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 2016

FINANCIAL HIGHLIGHTS

Revenue	:	**HK$13,846.0 million**
Profit attributable to shareholders	:	**HK$2,600.1 million**
Basic earnings per share	:	**HK$0.68**
Interim dividend per share	:	**HK$0.34**

RESULTS

The board of directors (the "Board") of NWS Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 31 December 2016 (the "Current Period"), together with comparative figures for the six months ended 31 December 2015 (the "Last Period") as follows:

Condensed Consolidated Income Statement – Unaudited

		For the six months ended 31 December	
		2016	2015
	Note	**HK$'m**	HK$'m
Revenue	*2*	**13,846.0**	14,224.4
Cost of sales		**(12,081.1)**	(12,554.2)
Gross profit		**1,764.9**	1,670.2
Other income/gains	*3*	**892.2**	845.5
General and administrative expenses		**(616.7)**	(591.7)
Operating profit	*4*	**2,040.4**	1,924.0
Finance costs		**(289.1)**	(311.9)
Share of results of			
Associated companies	*2(b)*	**254.0**	299.0
Joint ventures	*2(b)*	**926.9**	785.5
Profit before income tax		**2,932.2**	2,696.6
Income tax expenses	*5*	**(323.1)**	(303.9)
Profit for the period		**2,609.1**	2,392.7
Attributable to			
Shareholders of the Company		**2,600.1**	2,354.3
Non-controlling interests		**9.0**	38.4
		2,609.1	2,392.7
Basic earnings per share attributable to the shareholders of the Company	*6*	**HK$0.68**	HK$0.62

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended 31 December	
	2016	2015
	HK$'m	HK$'m
Profit for the period	**2,609.1**	2,392.7
Other comprehensive loss		
Items that have been reclassified/may be subsequently reclassified to profit or loss		
Fair value changes of available-for-sale financial assets	**(21.6)**	(429.7)
Release of reserve upon disposal of an available-for-sale financial asset	**(15.6)**	-
Release of reserve upon restructuring of a joint venture	**5.7**	-
Release of reserves upon remeasurement of previously held equity interest in a joint venture	**35.6**	-
Release of reserve upon deregistration of a subsidiary	**(15.3)**	-
Share of other comprehensive loss of associated companies and joint ventures	**(6.2)**	(2.4)
Cash flow hedges	**248.5**	(89.5)
Currency translation differences	**(1,576.4)**	(1,686.2)
Other comprehensive loss for the period, net of tax	**(1,345.3)**	(2,207.8)
Total comprehensive income for the period	**1,263.8**	184.9
Total comprehensive income attributable to		
Shareholders of the Company	**1,265.1**	170.6
Non-controlling interests	**(1.3)**	14.3
	1,263.8	184.9

Condensed Consolidated Statement of Financial Position – Unaudited

	Note	At 31 December 2016 HK$'m	At 30 June 2016 HK$'m
ASSETS			
Non-current assets			
Investment properties		**1,672.6**	1,612.6
Property, plant and equipment		**5,115.6**	1,034.7
Intangible concession rights		**12,033.1**	13,006.7
Intangible assets		**837.2**	386.9
Associated companies	*8*	**17,043.2**	14,947.7
Joint ventures	*9*	**14,715.6**	18,122.5
Available-for-sale financial assets		**1,223.3**	1,512.5
Other non-current assets		**936.5**	1,036.8
		53,577.1	51,660.4
Current assets			
Inventories		**516.8**	395.7
Trade and other receivables	*10*	**13,928.7**	10,909.2
Available-for-sale financial asset		**-**	30.0
Cash and bank balances		**10,020.5**	8,923.6
		24,466.0	20,258.5
Assets held-for-sale		**-**	3,766.1
Total assets		**78,043.1**	75,685.0
EQUITY			
Share capital		**3,856.9**	3,832.0
Reserves		**42,046.5**	41,786.9
Shareholders' funds		**45,903.4**	45,618.9
Non-controlling interests		**232.5**	239.5
Total equity		**46,135.9**	45,858.4
LIABILITIES			
Non-current liabilities			
Borrowings		**10,198.9**	9,251.7
Deferred tax liabilities		**2,508.8**	2,109.3
Other non-current liabilities		**212.6**	215.0
		12,920.3	11,576.0
Current liabilities			
Borrowings		**5,157.7**	5,813.1
Trade and other payables	*11*	**13,555.4**	12,035.9
Taxation		**273.8**	318.3
		18,986.9	18,167.3
Liabilities directly associated with assets held-for-sale		**-**	83.3
Total liabilities		**31,907.2**	29,826.6
Total equity and liabilities		**78,043.1**	75,685.0

Notes:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (the "interim financial statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The interim financial statements should be read in conjunction with the annual financial statements for the financial year ended 30 June 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies used in the preparation of these interim financial statements are consistent with those set out in the annual report for the financial year ended 30 June 2016 except for the adoption of new standard and amendments to standards which are further explained as below.

(a) Adoption of new standard and amendments to standards

During the Current Period, the Group adopted the following new standard and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2017 ("FY2017"):

HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortization
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
HKFRSs Amendments	Annual Improvements to HKFRSs 2012-2014 Cycle

The adoption of the above new standard and amendments to standards has no material effect on the results and financial position of the Group.

