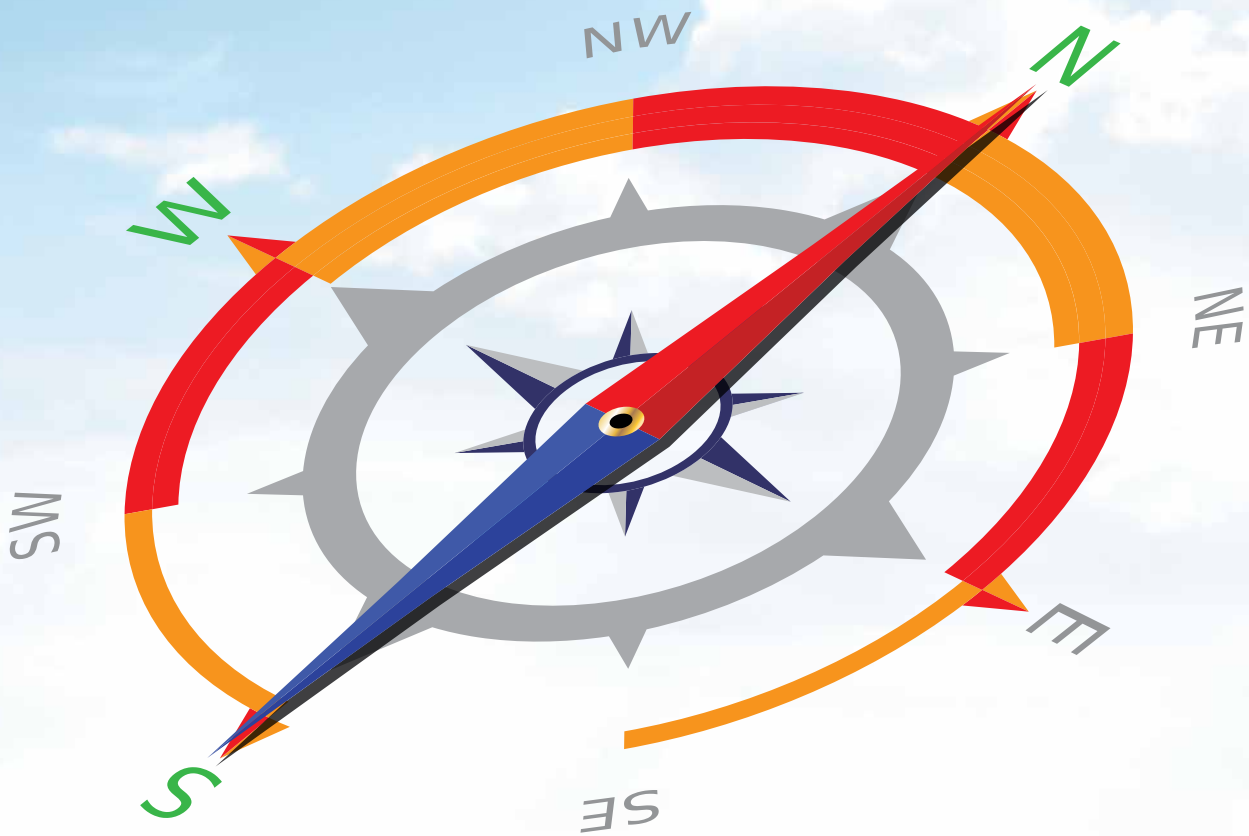




新創建 NWS



PAVING NEW HORIZONS

NWS HOLDINGS LIMITED
STOCK CODE: 659

INTERIM REPORT 2012-2013

Design rationale

PAVING NEW HORIZONS

A compass theme is used extensively in NWS Holdings Interim Report 2012–2013 to illustrate the Group's clear direction along its journey of excellence.

The Group's two major businesses, infrastructure and services, are symbolized by compass needles. With a direction to success and its dedication to corporate social responsibility, the Group is committed to paving new horizons and achieving sustainable growth in the years ahead.



Download the
NWS Holdings
Interim Report 2012-2013

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DESIGN RATIONALE

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Financial Highlights

	For the six months ended	
	31 December	
	2012	2011
	HK\$'m	HK\$'m
Revenue	7,971.0	6,941.9
Profit Attributable to Shareholders of the Company	2,106.2	3,423.1
Earnings per Share – Basic and Diluted	HK\$0.59	HK\$1.01
Dividend Payout Ratio	50%	51%

	At	
	31 December	
	2012	2011
	HK\$'m	HK\$'m
Net Debt	12,207.8	12,280.1
Total Assets	66,445.8	62,086.2
Net Assets	39,372.5	36,632.8
Shareholders' Funds	38,485.4	35,794.3
Net Assets per Share	HK\$10.81	HK\$10.23
Net Gearing Ratio	31%	34%



Chairman's Statement

Dear Shareholders,

On behalf of our board of directors (the "Board"), I am pleased to report that solid financial results were recorded for the six months ended 31 December 2012 (the "Current Period") by NWS Holdings Limited (the "Company", together with its subsidiaries, the "Group").

Strategic positioning for long-term success

China's economy has shown signs of pickup according to the latest economic data while the Chinese government has continued to maintain stable monetary policy amid global economic uncertainties. The Chinese domestic market should continue to benefit from urbanization plans which will act as an important catalyst to boost investment in local infrastructure and residential projects. The Group is therefore well placed to capture new investment opportunities that could further strengthen the existing portfolio of infrastructure assets in Mainland China.

Maintaining stable growth in core earnings

The Attributable Operating Profit ("AOP") from our Infrastructure and Services divisions increased by 10% and 13% respectively during the Current Period. Profit attributable to shareholders dropped by 38% to HK\$2.1 billion but this was mainly caused by the recognition of a one-off dilution gain of approximately HK\$1.8 billion from the successful listing of Newton Resources Ltd ("Newton Resources") during the six months ended 31 December 2011 (the "Last Period").

As expected, the full-period contribution from Hangzhou Ring Road ("HZRR") served as an important growth driver for the Roads segment. It fully absorbed the negative impact resulting from the introduction of the toll standardization policy in

Guangdong Province and the holiday toll free policy in Mainland China during the Current Period. At the same time, the traffic volume of Tangjin Expressway (Tianjin North Section) suffered a drop of 40% due to its on-going expansion works. Despite these adverse conditions, the AOP of the Roads segment managed to grow by 13% during the Current Period. This achievement further reflected the significance in raising the Group's effective interest in HZRR from approximately 58.66% to 95% in January 2012.

The Energy segment rebounded by 22% as the operating environment for the power industry in Mainland China improved, which was mainly due to softened coal prices. In February 2013, the Water segment extended its footprint to Sichuan Province through the acquisition of a stake in a water company engaging in wastewater treatment services. ATL Logistics Centre and NWS Kwai Chung Logistics Centre took advantage of the vibrant retail sector in Hong Kong and boasted utilization rates of 98% and 100% respectively.

