Gain on disposal of projects	**-**	186.6
Gain on fair value of investment properties	**-**	165.9
Excess of fair value of net assets acquired over the cost of acquisition of interests of a jointly controlled entity	**-**	26.8
Share of profit/(loss) from Harbour Place	**36.6**	(1.2)
Assets impairment losses	**(195.6)**	-
Corporate interest income	**18.1**	7.0
Corporate finance costs	**(100.7)**	(48.8)
Corporate expenses and others	**(141.1)**	(159.0)
	1,450.7	177.3
Profit attributable to shareholders	**3,423.1**	2,391.2

Contributions from operations in Hong Kong accounted for 52% of AOP in the Current Period as compared to 47% in the Last Period. Mainland China and Macau and others contributed 38% and 10% respectively, as compared to 49% and 4% respectively in the Last Period.

Earnings per share

The basic earnings per share in the Current Period increased from HK$0.73 to HK$1.01, representing an increase of 38%.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the six months ended 31 December

	2011	2010	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Roads	**613.3**	748.1	(18)
Energy	**90.1**	192.2	(53)
Water	**200.5**	168.4	19
Ports & Logistics	**152.5**	152.0	-
Total	**1,056.4**	1,260.7	(16)

Roads

The drop in AOP was mainly due to a decrease of approximately HK$234.2 million in gain on extra profit distribution from Tangjin Expressway (Tianjin North Section) during the Current Period. Its average daily traffic flow grew by 11%, which was mainly driven by the growth in private vehicle ownership and economic development of Binhai New Area in Tianjin.

In the Pearl River Delta Region, average daily traffic flow of Guangzhou City Northern Ring Road saw an increase of 15%, which was the combined effect of repair and maintenance works undertaken by a competing road during the Current Period and the traffic control adopted during the Asian Games in the Last Period. Average daily traffic flow of Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Shenzhen-Huizhou Expressway grew by 8% and 7% respectively when compared to the Last Period. Phase two of Guangzhou-Zhaoqing Expressway, which was completed in September 2010, has greatly enhanced the project competitiveness in the Pearl River Delta region and reported a traffic growth of 18% in the Current Period.

The newly acquired Hangzhou Ring Road also contributed a significant part to the AOP in the Current Period. After the fourth stage of acquisition which was completed in January 2012, the Group holds a 95% effective interest in the project which is expected to contribute strong and recurring AOP and cash inflows to the Group.

As required by the notification issued by the Five Ministries of the Central Government in June 2011, the Group's various road project companies have completed an examination on their toll policies and submitted their findings to the respective provincial governments for review. The Group does not expect that the review will have any material adverse impact on the Group's financial position. However, the Group will continue to monitor the matter closely.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel maintained at a similar level when compared to the Last Period.

Energy

Surging coal price continued to put pressure on the profitability of power producers in the Current Period.

Due to system upgrade and overhaul works carried out during the Current Period, Zhujiang Power Plants registered a decrease in electricity sales of 8%. Electricity sales of Chengdu Jintang Power Plant grew by 6% when compared to the Last Period. The on-grid tariff increase in December 2011 is expected to mitigate the impact of high fuel costs on the Group's power plants in Mainland China.

Trading revenue of Guangzhou Fuel Company continued to rise by 25% but its AOP for the Current Period was under pressure as a result of lower gross profit margin and higher financial expense in relation to the investment in a coal mine project in Mainland China.

AOP from Macau Power dropped in the Current Period which was in line with the reduction of annual permitted return from 12% to 9.5% after the renewal of its concession rights in November 2010. Supported by more entertainment and hotel facilities which came into operation during the Current Period, electricity sales of Macau Power reported a healthy growth of 8%.

Water

Sales volume of Chongqing Water Plant rose by 10% during the Current Period. Volume of waste water treated by Shanghai SCIP Water Treatment Plants and Chongqing Tangjiatuo Waste Water Plant also registered a growth of 10% and 8% respectively. A tax refund made to Shanghai SCIP Water Treatment Plants after the project was awarded as a hi-tech enterprise also contributed to the growth in AOP for the Current Period. The new Chongqing CCIP Water Treatment Plants commenced operation in September 2011. Water sales in Macau Water Plant grew by 6% when compared to the Last Period.

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

Ports & Logistics

The throughput of Xiamen New World Xiangyu Terminals Co., Ltd increased by 33% to 528,000 TEUs due to additional shipping routes obtained during the Current Period. The new Xiamen Haicang Xinhaida Container Terminals, which became operational in September 2011, is well-positioned to take advantage of the trade across the Taiwan Strait.