1. Basis of preparation and accounting policies (continued)

(b) Standards and amendments to standards which are not yet effective

The following new standards and amendments to standards are mandatory for accounting period beginning on or after 1 July 2017 or later periods but which the Group has not early adopted:

Effective for the financial year ending 30 June 2018 or after

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HKFRS 16	Leases
HKAS 7 (Amendments)	Disclosure Initiative
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealized Losses
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group has already commenced an assessment of the impact of these new standards and amendments to standards, 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 consolidated 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	
	2016	2015
	HK$'m	HK$'m
Roads	**1,224.5**	1,217.8
Logistics	**-**	50.0
Facilities Management	**3,495.4**	3,514.2
Construction & Transport	**9,126.1**	9,442.4
	13,846.0	14,224.4

Management has determined the operating segments based on the reports reviewed by the Executive Committee of the Company that are used to make strategic decisions. The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers the businesses of the Group from product and service perspectives, which comprised (i) Roads; (ii) Environment; (iii) Logistics; (iv) Aviation; (v) Facilities Management; (vi) Construction & Transport; and (vii) 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 corporate office and non-operating items. Corporate interest income, finance costs and expenses are not allocated to segments.

2. Revenue and segment information (continued)

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

HK$'m	Roads	Environment	Logistics	Aviation	Facilities Management	Construction & Transport		Strategic Investments		Total	
For the six months ended 31 December 2016											
Total revenue	**1,224.5**	**-**	**-**	**-**	**3,496.8**	**9,126.1**		**-**		**13,847.4**	
Inter-segment	**-**	**-**	**-**	**-**	**(1.4)**	**-**		**-**		**(1.4)**	
Revenue – external	**1,224.5**	**-**	**-**	**-**	**3,495.4**	**9,126.1**		**-**		**13,846.0**	
Attributable operating profit											
Company and subsidiaries	**463.6**	**7.0**	**-**	**1.2**	**304.6**	**296.9**		**65.6**		**1,138.9**	
Associated companies	**36.8**	**18.2**	**62.2**	**153.3**	**(46.1)**	**111.6**		**134.5**	**(ii)**	**470.5**	**(b)**
Joint ventures	**232.8**	**231.2**	**253.9**	**64.5**	**0.4**	**125.1**	**(i)**	**2.1**		**910.0**	**(b)**
	733.2	**256.4**	**316.1**	**219.0**	**258.9**	**533.6**		**202.2**		**2,519.4**	
Reconciliation – corporate office and non-operating items											
Gain on restructuring of a joint venture (Note 8(b))										**454.3**	
Gain on remeasurement of previously held equity interest in a joint venture (Note 9(b))										**113.1**	
Gain on fair value of investment properties										**71.8**	
Net gain on disposal of projects										**68.1**	
Interest income										**38.4**	
Net exchange gain										**10.4**	
Impairment loss related to an associated company										**(204.0)**	**(b)**
Finance costs										**(257.1)**	
Expenses and others										**(214.3)**	
Profit attributable to shareholders										**2,600.1**	

(i) The amount includes the Group's share of attributable operating profit of HK$125.1 million from its Transport business.

(ii) The amount includes the Group's share of attributable operating profit of HK$103.8 million from certain associated companies engaged in investment activities.

2. Revenue and segment information (continued)

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

HK$'m	Roads	Environment	Logistics	Aviation	Facilities Management	Construction & Transport		Strategic Investments	Segment Total	Corporate	Consolidated
For the six months ended 31 December 2016											
Depreciation	9.2	-	-	-	47.5	34.9		-	91.6	2.3	93.9
Amortization of intangible concession rights	404.8	-	-	-	-	-		-	404.8	-	404.8
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	8.8	-	-	-	10.7	4,623.9		-	4,643.4	1.4	4,644.8
Interest income	29.1	6.4	-	0.3	20.3	1.1		18.6	75.8	38.8	114.6
Finance costs	6.9	-	-	-	0.3	24.8		-	32.0	257.1	289.1
Income tax expenses	178.6	13.7	-	2.6	61.0	64.5		-	320.4	2.7	323.1
As at 31 December 2016											
Company and subsidiaries	14,027.2	407.1	-	2,384.1	5,688.6	15,356.6	(i)	1,615.6	39,479.2	6,805.1	46,284.3
Associated companies	462.1	3,744.8	1,958.8	2,819.1	1,124.9	1,688.8		5,194.1	16,992.6	50.6	17,043.2
Joint ventures	5,248.8	3,411.9	2,867.6	2,021.2	4.3	2.4		1,146.7	14,702.9	12.7	14,715.6
Total assets	19,738.1	7,563.8	4,826.4	7,224.4	6,817.8	17,047.8		7,956.4	71,174.7	6,868.4	78,043.1
Total liabilities	2,981.3	487.5	0.2	3.8	1,093.0	12,036.9	(i)	16.3	16,619.0	15,288.2	31,907.2

(i) The balances include total assets of HK$5,459.6 million and total liabilities of HK$1,631.1 million of the Group's Transport business.

2. Revenue and segment information (continued)

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

HK$'m	Roads	Environment	Logistics	Aviation	Facilities Management	Construction & Transport		Strategic Investments		Total	
For the six months ended 31 December 2015											
Total revenue	1,217.8	-	50.0	-	3,522.0	9,442.4		-		14,232.2	
Inter-segment	-	-	-	-	(7.8)	-		-		(7.8)	
Revenue – external	1,217.8	-	50.0	-	3,514.2	9,442.4		-		14,224.4	
Attributable operating profit											
Company and subsidiaries	347.5	7.1	34.0	0.2	371.7	249.9		67.1		1,077.5	
Associated companies	37.5	19.1	56.5	239.3	(5.3)	120.3		57.6	(ii)	525.0	(b)
Joint ventures	235.2	235.3	257.6	-	3.1	122.2	(i)	(57.7)		795.7	(b)
	620.2	261.5	348.1	239.5	369.5	492.4		67.0		2,398.2	
Reconciliation – corporate office and non-operating items											
Gain on fair value of investment properties										593.0	
Net gain on deemed disposal of a project under a joint venture										179.3	(b)
Net gain on disposal of projects										163.2	
Interest income										136.1	
Net exchange loss										(266.6)	
Impairment loss related to an associated company										(200.0)	(b)
Impairment loss related to a joint venture										(177.6)	(b)
Finance costs										(274.1)	
Expenses and others										(197.2)	
Profit attributable to shareholders										2,354.3	

(i) The amount included the Group's share of attributable operating profit of HK$122.2 million from its Transport business.