The Facilities Management segment reported solid growth of 19% in the Current Period. While space continue to limit the expansion of major exhibitions especially during peak seasons, Hong Kong Convention and Exhibition Centre ("HKCEC") managed to increase food and beverage revenue by 8%. Notwithstanding the expiry of the concession contract at the Hong Kong International Airport in November 2012, the Free Duty shops continued to ride on the strong patronage of mainland tourists as evidenced by an 8% increase in passenger throughput at the land cross-border terminals when compared to the Last Period.

The Board is pleased to declare an interim dividend for the year ending 30 June 2013 of HK\$0.29 per share. The interim dividend payout ratio stands at approximately 50.2%.

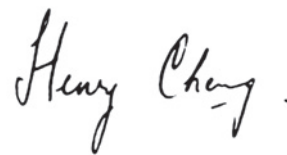
Employee and corporate wellness

A scholarship scheme for the children of the Group's employees who gained university admissions was launched in August 2012. With an aim to provide a well-rounded development and foster a caring culture among the younger generation, our selection criteria was not limited to academic excellence but also achievements or attributes in different fields such as art, music, sports and community services. It was therefore most gratifying to witness twelve youngsters receiving their awards and displaying their skills in the inaugural presentation ceremony.

Last but not least, the NWS Volunteer Alliance received the Gold Award in the Volunteer Team category at the Hong Kong Outstanding Corporate Citizenship Award for the second consecutive year. Having accumulated over 100,000 service hours, this was a well-deserved recognition for our corporate volunteer team.

A word of thanks

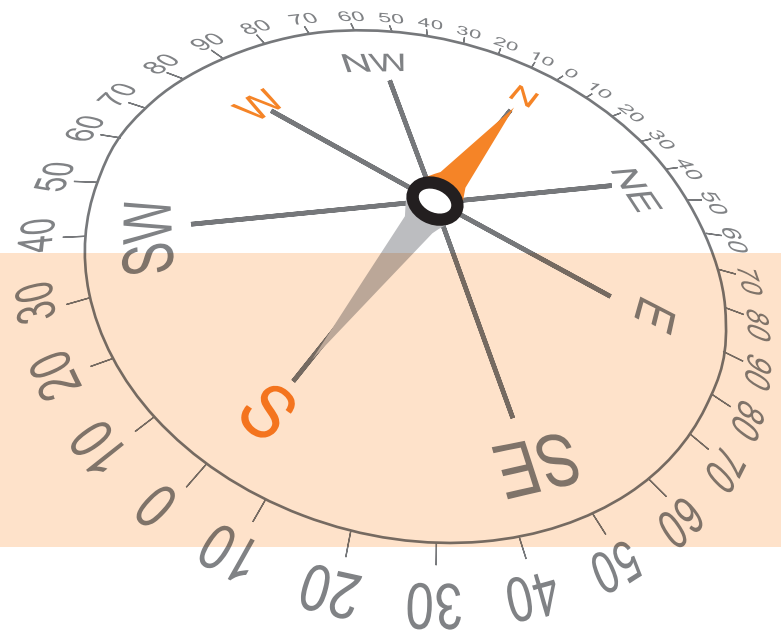
The Group has continued to embrace challenges and deliver commendable financial results and operational performance. I must take this opportunity to thank our highly spirited and dedicated management team and staff for their loyalty and devotion to the Group and my fellow members of the Board for their strategic counsel and unwavering support.



Dr Cheng Kar Shun, Henry

Chairman

Hong Kong, 26 February 2013



Management Discussion and Analysis

GROUP OVERVIEW

The Group recorded an AOP of HK\$2.196 billion for the Current Period, representing an increase of HK\$223.6 million or 11%, as compared to HK\$1.972 billion for the Last Period. Infrastructure division generated an AOP of HK\$1.162 billion, an increase of 10% as compared to HK\$1.056 billion in the Last Period. The AOP of Services division recorded an increase of 13% to HK\$1.034 billion.

Due to the one-off dilution gain of approximately HK\$1.8 billion arising from the listing of Newton Resources in the Last Period, profit attributable to shareholders decreased by HK\$1.317 billion or 38% to HK\$2.106 billion in the Current Period.

A gain on fair value of HK\$178.4 million from revaluation of investment properties was recognized during the Current Period as the Hong Kong property market remained buoyant.

Contribution by Division

For the six months ended 31 December

	2012 HK\$'m	2011 HK\$'m
Infrastructure	1,161.9	1,056.4
Services	1,034.1	916.0
Attributable operating profit	2,196.0	1,972.4
<i>Head office and non-operating items</i>		
Net gain on deemed disposals of interests in a subsidiary and an associated company	–	1,833.4
Gain on fair value of investment properties	178.4	–
Share of profit from Harbour Place	25.5	36.6
Assets impairment losses	–	(195.6)
Corporate net exchange gain	63.7	5.0
Corporate interest income	58.5	18.1
Corporate finance costs	(272.0)	(100.7)
Corporate expenses and others	(143.9)	(146.1)
	(89.8)	1,450.7
Profit attributable to shareholders	2,106.2	3,423.1

Contributions from the operations in Hong Kong accounted for 53% of AOP in the Current Period as compared to 52% in the Last Period. Mainland China and Macau & others contributed 39% and 8% respectively, as compared to 38% and 10% respectively in the Last Period.

Earnings per Share

The basic earnings per share in the Current Period decreased by 42% from HK\$1.01 in the Last Period to HK\$0.59 in the Current Period.

GROUP OVERVIEW (continued)

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 2012, the Group's total cash and bank balances amounted to HK\$6.487 billion, as compared to HK\$5.386 billion as at 30 June 2012. The Group's Net Debt as at 31 December 2012 was HK\$12.208 billion, as compared to HK\$12.280 billion as at 30 June 2012. The capital structure of the Group was 32% debt and 68% equity as at 31 December 2012, as compared to 33% debt and 67% equity as at 30 June 2012.

Debt Profile and Maturity

As at 31 December 2012, the Group's Total Debt increased to HK\$18.695 billion from HK\$17.666 billion as at 30 June 2012. Long-term loans and borrowings increased to HK\$17.259 billion as at 31 December 2012 from HK\$15.110 billion as at 30 June 2012, with HK\$3.822 billion maturing in the second year; HK\$12.199 billion in the third to fifth year and the remainder after the fifth year. Bank loans were denominated in Hong Kong Dollar or Renminbi, while bonds were denominated in Renminbi or United States Dollar. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. The Group used cross currency swaps and interest rate swaps to hedge part of the Group's underlying exchange risk and interest rate exposure respectively. The Group did not have any material exposure to exchange risk other than Renminbi during the Current Period. As at 31 December 2012, intangible concession rights of HZRR were pledged as securities for a banking facility of the Group.