In Tianjin, the throughput of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd, grew by 3% to 463,000 TEUs and 12% to 1,123,000 TEUs respectively in the Current Period.

Occupancy rate at ATL Logistics Centre increased from 95% to 98% whilst average rental also grew by 2% during the Current Period. The newly completed NWS Kwai Chung Logistics Centre provides a total leasable area of approximately 920,000 square feet and is expected to bring a steady operating profit and cash inflows to the Group in the near term.

The eight operating rail container terminals of China United International Rail Containers Co., Ltd. reported a satisfactory throughput growth of 27% to 757,000 TEUs for the Current Period which was mainly due to the increase in business volume of Kunming and Chongqing terminals and full-period effect of operations of several terminals. These phase one terminals in Kunming, Chongqing, Chengdu, Zhengzhou, Dalian, Qingdao, Wuhan and Xian have formed a network covering both coastal and inland regions in Central China. The remaining terminals of the phase two development are currently under planning and construction preparation.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the six months ended 31 December

	2011 **HK$'m**	2010 HK$'m	Change % Fav./(Unfav.)
Facilities Management	**578.3**	404.3	43
Construction & Transport	**182.9**	149.8	22
Strategic Investments	**154.8**	399.1	(61)
Total	**916.0**	953.2	(4)

Facilities Management

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

The Group continued to benefit from the growth of exhibition industry in the Current Period. During the period, 631 events were held at HKCEC with total patronage of approximately 3.9 million. With the recent upgrade of its facilities and equipment, HKCEC will endeavour to enhance its services, and to maintain its leading position in the market.

Strong patronage of affluent travellers, especially Mainland Chinese visitors, contributed to the significant growth of Free Duty's tobacco and liquor retail business at various cross-boundary transportation terminals in Hong Kong.

Construction & Transport

The Construction business recognized an AOP of HK$91.2 million in the Current Period, representing a 30% increase over the Last Period, despite provisions made in respect of a number of construction projects amounting to approximately HK$232.1 million. As at 31 December 2011, the gross value of contracts on hand for the Construction business was approximately HK$21.1 billion. After the discontinuation of business in Mainland China and certain overseas markets, management will concentrate on the Hong Kong and Macau markets, in particular serving the needs of group companies and focusing on sizeable employers that demand high quality services. A cautious approach is taken in terms of pricing and resources allocation during tender biddings and focus is put on industrial safety and environmental protection.

The Group's Transport business reported an AOP of HK$91.7 million during the Current Period, representing a 15% increase over the Last Period. This was mainly attributable to the gain on the disposal of the Macau ferry operations.

Strategic Investments

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

The Strategic Investments segment achieved an AOP of HK$154.8 million during the Current Period. Besides, there was an impairment loss of HK$143.8 million for available-for-sale financial assets under this segment.

Tricor recorded a steady growth in its corporate services and investor services businesses during the Current Period. It captured about 43% of the total share of new listings in Hong Kong during the period. Its business operations in Hong Kong, Singapore and Mainland China together contributed about 78% of the total profit during the Current Period.

On 4 July 2011, the spin-off of Newton Resources had been completed and dealings of Newton Resources' shares on the Main Board of the Hong Kong Stock Exchange commenced on that day. As a result, the Group's effective interest in Newton Resources decreased from approximately 60% to 48% and Newton Resources ceased to be a subsidiary of the Group immediately upon listing. The investment in Newton Resources is classified as investment in an associated company as at 31 December 2011. In this connection, it should be noted that an announcement was made by Newton Resources on 21 October 2011, the board of directors of Newton Resources (the "Newton Resources' Board") decided to temporarily suspend the production of iron concentrate at the Yanjiazhuang Mine until the new tailings storage facility is duly constructed and ready for use. The Newton Resources' Board expects that, save for unforeseen circumstances, the construction of the new tailings storage facility and the water supply system will be completed in the beginning of the second quarter of 2012 and the production of iron concentrate will gradually resume to normal thereafter.

The Group also held an effective interest of approximately 38% in Hyva Holding B.V., a company headquartered in the Netherlands and engaged in the manufacturing and supply of components used in hydraulic loading and unloading systems on trucks and trailers.