(ii) The amount included the Group's share of attributable operating profit of HK$64.2 million from certain associated companies engaged in investment activities.

2. Revenue and segment information (continued)

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

HK$'m	Roads	Environment	Logistics	Aviation	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
For the six months ended 31 December 2015											
Depreciation	6.9	-	-	-	36.9	29.5	-	73.3	2.5	-	75.8
Amortization of intangible concession rights	408.5	-	-	-	-	-	-	408.5	-	-	408.5
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	159.4	-	-	-	24.4	350.6	-	534.4	2.1	-	536.5
Interest income	16.6	10.4	1.7	6.2	1.4	3.7	12.2	52.2	136.6	(6.9)	181.9
Finance costs	26.1	-	3.6	-	0.4	14.3	0.3	44.7	274.1	(6.9)	311.9
Income tax expenses	192.3	3.9	6.7	2.7	75.4	22.4	-	303.4	0.5	-	303.9
As at 30 June 2016											
Company and subsidiaries	14,743.9	342.7	3,797.6	1,393.5	4,356.9	10,166.8	1,986.3	36,787.7	5,827.1	-	42,614.8
Associated companies	442.8	564.9	1,997.2	4,266.7	1,586.8	1,611.0	4,430.3	14,899.7	48.0	-	14,947.7
Joint ventures	5,607.2	6,333.0	2,865.4	-	3.9	2,073.5 (i)	1,213.1	18,096.1	26.4	-	18,122.5
Total assets	20,793.9	7,240.6	8,660.2	5,660.2	5,947.6	13,851.3	7,629.7	69,783.5	5,901.5	-	75,685.0
Total liabilities	3,246.4	35.5	84.4	38.6	1,143.5	10,084.5	9.7	14,642.6	15,184.0	-	29,826.6

(i) The balance included the Group's investment in its Transport business of HK$2,071.1 million.

2. Revenue and segment information (continued)

(b) Reconciliation of attributable operating profit from associated companies and joint ventures to the condensed consolidated income statement:

	Associated companies		Joint ventures	
	For the six months ended 31 December		For the six months ended 31 December	
HK$'m	**2016**	2015	**2016**	2015
Attributable operating profit	**470.5**	525.0	**910.0**	795.7
Corporate associated companies, joint ventures and non-operating items				
Net gain on deemed disposal of a project under a joint venture	**-**	-	**-**	179.3
Impairment losses (Note 8(c))	**(204.0)**	(200.0)	**-**	(177.6)
Others	**(12.5)**	(26.0)	**16.9**	(11.9)
Share of results of associated companies and joint ventures	**254.0**	299.0	**926.9**	785.5

(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	**2016**	2015	**2016**	2016
Hong Kong	**12,352.7**	12,564.9	**7,505.7**	2,899.5
Mainland China	**1,271.9**	1,256.0	**12,123.5**	13,109.2
Macau	**221.4**	403.5	**29.3**	32.2
	13,846.0	14,224.4	**19,658.5**	16,040.9

The operations of the Group's Infrastructure division in Mainland China are undertaken mainly through associated companies and joint ventures, the results of which are accounted for by the equity method of accounting.

3. Other income/gains

		For the six months ended 31 December	
	Note	**2016** **HK$'m**	2015 HK$'m
Gain on restructuring of a joint venture	*8(b)*	**454.3**	-
Gain on remeasurement of previously held equity interest in a joint venture	*9(b)*	**113.1**	-
Gain on fair value of investment properties		**71.8**	593.0
Profit on disposal of a subsidiary		**-**	95.0
Profit on disposal of intangible concession rights and their related assets and liabilities		**-**	58.7
Profit on disposal of available-for-sale financial assets		**30.1**	0.8
Profit on disposal of assets held-for-sale		**77.8**	15.0
Interest income		**114.6**	181.9
Machinery hire income		**28.2**	42.1
Dividend income		**14.8**	54.9
Management fee income		**11.3**	11.4
Other income		**28.1**	63.7
Net exchange loss		**(51.9)**	(271.0)
		892.2	845.5

4. Operating profit

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

	For the six months ended 31 December	
	2016 **HK$'m**	2015 HK$'m
Crediting		
Gross rental income from investment properties	**32.9**	82.9
Less: outgoings	**(7.2)**	(13.4)
	25.7	69.5
Charging		
Cost of inventories sold	**1,207.5**	1,206.9
Cost of services rendered	**10,873.6**	11,347.3
Depreciation	**93.9**	75.8
Amortization of intangible concession rights	**404.8**	408.5
Amortization of intangible assets	**15.6**	15.6
Operating lease rental expenses – properties	**40.8**	42.2

5. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2015: 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 12% to 25% (2015: 12% to 25%).

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

	For the six months ended 31 December	
	2016	2015
	HK$'m	HK$'m
Current income tax		
Hong Kong profits tax	**118.0**	91.6
Mainland China and overseas taxation	**231.1**	236.3
Deferred income tax credit	**(26.0)**	(24.0)
	323.1	303.9

Share of taxation of associated companies and joint ventures of HK$100.1 million (2015: HK$94.7 million) and HK$212.5 million (2015: HK$199.8 million) respectively are included in the condensed consolidated income statement as share of results of associated companies and joint ventures respectively.