Commitments

The Group's commitments for capital expenditure were HK\$2.171 billion as at 31 December 2012 as compared to HK\$922.5 million as at 30 June 2012. This represented commitment for capital contributions to/acquisition of an associated company and certain jointly controlled entities of HK\$2.147 billion as at 31 December 2012 as compared to HK\$889.2 million as at 30 June 2012; and commitments for properties and equipment, intangible concession rights or other investments of HK\$24.9 million as at 31 December 2012 as compared to HK\$33.3 million as at 30 June 2012. The share of commitments for capital expenditure committed by jointly controlled entities was HK\$1.547 billion as at 31 December 2012 as compared to HK\$1.572 billion as at 30 June 2012. Sources of funding for capital expenditure include internally generated resources and banking facilities.

Contingent Liabilities

Contingent liabilities of the Group were HK\$619.2 million as at 31 December 2012, as compared to HK\$714.1 million as at 30 June 2012. These composed of guarantees for credit facilities granted to associated companies, jointly controlled entities and a related company of HK\$24.2 million, HK\$483.3 million and HK\$111.7 million respectively as at 31 December 2012, as compared to HK\$2.2 million, HK\$600.2 million and HK\$111.7 million respectively as at 30 June 2012. The share of contingent liabilities of jointly controlled entities was HK\$20.3 million as at 31 December 2012 and HK\$14.7 million as at 30 June 2012.

Management Discussion and Analysis

OPERATIONAL REVIEW – INFRASTRUCTURE

Infrastructure division recorded an AOP of HK\$1,161.9 million for the Current Period, representing a 10% increase when compared to the Last Period.

AOP Contribution by Segment

For the six months ended 31 December

	2012 HK\$'m	2011 HK\$'m	Change % Fav.
Roads	690.8	613.3	13
Energy	110.2	90.1	22
Water	207.5	200.5	3
Ports & Logistics	153.4	152.5	1
Total	1,161.9	1,056.4	10

Roads

The toll standardization policy in Guangdong Province and the holiday toll free policy introduced by the Central Government in 2012 have adversely impacted the performance of the Group's toll road projects during the Current Period to the tune of around 12% of the Last Period's AOP. However, these negative impacts were offset by the increased contribution from the newly acquired HZRR, the shareholding of which was increased from approximately 58.66% to 95% in January 2012. Consequently, the Roads segment showed an AOP growth of 13% from HK\$613.3 million to HK\$690.8 million during the Current Period.

HZRR recorded an average daily traffic flow of over 88,000 vehicles and had a positive impact on the AOP for the Current Period. On the other hand, the partial closure of Tangjin Expressway (Tianjin North Section) starting from June 2012 as required for its expansion works significantly reduced the average daily traffic flow by 40% when compared to the Last Period.

In the Pearl River Delta Region, the average daily traffic flow of Guangzhou City Northern Ring Road showed an increase of 14%, as a result of the opening of an interchange in June 2012. The average daily traffic flows of Guangzhou-Zhaoqing Expressway and Shenzhen-Huizhou Expressway grew by 13% and 9% respectively when compared to the Last Period. Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) registered a slight decrease in its average daily traffic flow by 1% for the Current Period.

Affected by the opening of a competing expressway, the combined average daily traffic flow of Guangxi Roadways Network dropped by 22% in the Current Period.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel grew by 4% when compared to the Last Period.

Energy

The AOP of the Energy segment increased from HK\$90.1 million to HK\$110.2 million for the Current Period, an increase of 22%, was mainly attributable to softened coal price.

Due to weakened demand and increase in hydro-electricity supply from the western provinces in Mainland China during the Current Period, Zhujiang Power registered a decrease in sales volume of 24%. The electricity sales of Chengdu Jintang Power Plant dropped by 5% when compared to the Last Period.

AOP from Guangzhou Fuel Company decreased during the Current Period as a result of 3% reduction in trading revenue and a lower profit margin when compared to the Last Period.

The electricity sales of Macau Power grew by 7% during the Current Period resulting from more entertainment and hotel facilities that came into operation.

OPERATIONAL REVIEW – INFRASTRUCTURE (continued)

Water

The AOP of the Water segment increased by 3% from HK\$200.5 million to HK\$207.5 million for the Current Period.

The sales volume of Sanya Water Plant increased by 7% during the Current Period. Waste water treated by Chongqing Tangjiatuo Waste Water Plant also increased by 19% while Shanghai SCIP Water Treatment Plants reported a healthy growth of industrial water sales revenue by 6%. The water sales volume in Macau Water Plant grew by 7% during the Current Period.

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

Ports & Logistics

AOP from Port & Logistics segment increased slightly by 1% to HK\$153.4 million for the Current Period.

The throughput of Xiamen New World Xiangyu Terminals Co., Ltd. ("NWXU Terminal") decreased by 13% to 462,000 TEUs due to the loss of a number of customers who had upgraded the vessel size of their fleet which exceeded the handling capability of NWXY Terminal. The AOP of the segment was also negatively impacted by the full-period effect of initial operating loss incurred by the Haicang Xinhaida Container Terminals.

In Tianjin, the throughput of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd., grew by 5% to 486,000 TEUs and 1% to 1,132,000 TEUs respectively in the Current Period.

The occupancy rate at ATL Logistics Centre maintained at 98% while the average rental grew by 3% during the Current Period. NWS Kwai Chung Logistics Centre, which commenced operations in December 2011, was fully leased out and provided the Group with a steady stream of rental income during the Current Period.

The eight operating rail container terminals of China United International Rail Containers Co., Limited handled an aggregate throughput of 766,000 TEUs for the Current Period, as compared to 757,000 TEUs for the Last Period. These terminals in Kunming, Chongqing, Chengdu, Zhengzhou, Dalian, Qingdao, Wuhan and Xian form part of the overall plan to build 18 such terminals at major railway hubs within Mainland China. Two further terminals are in the advance stage of planning and construction preparation.

Management Discussion and Analysis

OPERATIONAL REVIEW – SERVICES

The Services division recorded an AOP of HK\$1,034.1 million in the Current Period, representing a 13% increase from the Last Period.

AOP Contribution by Segment

For the six months ended 31 December

	2012 HK\$'m	2011 HK\$'m	Change % Fav./(Unfav.)
Facilities Management	686.6	578.3	19
Construction & Transport	123.3	182.9	(33)
Strategic Investments	224.2	154.8	45
Total	1,034.1	916.0	13

Facilities Management

The Facilities Management segment mainly comprises HKCEC and Free Duty.