OUTLOOK

The Group is confident that the existing portfolio of defensive and well-diversified assets will continue to generate stable earnings and growth despite uncertainties regarding future economic growth in both Mainland China and Hong Kong. At the same time, the Group will continue to capitalize on its financial strength and close connections with its local partners to identify and acquire high-quality infrastructure projects. The acquisition of Hangzhou Ring Road during the Current Period which marked an important milestone in the Group's strategy of strengthening its infrastructure portfolio and shareholders' value is a good example of the Group's effort in this direction.

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 2011, the Group's total cash and bank balances amounted to HK$7.795 billion, as compared to HK$4.501 billion as at 30 June 2011. The Group's Net Debt as at 31 December 2011 was HK$11.851 billion, as compared to HK$2.162 billion as at 30 June 2011. The capital structure of the Group was 36% debt and 64% equity as at 31 December 2011, as compared to 17% debt and 83% equity as at 30 June 2011. In line with its corporate strategy to expand its infrastructure portfolio, the Group acquired 100% effective interest in CFC, the intermediate holding company which holds a 95% interest in the project company operating a ring road situated in Hangzhou City, Zhejiang Province in The People's Republic of China, during the Current Period. The acquisition was partially financed by a 364-day HK$5.0 billion bridging facility (the "Bridging Loan"). Mainly owing to the Bridging Loan, the Group recorded net current liabilities amounting to HK$136.0 million as at 31 December 2011. As at the date of this announcement, management has substantially refinanced the Bridging Loan with five-year United State Dollars bonds and the Group has returned to a net current assets position.

Debt profile and maturity

As at 31 December 2011, the Group's Total Debt increased to HK$19.646 billion from HK$6.662 billion as at 30 June 2011. This was mainly due to the loans utilized to finance the purchase consideration for Hangzhou Ring Road, the consolidation of indebtedness of CFC and the issuance of CNY1.0 billion 2.75% guaranteed bonds due 2014 during the Current Period. Long-term loans and borrowings increased to HK$12.290 billion as at 31 December 2011 from HK$2.764 billion as at 30 June 2011, with HK$1.688 billion maturing in the second year; HK$8.992 billion in the third to fifth year and the remainder after the fifth year. Bank loans were primarily denominated in Hong Kong dollars and Renminbi, while bonds were either denominated in Renminbi or United State Dollars. Apart from the fixed rate bonds, bank loans and borrowings were mainly floating rate interest-bearing. The Group used interest rate swaps to hedge part of the Group's underlying interest rate exposure. The Group did not have any material exposure to exchange risk other than Renminbi during the Current Period. As at 31 December 2011, concession rights of Hangzhou Ring Road and a bank deposit equivalent to HK$332.5 million were pledged as securities for certain banking facilities of the Group. Besides, the capital stock of an indirect subsidiary of the Company was pledged for certain fixed rate notes of the Group; such pledge was subsequently released following the redemption of such fixed rate notes in February 2012.

Commitments

The Group's commitments for capital expenditure were HK$1.067 billion as at 31 December 2011 as compared to HK$1.390 billion as at 30 June 2011. This represented commitment for capital contributions to/acquisition of certain associated companies and jointly controlled entities of HK$1.038 billion as at 31 December 2011 as compared to HK$1.373 billion as at 30 June 2011, and commitments for properties and equipment of HK$28.7 million as at 31 December 2011 as compared to HK$16.9 million as at 30 June 2011. The share of commitments for capital expenditure committed by jointly controlled entities was HK$1.063 billion as at 31 December 2011 as compared to HK$1.083 billion as at 30 June 2011. Sources of funding for capital expenditure include internally generated resources and banking facilities.

CONTINGENT LIABILITIES

Contingent liabilities of the Group were HK$726.6 million as at 31 December 2011 as compared to HK$753.5 million as at 30 June 2011. These composed of guarantees for credit facilities granted to an associated company, jointly controlled entities and related companies of HK$2.2 million, HK$612.7 million and HK$111.7 million respectively as at 31 December 2011 as compared to HK$11.9 million, HK$593.1 million and HK$148.5 million respectively as at 30 June 2011. The share of contingent liabilities of a jointly controlled entity was HK$20.3 million as at 31 December 2011 and HK$2.6 million as at 30 June 2011.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2011, approximately 27,000 staff were employed by entities under the Group's management of which approximately 9,000 were employed in Hong Kong. Total staff related costs including provident funds and staff bonus but excluding directors' remunerations were HK$700.2 million (2010: HK$587.4 million). Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

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

Throughout the six months ended 31 December 2011, 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 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 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, Dr Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 28 February 2012

* *For identification purposes only*