6. Earnings per share

The calculation of basic earnings per share for the Current Period is based on earnings of HK$2,600.1 million (2015: HK$2,354.3 million) and on the weighted average of 3,832,239,369 (2015: 3,775,691,850) ordinary shares outstanding during the Current Period.

The share options of the Company have an anti-dilutive effect on the basic earnings per share for the Current Period and the Last Period and are ignored in the calculation of diluted earnings per share.

7. Dividend

A final dividend of HK$1,302.9 million (2015: HK$1,245.9 million) that related to the financial year ended 30 June 2016 was paid in December 2016.

On 21 February 2017, the Board has resolved to declare an interim dividend of HK$0.34 per share (2015: paid of HK$0.31 per share) for FY2017 in scrip form with a cash option, which is payable on or about 15 May 2017 to shareholders whose names appear on the register of members of the Company on 17 March 2017. This interim dividend, amounting to HK$1,311.5 million (2015: HK$1,179.6 million), has not been recognized as liability in this interim financial information. It will be recognized in shareholders' equity in FY2017.

8. Associated companies

(a) On 5 October 2016, the Company, The Bank of East Asia, Limited ("BEA"), East Asia Secretaries (BVI) Limited ("East Asia Secretaries") and Trivium Investment Limited ("Trivium") entered into a share purchase agreement for the sale of all the issued shares of Tricor Holdings Limited ("Tricor") held by East Asia Secretaries to Trivium at a consideration of approximately HK$6.5 billion (the "Disposal"). Tricor is 24.39% owned by the Company and 75.61% owned by BEA, in each case through East Asia Secretaries. Closing of the Disposal is subject to regulatory clearances and the Company expects it will occur during the first quarter of 2017. Following closing of the Disposal, the Group will cease to own any equity interest in Tricor.

(b) On 1 November 2016, the shareholders of Sino-French Holdings (Hong Kong) Limited, a then 50% joint venture of the Group and now known as SUEZ NWS Limited ("SNL"), entered into an agreement to restructure and expand the scope of operations of SNL by injecting cash and their respective waste and wastewater treatment businesses in Greater China into SNL. The directors of the Company considered all significant conditions precedent were satisfied and the restructuring was regarded as completed in December 2016. Gain arising from the restructuring of HK$454.3 million was recognized by the Group in the Current Period. The Group ceased its joint control and owns 42% interest in SNL upon completion of the restructuring. Accordingly, the investment in SNL was accounted for as an associated company as at 31 December 2016.

(c) The share of results of associated companies includes the Group's share of impairment loss of HK$204.0 million for Newton Resources Ltd ("Newton Resources") in the Current Period.

9. Joint ventures

(a) On 19 October 2016, the Group entered into agreements with the then other shareholders of Goshawk Aviation Limited ("Goshawk") and Goshawk Management Holdings (Cayman) Limited (collectively, the "Goshawk Companies"). Pursuant to such agreements, the Group acquired an additional 10% equity interest in the Goshawk Companies and related shareholder loans at an aggregate consideration of approximately HK$788.0 million. Upon completion of the transactions on 24 October 2016, the Group's equity interest in the Goshawk Companies was increased from 40% to 50% and joint control over the companies was obtained. As such, the Group's investments in the Goshawk Companies were accounted for as joint ventures as at 31 December 2016.

(b) On 15 November 2016, NWS Service Management Limited ("NWS Service (BVI)", a company incorporated in the British Virgin Islands and an indirect wholly owned subsidiary of the Company) and Enrich Group Limited ("Enrich", a direct wholly owned subsidiary of Chow Tai Fook Enterprises Limited ("CTF Enterprises")) entered into a sale and purchase agreement and pursuant to which, NWS Service (BVI) agreed to acquire the remaining 50% equity interest in NWS Transport Services Limited ("NWST", a then joint venture owned as to 50% by each of NWS Service (BVI) and Enrich) from Enrich at a total consideration of approximately HK$1,467.5 million (including adjustment to the consideration upon completion). NWST and its subsidiaries ("NWST Group") are principally engaged in the provision of public bus, ferry and travel related services in Hong Kong. Completion of the acquisition took place on 30 December 2016. Thereafter, NWST Group became indirect wholly owned subsidiaries of the Company. The Group recognized a gain on the remeasurement of previously held equity interest in NWST of HK$113.1 million during the Current Period.

10. Trade and other receivables

Included in trade and other receivables are trade receivables which are further analyzed based on invoice date as follows:

	At 31 December 2016 HK$'m	At 30 June 2016 HK$'m
Under 3 months	**2,333.2**	2,511.7
4 to 6 months	**40.7**	30.3
Over 6 months	**33.0**	40.2
	2,406.9	2,582.2

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

11. Trade and other payables

Included in trade and other payables are trade payables which are further analyzed based on invoice date as follows:

	At 31 December 2016 HK$'m	At 30 June 2016 HK$'m
Under 3 months	**450.0**	611.2
4 to 6 months	**11.1**	7.4
Over 6 months	**15.2**	12.3
	476.3	630.9

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for FY2017 (the "Interim Dividend") in scrip form equivalent to HK$0.34 per share with a cash option to shareholders whose names appear on the register of members of the Company on 17 March 2017.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Interim Dividend, 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 will be given the option of electing to receive payment in cash of HK$0.34 per share instead of the allotment of shares. A circular containing details of the scrip dividend arrangement will be despatched to shareholders of the Company together with a form of election for cash dividend on or about 22 March 2017.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' entitlement to the Interim Dividend, the register of members of the Company will be closed. Details of such closure are set out below:

Latest time to lodge transfer documents for registration	4:30 pm on 13 March 2017
Closure of register of members	14 to 17 March 2017 (both days inclusive)
Record date	17 March 2017
Interim Dividend payment date	on or about 15 May 2017