The Group continued to benefit from the growth of exhibition and convention industry. During the Current Period, 629 events were held at HKCEC with a total patronage of approximately 3.5 million. Through upgrading its complex and facilities, HKCEC continues to sustain healthy growth. Turnover of food and beverage has continued to be a key growth driver of the business.

As the concession contract of Free Duty at the Hong Kong International Airport expired on 17 November 2012, the impact of this expiration in the Current Period was insignificant. Besides, Free Duty's tobacco and liquor retail business at all land border crossings continues to thrive and experience remarkable growth by capitalizing on the strong patronage of high-spending visitors from Mainland China.

Construction & Transport

The Construction business recognized an AOP of HK\$30.1 million in the Current Period, representing a 67% decrease from the Last Period, mainly due to the reduced profit contribution from an associated company and the non-occurrence of exceptional profits from certain construction projects. As at 31 December 2012, the gross value of contracts on hand for the Construction business was approximately HK\$36.0 billion. To cope with the shortage of labour supply, more resources will be put on staff training. Enhancing industrial safety continues to be high on the management priority list.

The Group's Transport business reported an AOP of HK\$93.2 million in the Current Period, representing a 2% increase over the Last Period, despite the absence of the non-recurring gain from the disposal of the Macau ferry operation in the Last Period. This was mainly attributable to an increase in fare revenue and advertising income. Fuel costs remained steady due to a fuel cost hedging arrangement. The franchise for New World First Bus Services Limited and Franchise 2 for Citybus Limited (the Airport and North Lantau Bus Network) have been renewed for a period of 10 years. These two new franchises will take effect when the current franchises expire on 1 July 2013 and 1 May 2013 respectively.

OPERATIONAL REVIEW – SERVICES (continued)

Strategic Investments

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

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 in the Current Period. Its business operations in Hong Kong, Singapore and Mainland China altogether contributed about 75% of the total profit of Tricor in the Current Period.

The Group holds 48% shareholding interest in Newton Resources. Since its listing, Newton Resources has experienced a number of execution problems which led to the temporary cessation of commercial production. These include disputes relating to land expropriation and staff issues. Following prolonged negotiations with various parties involved and with the support of the local government, these problems were largely resolved and trial production at the mine was made possible in November 2012. Management of Newton Resources anticipates that commercial production will gradually resume once the safety production permit for the new tailings storage facility is granted. The mining and production of gabbro-diabase products have yet to commence at the Yanjiazhuang Mine pending the completion of the remaining stripping and preparation works in the first quarry and the issuance of one remaining safety permit necessary for production. Management of Newton Resources believes that the production of gabbro-diabase products could commence in the first half of 2013.

The Group also holds an effective interest of approximately 38% in Hyva, a company engaged in the manufacturing and supply of components used in hydraulic loading and unloading systems on trucks and trailers. Revenue from Mainland China has been affected by a slowdown in heavy truck sales. In Europe, however, despite the general negative market sentiments, replacement needs continue to support sales. Russia and Middle East markets are also expected to continue their growth momentum.

BUSINESS OUTLOOK

The overall performance in the Current Period demonstrated the Group’s effort and commitment in maintaining a healthy growth momentum across its core business segments. The robust performance of HZRR, which the Group acquired during the year ended 30 June 2012, and duty free business played a major role in generating an AOP growth of 11% in the Current Period. The decrease in profit attributable to shareholders was mainly due to the recognition of approximately HK\$1.8 billion dilution gain in the Last Period from the listing of Newton Resources.

Notwithstanding the challenging global economic environment which is expected to persist for some time to come, the Group is uniquely positioned to capitalize on the continuous economic growth and development in Mainland China and take advantage of the booming services and retail related businesses in Hong Kong. At the same time, the Group will continue to leverage on its financial strength in seeking investment opportunities that could deliver both stable and recurring income streams and enhance long-term shareholders’ value.

Independent Auditor's Review Report



羅兵咸永道

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 11 to 36, which comprises the condensed consolidated statement of financial position of NWS Holdings Limited (the "Company") and its subsidiaries (together, the "Group") as at 31 December 2012 and the related condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 26 February 2013

Interim Results

The Board is pleased to present the unaudited condensed consolidated interim financial statements (the “interim financial statements”) of the Group for the Current Period. The interim financial statements of the Group include the condensed consolidated income statement, condensed consolidated statements of comprehensive income, changes in equity and cash flows for the Current Period and the condensed consolidated statement of financial position as at 31 December 2012, all of which are unaudited, along with other explanatory notes, and are set out on pages 11 to 36 of this report.

Condensed Consolidated Income Statement – Unaudited

	Note	For the six months ended 31 December	
		2012 HK\$'m	2011 HK\$'m
Revenue	3	7,971.0	6,941.9
Cost of sales		(6,299.6)	(5,451.9)
Gross profit		1,671.4	1,490.0
Gain on deemed disposal of interest in a subsidiary		–	1,842.7
Other income/gains (net)	4	690.5	76.1
General and administrative expenses		(376.2)	(346.8)
Operating profit	5	1,985.7	3,062.0
Finance costs		(383.1)	(211.3)
Share of results of			
Associated companies		189.0	280.5
Jointly controlled entities		708.4	711.4
Profit before income tax		2,500.0	3,842.6
Income tax expenses	6	(358.6)	(275.4)
Profit for the period		2,141.4	3,567.2
Attributable to			
Shareholders of the Company		2,106.2	3,423.1
Non-controlling interests		35.2	144.1
		2,141.4	3,567.2
Dividend	7	1,056.7	1,738.8
Earnings per share attributable to the shareholders of the Company			
Basic and diluted	8	HK\$0.59	HK\$1.01

Interim Results

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended 31 December	
	2012 HK\$'m	2011 HK\$'m
Profit for the period	2,141.4	3,567.2
Other comprehensive income/(loss)		
Fair value changes on available-for-sale financial assets	62.4	(325.0)
Release of investment revaluation deficit to the condensed consolidated 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)
Release of reserves upon disposal of assets held for sale	(2.4)	(0.5)
Share of other comprehensive income of an associated company and jointly controlled entities	45.6	29.3
Cash flow hedges	(29.4)	(66.6)
Currency translation differences	699.4	318.9
Other comprehensive income for the period, net of tax	775.6	141.7
Total comprehensive income for the period	2,917.0	3,708.9
Total comprehensive income attributable to		
Shareholders of the Company	2,860.8	3,555.6
Non-controlling interests	56.2	153.3
	2,917.0	3,708.9