During the above closure period, no transfer of shares will be registered. In order to qualify for the Interim Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

FINANCIAL REVIEW

Group overview

The Group recorded an Attributable Operating Profit ("AOP") of HK$2.519 billion for the Current Period, representing an increase of HK$121.2 million or 5% compared with HK$2.398 billion in the Last Period. Driven by the organic growth of the Roads segment and the increased contribution from Hangzhou Ring Road ("HZRR") since becoming a wholly owned subsidiary of the Group in January 2016, the Infrastructure division generated an AOP of HK$1.525 billion, an increase of 4% compared with HK$1.469 billion in the Last Period, despite the impact of Renminbi depreciation. The AOP of the Services division increased by 7% to HK$994.7 million compared with HK$928.9 million in the Last Period mainly due to the steady growth of the Construction business on the back of a buoyant real estate sector and the improved performance of the strategic investments.

During the Current Period, the Group recognized a gain of HK$454.3 million on the restructuring of SNL that involved asset injections by both shareholders of SNL. Notwithstanding the post-restructuring decrease in the Group's interest in SNL from 50% to 42%, the Group expanded its environmental businesses from its focus on water and wastewater treatment to the waste treatment sector. The Group is also well positioned to build on the enlarged portfolio of SNL group and to capitalize on the expected future growth of the environmental market in Greater China.

On 30 December 2016, the acquisition of further 50% interest in NWST was completed and NWST then became a wholly owned subsidiary of the Group. NWST wholly owns Citybus Limited, New World First Bus Services Limited and New World First Ferry Services Limited and was, before the acquisition, a 50% owned joint venture of the Group. The Group recognized an accounting gain on the remeasurement of previously held equity interest in the joint venture of HK$113.1 million. This acquisition presents a good opportunity for the Group to take full control of this existing investment and to capitalize on NWST Group's established market position, expertise and experience in Hong Kong's passenger transport industry. The results of NWST Group will be fully consolidated into the Group, enabling it to benefit from the stable and recurring revenue stream, cash flow and earnings of NWST Group.

While the Group recognized fair value gain of HK$71.8 million on the revaluation of its investment properties, it also shared an impairment loss of HK$204.0 million for Newton Resources in light of the impairment of Newton Resources' mining assets in Yanjiazhuang, Mainland China. This impairment loss is a non-cash item and bears no impact on the Group's cash flow and operation.

In the Last Period, the Group recognized several one-off items, including the share of a gain of HK$179.3 million on the deemed disposal of its indirect interest in Chongqing Water Group Co., Ltd. ("Chongqing Water Group"), the impairment loss of HK$200.0 million of the Group's interest in Tharisa plc ("Tharisa"), a share of the impairment loss of HK$177.6 million for Hyva Holding B.V. ("Hyva") and a net exchange loss of HK$266.6 million resulting from the depreciation of Renminbi.

Contribution by Division		
For the six months ended 31 December		
	2016	2015
	HK$'m	HK$'m
Infrastructure	**1,524.7**	1,469.3
Services	**994.7**	928.9
Attributable operating profit	**2,519.4**	2,398.2
Corporate office and non-operating items		
Gain on restructuring of a joint venture	**454.3**	-
Gain on remeasurement of previously held equity interest in a joint venture	**113.1**	-
Net gain on deemed disposal of a project under a joint venture	**-**	179.3
Net gain on disposal of projects	**68.1**	163.2
Gain on fair value of investment properties	**71.8**	593.0
Impairment loss related to an associated company	**(204.0)**	(200.0)
Impairment loss related to a joint venture	**-**	(177.6)
Net exchange gain/(loss)	**10.4**	(266.6)
Interest income	**38.4**	136.1
Finance costs	**(257.1)**	(274.1)
Expenses and others	**(214.3)**	(197.2)
	80.7	(43.9)
Profit attributable to shareholders	**2,600.1**	2,354.3

Contributions from the operations in Hong Kong accounted for 50% of AOP in the Current Period compared with 55% in the Last Period. Mainland China and Others contributed 43% and 7% respectively, compared with 37% and 8% respectively in the Last Period.

Earnings per share

The basic earnings per share was HK$0.68 in the Current Period, representing an increase of 10% from HK$0.62 in the Last Period.

OPERATIONAL REVIEW – INFRASTRUCTURE

AOP Contribution by Segment

For the six months ended 31 December

	2016 **HK$'m**	2015 HK$'m	Change % Fav./(Unfav.)
Roads	**733.2**	620.2	18
Environment	**256.4**	261.5	(2)
Logistics	**316.1**	348.1	(9)
Aviation	**219.0**	239.5	(9)
Total	**1,524.7**	1,469.3	4

Roads

AOP from the Roads segment rose by 18% to HK$733.2 million. Traffic volume of the Group's road portfolio grew by 12% during the Current Period which was supported by the increase in passenger cars from ongoing urbanization in Mainland China.

Toll revenue of HZRR, fuelled by the rising cross-border trucks traffic during the Current Period, increased by 5% despite a 7% drop in traffic flow caused by the traffic control measures in Hangzhou during the G20 Summit. AOP contribution from HZRR in the Current Period was also boosted following the acquisition of the remaining 5% interest from the minority shareholder in January 2016.

Average daily traffic flow of Tangjin Expressway (Tianjin North Section) grew by 6% in the Current Period notwithstanding the boosted traffic volume in the Last Period as a result of the traffic diversion from a competing road which was closed off temporarily following the Tianjin explosion incident.