Condensed Consolidated Statement of Financial Position – Unaudited

	Note	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
ASSETS			
Non-current assets			
Investment properties	9	3,312.1	3,156.8
Property, plant and equipment	10	415.2	421.8
Intangible concession rights	11	16,818.6	16,747.5
Intangible assets	12	502.0	517.6
Associated companies	13	9,270.3	9,098.7
Jointly controlled entities		20,233.2	19,533.2
Available-for-sale financial assets		486.2	433.2
Other non-current assets	14	1,037.5	965.8
		52,075.1	50,874.6
Current assets			
Inventories		483.9	499.3
Trade and other receivables	15	6,577.5	4,686.6
Available-for-sale financial asset		583.5	583.5
Financial assets at fair value through profit or loss		230.7	1.5
Cash and bank balances		6,487.3	5,386.0
		14,362.9	11,156.9
Assets held for sale	16	7.8	54.7
		14,370.7	11,211.6
Total assets		66,445.8	62,086.2
EQUITY			
Share capital	17	3,643.9	3,581.6
Reserves	18	33,784.8	31,314.7
Proposed final dividend		–	898.0
Interim dividend	18	1,056.7	–
Shareholders' funds		38,485.4	35,794.3
Non-controlling interests		887.1	838.5
Total equity		39,372.5	36,632.8
LIABILITIES			
Non-current liabilities			
Borrowings	19	17,259.4	15,110.0
Deferred tax liabilities		2,626.7	2,562.3
Other non-current liabilities		301.2	312.9
		20,187.3	17,985.2
Current liabilities			
Borrowings	19	1,435.7	2,556.1
Trade and other payables	20	5,051.6	4,464.0
Taxation		398.7	448.1
		6,886.0	7,468.2
Total liabilities		27,073.3	25,453.4
Total equity and liabilities		66,445.8	62,086.2
Net current assets		7,484.7	3,743.4
Total assets less current liabilities		59,559.8	54,618.0

Interim Results

Condensed Consolidated Statement of Changes in Equity – Unaudited

HK\$m	For the six months ended 31 December 2012						
	Shareholders' funds					Non-controlling interests	
	Share capital	Share premium	Revenue reserve	Other reserves	Total	interests	Total
At 1 July 2012	3,581.6	14,130.4	14,951.0	3,131.3	35,794.3	838.5	36,632.8
Total comprehensive income for the period	–	–	2,106.2	754.6	2,860.8	56.2	2,917.0
<i>Contributions by/(distribution to) owners</i>							
Dividend paid to							
Shareholders of the Company	–	–	(898.0)	–	(898.0)	–	(898.0)
Non-controlling interests	–	–	–	–	–	(7.6)	(7.6)
Scrip dividends							
Nominal value of new shares issued	51.8	–	–	–	51.8	–	51.8
Share premium on new shares issued	–	564.6	–	–	564.6	–	564.6
Share options							
Nominal value of new shares issued	10.5	–	–	–	10.5	–	10.5
Share premium on new shares issued	–	101.4	–	–	101.4	–	101.4
Transfer	–	–	(0.5)	0.5	–	–	–
Total transactions with owners	62.3	666.0	(898.5)	0.5	(169.7)	(7.6)	(177.3)
At 31 December 2012	3,643.9	14,796.4	16,158.7	3,886.4	38,485.4	887.1	39,372.5

Condensed Consolidated Statement of Changes in Equity – Unaudited (continued)

HK\$m	For the six months ended 31 December 2011						
	Shareholders' funds					Non-controlling interests	Total
	Share capital	Share premium	Revenue reserve	Other reserves	Total		
At 1 July 2011	3,387.6	12,221.0	12,480.1	2,988.8	31,077.5	1,268.6	32,346.1
Total comprehensive income for the period	–	–	3,423.1	132.5	3,555.6	153.3	3,708.9
<i>Contributions by/(distribution to) owners</i>							
Dividend paid to							
Shareholders of the Company	–	–	(1,118.3)	–	(1,118.3)	–	(1,118.3)
Non-controlling interests	–	–	–	–	–	(5.2)	(5.2)
Scrip dividends							
Nominal value of new shares issued	72.4	–	–	–	72.4	–	72.4
Share premium on new shares issued	–	676.8	–	–	676.8	–	676.8
Share options							
Value of services provided	–	–	–	0.8	0.8	–	0.8
Nominal value of new shares issued	1.3	–	–	–	1.3	–	1.3
Share premium on new shares issued	–	12.8	–	–	12.8	–	12.8
Transfer	–	–	(0.5)	0.5	–	–	–
	73.7	689.6	(1,118.8)	1.3	(354.2)	(5.2)	(359.4)
<i>Changes in ownership interests in subsidiaries</i>							
Acquisition of subsidiaries	–	–	–	–	–	3,778.7	3,778.7
Further acquisition of interests in subsidiaries	–	–	85.9	–	85.9	(3,350.6)	(3,264.7)
Derecognition of non-controlling interests of Newton Resources	–	–	–	76.2	76.2	(976.5)	(900.3)
	–	–	85.9	76.2	162.1	(548.4)	(386.3)
Total transactions with owners	73.7	689.6	(1,032.9)	77.5	(192.1)	(553.6)	(745.7)
At 31 December 2011	3,461.3	12,910.6	14,870.3	3,198.8	34,441.0	868.3	35,309.3

Interim Results

Condensed Consolidated Statement of Cash Flows – Unaudited

	For the six months ended 31 December	
	2012 HK\$'m	2011 HK\$'m
Net cash from operating activities	1,373.7	1,448.1
Cash flows from investing activities		
Consideration paid for acquisition of Hangzhou Ring Road	–	(5,715.6)
Others	(842.6)	(114.1)
Net cash used in investing activities	(842.6)	(5,829.7)
Cash flows from financing activities		
Drawdown of a bridging loan	–	5,000.0
Others	698.2	2,144.7
Net cash generated from financing activities	698.2	7,144.7
Net increase in cash and cash equivalents	1,229.3	2,763.1
Cash and cash equivalents at the beginning of the period	5,199.0	4,500.5
Currency translation differences	59.0	11.9
Cash and cash equivalents at the end of the period	6,487.3	7,275.5
Analysis of cash and cash equivalents		
Cash and bank balances	6,487.3	7,462.5
Short-term bank deposits maturing after more than three months	–	(187.0)
	6,487.3	7,275.5

Notes to Condensed Consolidated Interim Financial Statements

1. General information

NWS Holdings Limited is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries include:

- (a) the investment in and/or operation of facilities, construction, transport and strategic investments; and
- (b) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as ports and logistics facilities.

The Company has its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange").

The interim financial statements were approved for issuance by the Board on 26 February 2013.

2. Basis of preparation and accounting policies

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 Hong Kong Stock Exchange. The interim financial statements should be read in conjunction with the June 2012 annual financial statements, 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 year ended 30 June 2012 except for the adoption of the amendment to standard which is further explained as below.