The Group's expressways in the Pearl River Delta Region performed satisfactorily both in terms of traffic volume and toll revenue. Average daily traffic flow of Guangzhou City Northern Ring Road increased by 15%. Both Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) and Guangzhou-Zhaoqing Expressway reported traffic growths of 13%. Having completed its expansion works in December 2015, Shenzhen-Huizhou Expressway's traffic flow rose by 17% while its toll revenue surged by 69% under the new standard toll rate approved in March 2016. Both Guangzhou City Nansha Port Expressway and Guangzhou Dongxin Expressway continued to show positive progress as their traffic flows grew by 15% and 25% respectively during the Current Period.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel remained stable while its toll revenue rose in line with the toll hike which took effect in January 2016.

Environment

AOP of the Environment segment dropped slightly by 2% to HK$256.4 million in the Current Period.

The overall water and wastewater treatment revenue of SNL grew by 7% in the Current Period. The restructuring of SNL has been duly completed and the strengthened cooperation with SUEZ hence well positions the Group to capture the growth of a wide range of environmental businesses in Hong Kong, Mainland China, Macau and Taiwan. SNL is spurred on to explore and maximize potential synergies across a much wider operating portfolio in Greater China with its consolidated net asset value increased almost twofold to approximately HK$8 billion.

The Group injected its interest in Chongqing Water Group into Chongqing Derun Environment Co., Ltd. ("Derun Environment") in December 2015. Derun Environment, an investment platform targeting environmental businesses in Mainland China, delivered positive AOP in the Current Period.

National power consumption in Mainland China rose mildly during the Current Period. However, an average cut of 7% on coal-fired benchmark on-grid tariff in January 2016 together with the rebound in coal prices during the Current Period exerted pressures on the performance of the Group's power plant projects. Electricity sales of Zhujiang Power Plants increased by 23% as one of the generators underwent overhaul in the Last Period. Due to the increasing competition from hydro-power, electricity sales of Chengdu Jintang Power Plant fell by 6%. The effect was mitigated by the robust performance of the Guangzhou Fuel Company in light of the rising coal prices during the Current Period.

Logistics

AOP from the Logistics segment dropped by HK$32.0 million to HK$316.1 million in the Current Period which reflected the disposal of NWS Kwai Chung Logistics Centre in 2016.

Contribution from ATL Logistics Centre dropped in the Current Period as there was a one-off rental adjustment of a major tenant in the Last Period. Its average rental grew modestly by 5% (excluding the aforesaid one-off rental adjustment) while occupancy rate fell slightly from 97.8% to 97.2% due to tenants' tendency to consolidate or reduce their space requirements upon lease renewals as a result of the general slowdown in retail.

China United International Rail Containers Co., Limited ("CUIRC") delivered continuous AOP growth in the Current Period. Benefitting from the launching of containerized break-bulk cargo services in January 2015, its throughput rose swiftly by 34% to 1,311,000 TEUs during the Current Period. This service also generates higher unit revenue and thus better yield. To capture the growing demand for international rail container transportation services and the economic opportunities created by "One Belt, One Road" Initiative, the new Tianjin terminal commenced trial run during the Current Period while the construction of Urumqi terminal is expected to complete by mid 2017. Furthermore, new warehouses are currently under construction at Chongqing and Wuhan terminals which will further enhance logistics and intermodal capabilities and services.

Throughput handled by Xiamen Container Terminal Group Co., Ltd. grew by 6% to 4,310,000 TEUs during the Current Period. With the steady recovery in business activities after the Tianjin explosion incident, Tianjin Five Continents International Container Terminal Co., Ltd. and Tianjin Orient Container Terminals Co., Ltd. registered throughput growth of 8% to 1,324,000 TEUs and 9% to 496,000 TEUs respectively.

Aviation

This segment includes the Group’s investments in Beijing Capital International Airport Co., Ltd. (“BCIA”) and its commercial aircraft leasing business. The decrease in AOP of 9% was primarily due to the Last Period’s exceptional gain arising from the insurance claim on an aircraft formerly owned by Goshawk.

As the second busiest airport in the world in terms of passenger throughput for seven consecutive years, BCIA served 48.8 million passengers in the Current Period, representing a 6% growth compared with the Last Period. BCIA continues to maintain growth in aeronautical revenue through increase in flight movements, particularly international flight movements. For non-aeronautical revenue, BCIA remains focused on the development of the concession models for retail, food and beverage as well as advertising businesses.

With confidence in the long-term prospects of the commercial aircraft leasing business amid globalization trends and growing demand for air travel, the Group acquired an additional 10% equity interest in the Goshawk Companies in October 2016 to increase its shareholding to 50%. Goshawk continues to focus on commercial aircraft that are young, modern and in demand. The fleet size grew from 68 aircraft as at 30 June 2016 to 76 aircraft as at 31 December 2016, reaching US$3.0 billion in total assets under management. The fleet size was only 27 when the Group first invested in this platform in February 2015. Goshawk has since nearly tripled its fleet size. As all aircraft are purchased with leases attached, Goshawk is poised to generate steady and recurring income for the Group.

The Group’s second commercial aircraft leasing platform, Bauhinia Aviation Capital Limited (“Bauhinia”), a joint venture with CTF Enterprises and Aviation Capital Group Corp., commenced business with a fleet size of four aircraft as at 31 December 2016. The Group expects Bauhinia to bring recurring cash flows and stable income to the Group in the coming years in the same manner as Goshawk.