(a) Adoption of new or revised standards

During the Current Period, the Group adopted the following amendment to standard which is relevant to the Group's operations and is mandatory for the financial year ending 30 June 2013:

HKAS 1 (Amendment)	Presentation of Items of Other Comprehensive Income
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The adoption of this amendment to standard has no material effect on the results and financial position of the Group.

Interim Results

2. Basis of preparation and accounting policies (continued)

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

The following new standards, amendments to standards and interpretation are mandatory for accounting period beginning on or after 1 July 2013 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2014

HKFRS 1 (Amendment)	Government Loans
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
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
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine
HKFRSs Amendments	Improvements to HKFRSs issued in June 2012
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

Effective for the year ending 30 June 2015 or after

HKFRS 7 and HKFRS 9 (Amendments)	Financial Instruments: Disclosures – Mandatory Effective Date of HKFRS 9 and Transition Disclosures
HKFRS 9	Financial Instruments
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities

The Group has already commenced an assessment of the impact of these new standards, amendments to standards and interpretation, 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.

3. Revenue and segment information

The Group's revenue is analyzed as follows:

	For the six months ended	
	31 December	
	2012	2011
	HK\$'m	HK\$'m
Roads	1,115.1	827.1
Ports & Logistics	52.3	4.3
Facilities Management	3,498.1	3,521.6
Construction & Transport	3,305.5	2,588.9
	7,971.0	6,941.9

3. Revenue and segment information (continued)

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. Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers the business of the Group from product and service perspectives, which comprises (i) Roads; (ii) Energy & Water; (iii) Ports & Logistics; (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.

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

HK\$m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Total
For the six months ended 31 December 2012							
Total revenue	1,115.1	–	52.3	3,508.1	3,305.5	–	7,981.0
Inter-segment	–	–	–	(10.0)	–	–	(10.0)
Revenue – external	1,115.1	–	52.3	3,498.1	3,305.5	–	7,971.0
Attributable operating profit							
Company and subsidiaries	383.9	–	34.2	686.5	(2.7)	133.8	1,235.7
Associated companies	11.2	27.6	12.3	–	28.6	142.5 (ii)	222.2 (b)
Jointly controlled entities	295.7	290.1	106.9	0.1	97.4 (i)	(52.1)	738.1 (b)
Reconciliation	690.8	317.7	153.4	686.6	123.3	224.2	2,196.0
Gain on fair value of investment properties							178.4
Share of profit from Harbour Place							25.5
Corporate net exchange gain							63.7
Corporate interest income							58.5
Corporate finance costs							(272.0)
Corporate expenses and others							(143.9)
Profit attributable to shareholders							2,106.2

- (i) The amount includes the Group's share of attributable operating profit of HK\$93.2 million from its Transport business.

- (ii) The amount includes the Group's share of profit of HK\$112.1 million from three associated companies engaged in investment activities.

Interim Results

3. 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	Energy & Roads	Ports & Water	Logistics	Facilities Management	Construction & Transport	Strategic Investments	Segment Total	Corporate	Eliminations	Consolidated
For the six months ended 31 December 2012										
Depreciation	4.4	-	-	27.6	19.0	-	51.0	4.7	-	55.7
Amortization of intangible concession rights	344.2	-	-	-	-	-	344.2	-	-	344.2
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	3.8	-	-	18.9	20.7	-	43.4	6.1	-	49.5
Interest income	27.8	7.3	0.5	0.2	3.1	95.3	134.2	58.5	(8.4)	184.3
Finance costs	110.7	-	5.4	0.3	3.1	-	119.5	272.0	(8.4)	383.1
Income tax expenses	178.4	26.9	4.1	137.3	2.3	9.3	358.3	0.3	-	358.6
As at 31 December 2012										
Company and subsidiaries	18,611.4	180.5	2,126.2	4,173.9	4,296.6	1,769.0	31,157.6	5,784.7	-	36,942.3
Associated companies	416.5	639.5	287.6	-	1,293.0	6,549.1	9,185.7	84.6	-	9,270.3
Jointly controlled entities	6,270.6	7,194.0	3,789.5	14.7	1,633.9 (i)	1,287.5	20,190.2	43.0	-	20,233.2
Total assets	25,298.5	8,014.0	6,203.3	4,188.6	7,223.5	9,605.6	60,533.5	5,912.3	-	66,445.8
Total liabilities	6,305.5	48.7	111.8	816.5	3,225.4	763.4	11,271.3	15,802.0	-	27,073.3

- (i) The balance includes the Group's investment in its Transport business of HK\$1,925.5 million.

3. 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	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Total
For the six months ended 31 December 2011							
Total revenue	827.1	–	4.3	3,529.4	2,647.9	–	7,008.7
Inter-segment	–	–	–	(7.8)	(59.0)	–	(66.8)
Revenue – external	827.1	–	4.3	3,521.6	2,588.9	–	6,941.9
Attributable operating profit							
Company and subsidiaries	171.7	–	(2.6)	578.9	219.0	12.2	979.2
Associated companies	12.2	25.2	21.6	–	70.7	137.6 (ii)	267.3 (b)
Jointly controlled entities	429.4	265.4	133.5	(0.6)	(106.8) (i)	5.0	725.9 (b)
	613.3	290.6	152.5	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 net exchange gain							5.0
Corporate interest income							18.1
Corporate finance costs							(100.7)
Corporate expenses and others							(146.1)
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 profit of HK\$108.0 million from three associated companies engaged in investment activities.
- (iii) Assets impairment losses mainly included HK\$143.8 million impairment loss of an available-for-sale financial asset under the Strategic Investments segment due to volatile and adverse market conditions.

Interim Results

3. 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	Energy & Water	Ports & Logistics	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	26.7	6.2	0.8	0.1	3.6	4.6	42.0	18.1	(8.8)	51.3
Finance costs	109.4	-	5.2	1.0	3.8	-	119.4	100.7	(8.8)	211.3
Income tax expenses	119.9	22.9	2.3	116.9	9.6	3.0	274.6	0.8	-	275.4
As at 30 June 2012										
Company and subsidiaries	18,101.3	122.4	2,003.6	4,074.7	3,649.4	1,699.4	29,650.8	3,803.5	-	33,454.3
Associated companies	420.9	637.8	270.3	-	1,274.1	6,420.2	9,023.3	75.4	-	9,098.7
Jointly controlled entities	5,992.6	6,897.3	3,809.7	19.6	1,488.1 (i)	1,292.1	19,499.4	33.8	-	19,533.2
Total assets	24,514.8	7,657.5	6,083.6	4,094.3	6,411.6	9,411.7	58,173.5	3,912.7	-	62,086.2
Total liabilities	6,345.0	25.7	129.8	1,315.7	2,653.8	304.0	10,774.0	14,679.4	-	25,453.4

(i) The balance included the Group's investment in its Transport business of HK\$1,783.4 million.