OPERATIONAL REVIEW – SERVICES

AOP Contribution by Segment

For the six months ended 31 December

	2016	2015	Change %
	HK$'m	HK$'m	Fav./(Unfav.)
Facilities Management	**258.9**	369.5	(30)
Construction & Transport	**533.6**	492.4	8
Strategic Investments	**202.2**	67.0	202
Total	**994.7**	928.9	7

Facilities Management

During the Current Period, 560 events were held at Hong Kong Convention and Exhibition Centre ("HKCEC") with a total patronage of approximately 3.7 million. Facing tough economic conditions, exhibition business is expected to remain sluggish with some recurring exhibitions downsizing the scale in exhibit space and/or event duration. Looking ahead, the management company for HKCEC, Hong Kong Convention and Exhibition Centre (Management) Limited, will focus its business development efforts to secure new knowledge-based exhibitions such as cloud computing and professional development and to identify large scale conferences to fill up the non-peak periods.

The performance of Free Duty in the Current Period continued to be affected by the slowdown in inbound Mainland tourists and the corresponding decline in visitor spending. Coupled with rising operating costs, the profit contribution from this business further declined. However, the operation at the MTR Lok Ma Chau Station sustained steady growth despite the retail headwinds. Apart from adjusting its marketing strategy, Free Duty will actively seek opportunities to extend its e-commerce platform and seek expansion opportunities. The Group is pleased to have won a competitive bid to continue its duty free concessions for five years at the MTR Hung Hom, Lo Wu and Lok Ma Chau Stations until 2022.

Gleneagles Hong Kong Hospital in Wong Chuk Hang, in which the Group owns 40% interest, is making final preparation for its opening in March 2017. This new 500-bed hospital will provide a comprehensive range of medical services and the recruitment process for doctors, nurses and healthcare professionals is progressing well.

To further capture the growing demand for healthcare services in Asian markets, in particular, Mainland China, the Group entered into an agreement (subject to certain conditions precedent) to subscribe for 20% of the enlarged issued share capital of UMP Healthcare China Limited and established a 50/50 joint venture with CTF Enterprises to serve as an investment platform for investing in healthcare facilities in Asia, with primary focus on clinics and medical centres in Mainland China and Hong Kong. The joint venture entered into an agreement (subject to certain conditions precedent) for the acquisition of interests in four clinics located in Mainland China from UMP Phoenix Healthcare Limited and UMP Healthcare China Limited.

Construction & Transport

AOP contribution from the Construction business increased steadily by 10% to HK$408.5 million in the Current Period mainly due to the continuous improvement in gross profit through effective project management. Major projects during the Current Period included New World Centre remodeling, construction of Home Ownership Scheme Developments at Kiu Cheong Road, Tin Shui Wai and Ngan Kwong Wan Road East and West, Mui Wo, a composite development at Tseung Kwan O, a factory development at Yuen Long Industrial Estate and Phase Two Expansion of Cathay Pacific's catering services facility. In addition, new tenders awarded during the Current Period included main contract works for Lohas Park Package 5, a retail and hotel development at Tung Chung Town Lot Nos. 2 and 11, and a residential and commercial development at Kai Tak. As at 31 December 2016, the gross value of contracts on hand for the Construction business was approximately HK$73.7 billion and the remaining works to be completed amounted to approximately HK$39.9 billion.

Despite the pressure on ridership following the opening of MTR Kwun Tong Line Extension and South Island Line in the Current Period, the Group's Transport business managed to deliver an AOP growth of 2% to HK$125.1 million while maintaining a hedging programme to stabilize the fuel costs. NWST became a wholly owned subsidiary of the Group on 30 December 2016 and the results of NWST Group will be fully consolidated into the Group's financial statements in the second half of this financial year. Notwithstanding the anticipated competition from the expansion of the MTR network, public bus service in Hong Kong has its competitive advantages in terms of point-to-point travel and more extensive geographical coverage. Franchised buses will continue to be an important mode of transportation in Hong Kong.

Strategic Investments

This segment includes contributions from Tricor, Haitong International Securities Group Limited, Newton Resources, Tharisa, Hyva and other investments held by the Group for strategic investment purposes.

Tricor's corporate services businesses performed steadily during the Current Period. The closing of the disposal of the Group's entire interest in Tricor is expected to occur during the first quarter of 2017 and the Group is expected to recognize a profit in the amount of approximately HK$0.9 billion, as announced previously.

Tharisa, which is principally engaged in platinum group metals and chrome mining, processing and trading in South Africa, remained on track to achieve its targeted mining recovery rates. Market price of chrome rebounded satisfactorily in the Current Period which contributed to a more favourable operating environment for Tharisa.

Hyva's sales in Mainland China and India continued to improve while its performance in Brazil remained muted. Its management continues to exercise cost savings measures to enhance efficiency and profitability.

On 23 January 2017, the Group disposed of 20% of its stake in Newton Resources and thereby reduced its shareholding to 15.5%. Newton Resources has been actively pursuing new business opportunities, including investments in mining or resources-related projects. Having recently commenced its carpark business, Newton Resources will also enter the business of supplying and trading of iron ore.

BUSINESS OUTLOOK

The robust performance achieved by the Group under the prevailing challenging market conditions bodes well for our sustainable growth strategy. In line with our disciplined investment philosophy, the Group continues to reinforce and consolidate its asset portfolio by investing in high-growth sectors while seizing opportunities to bolster various core businesses. Based on our capital spending target, the Group has already incurred over HK$4 billion on capital expenditure in the current financial year. The Group has further earmarked HK$1 billion of resources for potential investment opportunities until the end of FY2017. Furthermore, with proactive treasury management, the Group has been able to mitigate the negative impact of Renminbi depreciation during the Current Period.

The convincing AOP growth delivered by the Roads segment fully verifies the investment decision to buy out the interest of the minority shareholder of HZRR. Based on the overall increase in traffic flow and toll revenue, the Roads segment will remain resilient. Following the investment in Derun Environment, the Group further expanded the Environment segment by extending the scope of collaboration with our long-term strategic partner SUEZ. With the enlarged investment capabilities of SNL, the Group is therefore in a strong position to capitalize on the growing demand for water and environmental services in Greater China.