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

HK\$m	Associated companies		Jointly controlled entities	
	For the six months ended 31 December		For the six months ended 31 December	
	2012	2011	2012	2011
Attributable operating profit	222.2	267.3	738.1	725.9
Corporate associated companies, jointly controlled entities and non-recurring items				
Harbour Place	-	-	25.5	36.6
Others	(33.2)	13.2	(55.2)	(51.1)
Share of results of associated companies and jointly controlled entities	189.0	280.5	708.4	711.4

3. Revenue and segment information (continued)

(c) Information by geographical areas:

HK\$'m	Revenue		Non-current assets other than financial instruments, deferred tax assets and post-employment benefits assets	
	For the six months ended 31 December		At 31 December	At 30 June
	2012	2011	2012	2012
Hong Kong	6,822.8	5,955.4	4,149.1	4,014.2
Mainland China	1,146.8	862.7	16,887.6	16,815.3
Macau	1.4	123.3	11.2	14.2
Others	–	0.5	–	–
	7,971.0	6,941.9	21,047.9	20,843.7

4. Other income/gains (net)

	For the six months ended 31 December	
	2012 HK\$'m	2011 HK\$'m
Gain on fair value of investment properties	178.4	–
Gain on fair value of a derivative financial instrument	58.8	–
Net gain on fair value of financial assets at fair value through profit or loss	34.5	–
Net exchange gain	113.3	48.5
Interest income		
Available-for-sale financial assets	82.1	–
Bank deposits and others	102.2	51.3
Profit on disposal of a subsidiary	–	73.4
Profit on disposal of assets held for sale	45.4	8.8
Machinery hire income	31.5	41.7
Dividends and other income	30.8	17.3
Management fee income	13.5	30.7
Assets impairment losses	–	(195.6)
	690.5	76.1

Interim Results

5. Operating profit

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

	Note	For the six months ended 31 December	
		2012 HK\$'m	2011 HK\$'m
Crediting			
Gross rental income from investment properties		78.9	25.1
Less: outgoings		(13.0)	(6.6)
		65.9	18.5
Charging			
Cost of inventories sold		1,175.2	1,184.1
Cost of services rendered		5,124.4	4,267.8
Depreciation	10	55.7	47.9
Amortization of intangible concession rights	11	344.2	217.3
Amortization of intangible assets	12	15.6	15.6
Operating lease rental expenses – properties		30.6	24.8

6. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2011: 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% (2011: 9% to 25%).

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

	For the six months ended 31 December	
	2012 HK\$'m	2011 HK\$'m
Current income tax		
Hong Kong profits tax	145.2	127.0
Mainland China and overseas taxation	209.1	163.9
Deferred income tax charge/(credit)	4.3	(15.5)
	358.6	275.4

Share of taxation of associated companies and jointly controlled entities of HK\$16.7 million (2011: HK\$11.9 million) and HK\$148.6 million (2011: HK\$224.0 million) respectively are included in the condensed consolidated income statement as share of results of associated companies and jointly controlled entities respectively.

7. Dividend

	For the six months ended 31 December	
	2012 HK\$m	2011 HK\$m
Interim dividend declared of HK\$0.29 (2011: paid of HK\$0.50) per share	1,056.7	1,738.8

8. Earnings per share

The calculation of basic and diluted earnings per share for the Current Period is based on earnings of HK\$2,106.2 million (2011: HK\$3,423.1 million) and on the weighted average of 3,590,308,151 and 3,590,727,932 (2011: 3,388,932,354 and 3,389,946,446) ordinary shares outstanding during the Current Period respectively, calculated as follows:

	For the six months ended 31 December	
	2012 HK\$m	2011 HK\$m
Profit attributable to shareholders of the Company and for calculation of basic and diluted earnings per share	2,106.2	3,423.1

	Number of shares	
	2012	2011
Weighted average number of shares for calculating basic earnings per share	3,590,308,151	3,388,932,354
Effect of dilutive potential ordinary shares Share options	419,781	1,014,092
Weighted average number of shares for calculating diluted earnings per share	3,590,727,932	3,389,946,446

9. Investment properties

	HK\$m
At 1 July 2012	3,156.8
Additions	0.2
Fair value changes	178.4
Adjustment to total estimated construction costs	(25.2)
Translation differences	1.9
At 31 December 2012	3,312.1

The investment properties were revalued on 31 December 2012 by independent, professionally qualified valuers, Savills Valuation and Professional Services Limited or Knight Frank Petty Limited. Valuations for properties were based on market value assessment or the income approach.

Interim Results

10. Property, plant and equipment

HK\$m	Note	Land and properties	Other plant and equipment	Total
Cost				
At 1 July 2012		44.4	1,411.1	1,455.5
Additions		–	48.5	48.5
Disposals		–	(13.0)	(13.0)
Translation differences		–	1.7	1.7
At 31 December 2012		44.4	1,448.3	1,492.7
Accumulated depreciation and impairment				
At 1 July 2012		15.0	1,018.7	1,033.7
Depreciation	5	0.5	55.2	55.7
Disposals		–	(12.9)	(12.9)
Translation differences		–	1.0	1.0
At 31 December 2012		15.5	1,062.0	1,077.5
Net book value				
At 31 December 2012		28.9	386.3	415.2
At 30 June 2012		29.4	392.4	421.8

11. Intangible concession rights

	Note	HK\$m
Cost		
At 1 July 2012		20,181.7
Additions		0.8
Translation differences		496.3
At 31 December 2012		20,678.8
Accumulated amortization and impairment		
At 1 July 2012		3,434.2
Amortization	5	344.2
Translation differences		81.8
At 31 December 2012		3,860.2
Net book value		
At 31 December 2012		16,818.6
At 30 June 2012		16,747.5

12. Intangible assets

HK\$m	Note	Goodwill	Operating right	Total
Cost				
At 1 July 2012 and 31 December 2012		67.2	567.2	634.4
Accumulated amortization and impairment				
At 1 July 2012		15.4	101.4	116.8
Amortization	5	–	15.6	15.6
At 31 December 2012		15.4	117.0	132.4
Net book value				
At 31 December 2012		51.8	450.2	502.0
At 30 June 2012		51.8	465.8	517.6

13. Associated companies

Included in the associated companies are three investment companies in which the Group has participating interests and are held for investment purposes. The Group's investment in these companies as at 31 December 2012 amounted to HK\$2,417.4 million (30 June 2012: HK\$2,305.3 million), which mainly represents various loans receivables and the fair value of investments in various listed and unlisted securities. In the Current Period, the Group's share of profit of these three investment companies amounted to HK\$112.1 million (2011: HK\$108.0 million).