The current dynamic environment for the logistics and air travel industries will continue to enhance the growth of the Logistics and Aviation segments. With two more new terminals coming into operation in 2017, CUIRC is well placed to capture the long-term benefits from China’s further economic development and the well publicized “One Belt, One Road” Initiative. Having raised the stake in Goshawk by 10% and established a seed portfolio for Bauhinia, the Group has effectively strengthened its position in the commercial aircraft leasing market.

The mixed performance within the Services division reflected the influence of business cycles on local commercial activities. Underpinned by a strong order book, the Construction business continued to flourish while the duty free business remained subdued reflecting the weakness in inbound tourism and rising costs. That said, the Group remains optimistic in the prospects of the Services division after having secured the contract to operate the concessions at both cross-border rail terminals until 2022. In addition, the future performance of the division is expected to be boosted by the stable and recurring contribution from NWST as a wholly owned subsidiary after completion of the latest acquisition.

FINANCIAL RESOURCES

Treasury management and cash funding

The Group's funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group continues to monitor its cash flow position and debt profile, and to enhance the cost-efficiency of funding initiatives by its centralized treasury function. In order to maintain financial flexibility and adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will keep exploring cost-efficient ways of financing.

Liquidity and capital resources

As at 31 December 2016, the Group's total cash and bank balances, which were mainly denominated in Hong Kong Dollar, United States Dollar and Renminbi, amounted to HK$10.021 billion, compared with HK$8.924 billion as at 30 June 2016. The Group's Net Debt as at 31 December 2016 was HK$5.336 billion, compared with HK$6.141 billion as at 30 June 2016. The decrease in Net Debt was mainly due to proceeds from disposals of investments. The capital structure of the Group comprised 25% debt and 75% equity as at 31 December 2016 which was the same as that as at 30 June 2016. The Group's net gearing ratio decreased from 13% as at 30 June 2016 to 12% as at 31 December 2016.

Fuel price swap contracts are used to hedge the upside risk of fuel prices and foreign exchange forward contracts are used to hedge foreign currency exposure of the Group's transport business.

Debt profile and maturity

As at 31 December 2016, the Group's Total Debt increased to HK$15.357 billion from HK$15.065 billion as at 30 June 2016. The Group has spaced out its debt maturity profile to reduce refinancing risks. Among the long-term loans and borrowings of HK$10.199 billion as at 31 December 2016, 13% will mature in the second year, 81% will mature in the third to fifth year and 6% will mature after the fifth year. Bank loans were denominated in Hong Kong Dollar or Renminbi, while bonds were denominated in United States Dollar. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. Interest rate swaps are used to hedge parts of the Group's underlying interest rate exposure. The Group did not have any material exposure to foreign exchange risk other than Renminbi during the Current Period. As at 31 December 2016, intangible concession rights of HZRR were pledged as securities for a banking facility of the Group. The US$500.0 million bonds were fully redeemed upon maturity on 9 February 2017.

Commitments

The Group's total commitments for capital expenditures were HK$3.060 billion as at 31 December 2016 compared with HK$3.065 billion as at 30 June 2016. These represented commitments for capital contributions to certain associated companies and joint ventures, properties and equipment and other investments. Sources of funds for capital expenditures include internally generated cash and banking facilities.

Financial guarantee contracts

Financial guarantee contracts of the Group were HK$3.900 billion as at 31 December 2016, compared with HK$2.369 billion as at 30 June 2016. These represented guarantees for banking facilities of associated companies and joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, approximately 28,000 staff were employed by entities under the Group's management of which approximately 11,300 staff were employed in Hong Kong. Total staff related costs including provident funds, staff bonus and deemed share option benefits but excluding directors' remunerations were HK$1.510 billion (2015: HK$1.520 billion). Remuneration packages including salaries, bonuses and share options are granted to employees according to individual performance and are reviewed according to general market conditions every year. Structured training programmes were provided to employees on an ongoing basis.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

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

The unaudited consolidated interim results of the Group for the Current Period have been reviewed by the Company's external auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

CORPORATE GOVERNANCE PRACTICES

The Board firmly believes that good corporate governance is 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 shareholder value. Maintaining a high standard of corporate governance has been and remains one of the core missions of the Company. The Board devotes considerable effort to identify and formalize best practices for adoption by the Company.

Throughout the Current Period, the Company has complied with all the applicable code provisions under the Corporate Governance Code as contained 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.

DEALINGS IN THE COMPANY'S SECURITIES BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code") as its own code of conduct for securities transactions by directors. Specific enquiry was made with all directors and it was established that they had all complied with the required standards of the Model Code during the Current Period.

The Company has also adopted the "Code for Securities Transactions by Relevant Employees", which is no less exacting than the Model Code, for governing the securities transactions of specified employees ("Relevant Employees") who, because of their positions, are likely to come across unpublished inside information. Following specific enquiry by the Company, all Relevant Employees had confirmed that they complied with the standards set out in the "Code for Securities Transactions by Relevant Employees" 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 Hui Hon Chung, Mr Cheung Chin Cheung, Mr Cheng Chi Ming, Brian and Mr Mak Bing Leung, Rufin; (b) the non-executive directors of the Company are Mr To Hin Tsun, Gerald, Mr Dominic Lai, Mr Lam Wai Hon, Patrick and Mr William Junior Guilherme Doo; and (c) the independent non-executive directors of the Company are Mr Kwong Che Keung, Gordon, Dr Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr Lee Yiu Kwong, Alan and Mrs Oei Fung Wai Chi, Grace.

Tsang Yam Pui
Chief Executive Officer and Executive Director

Hong Kong, 21 February 2017

* *For identification purposes only*