14. Other non-current assets

	At 31 December 2012 HK\$m	At 30 June 2012 HK\$m
Security deposits	962.3	952.0
Derivative financial instruments	59.0	–
Retirement benefit assets	11.8	11.8
Others	4.4	2.0
	1,037.5	965.8

Interim Results

15. Trade and other receivables

	Note	At 31 December 2012 HK\$m	At 30 June 2012 HK\$m
Trade receivables	(a)	1,166.8	1,005.5
Retention money receivables		454.6	465.6
Amounts due from customers for contract works		246.1	221.7
Other receivables, deposits and prepayments	(b)	3,808.1	2,193.0
Amounts due from associated companies		66.7	21.8
Amounts due from jointly controlled entities		835.2	779.0
		6,577.5	4,686.6

(a) The ageing analysis of trade receivables is as follows:

	At 31 December 2012 HK\$m	At 30 June 2012 HK\$m
Under 3 months	1,143.7	947.8
4 to 6 months	10.6	21.9
Over 6 months	12.5	35.8
	1,166.8	1,005.5

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

(b) The balance includes an investment deposit of HK\$1,320.0 million (30 June 2012: Nil) which is secured, carries interest at 8% per annum and is fully repaid subsequent to the end of reporting period.

The balance also includes an amount receivable of RMB400.0 million (equivalent to approximately HK\$500.0 million) (30 June 2012: RMB400.0 million, equivalent to approximately HK\$487.8 million) which is secured, carries interest at 7.65% (30 June 2012: 7.65%) per annum and repayable within one year.

16. Assets held for sale

	At 31 December 2012 HK\$m	At 30 June 2012 HK\$m
Equity securities listed in Hong Kong	7.8	7.8
Equity securities listed in Mainland China	–	46.9
	7.8	54.7

17. Share capital

	Ordinary shares	
	No. of shares	HK\$m
Authorized		
At 1 July 2012 and 31 December 2012	6,000,000,000	6,000.0
Issued and fully paid		
At 1 July 2012	3,581,550,854	3,581.6
Exercise of share options	10,549,291	10.5
Issued as scrip dividends	51,770,912	51.8
At 31 December 2012	3,643,871,057	3,643.9

Share Option Schemes

The share option scheme adopted by the Company on 6 December 2001 (the "2001 Share Option Scheme"), certain rules of which were amended on 12 March 2003 and 24 November 2006, was valid and effective for a period of 10 years from the date of adoption. The 2001 Share Option Scheme expired on 6 December 2011. The share options, which were granted on 21 August 2007 and 28 January 2008 under the 2001 Share Option Scheme, were exercisable up to and including 20 August 2012 pursuant to the terms of grant of the relevant share options.

In anticipation of the expiry of the 2001 Share Option Scheme, the Company adopted a new share option scheme on 21 November 2011. No share option was granted under this scheme since its adoption.

Movements in the number of share options outstanding under the 2001 Share Option Scheme during the Current Period are as follows:

	Number of options
At 1 July 2012	14,255,753
Exercised	(10,549,291)
Lapsed	(3,706,462)
At 31 December 2012	–

- (a) On 21 August 2007 and 28 January 2008, 29,694,000 and 700,000 share options were granted to directors and certain eligible participants at the exercise price of HK\$16.200 and HK\$20.600 respectively, which represent the closing prices of the Company's shares on the Hong Kong Stock Exchange on the dates of grant. Such share options expired on 21 August 2012.
- (b) Pursuant to the 2001 Share Option Scheme, the number of unexercised share options and exercise prices may be subject to adjustment in case of alteration in the capital structure of the Company. With effect from 16 May 2012, the exercise prices per share for the share options granted on 21 August 2007 and 28 January 2008 were adjusted to HK\$10.609 and HK\$13.490 respectively.

Interim Results

18. Reserves

HK\$m	Share premium	Special reserves	Investment revaluation reserve	Exchange reserve	Revenue reserve	Total
At 1 July 2012	14,130.4	397.2	113.8	2,620.3	14,951.0	32,212.7
Profit for the period	–	–	–	–	2,106.2	2,106.2
Dividend to shareholders of the Company	–	–	–	–	(898.0)	(898.0)
Fair value changes on available-for-sale financial assets						
Group	–	–	53.1	–	–	53.1
Associated companies	–	–	(0.3)	–	–	(0.3)
Jointly controlled entities	–	–	9.6	–	–	9.6
Release of reserves upon disposal of assets held for sale	–	–	0.8	(3.2)	–	(2.4)
Currency translation differences						
Group	–	–	–	294.6	–	294.6
Associated companies	–	–	–	50.0	–	50.0
Jointly controlled entities	–	–	–	333.8	–	333.8
Scrip dividends						
Share premium on new shares issued	564.6	–	–	–	–	564.6
Share options						
Share premium on new shares issued	101.4	–	–	–	–	101.4
Share of other comprehensive income of an associated company and jointly controlled entities	–	45.6	–	–	–	45.6
Cash flow hedges	–	(29.4)	–	–	–	(29.4)
Transfer	–	0.5	–	–	(0.5)	–
At 31 December 2012	14,796.4	413.9	177.0	3,295.5	16,158.7	34,841.5
Representing						
Balance at 31 December 2012	14,796.4	413.9	177.0	3,295.5	15,102.0	33,784.8
2013 declared interim dividend	–	–	–	–	1,056.7	1,056.7
	14,796.4	413.9	177.0	3,295.5	16,158.7	34,841.5

Special reserves include statutory reserves which are created in accordance with the relevant PRC laws and/or terms of the joint venture agreements of subsidiaries and jointly controlled entities established in Mainland China and are required to be retained in the financial statements of these subsidiaries and jointly controlled entities for specific purposes. Special reserves also include capital redemption reserve, share option reserve and cash flow hedges reserve arising from interest rate swap and cross currency swap.

19. Borrowings

	Note	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Non-current			
Long term bank loans			
Secured	(a)	2,887.5	3,018.3
Unsecured		9,282.6	7,039.6
Fixed rate bonds			
Unsecured		5,088.7	5,052.1
Other borrowings			
Unsecured		0.6	–
		17,259.4	15,110.0
Current			
Current portion of long term bank loans			
Secured	(a)	412.5	402.4
Unsecured		740.7	1,557.0
Short term bank loans and overdrafts			
Unsecured		282.4	596.7
Other borrowings			
Unsecured		0.1	–
		1,435.7	2,556.1
		18,695.1	17,666.1

(a) Bank loans were secured by the intangible concession rights of HZRR.

Interim Results

20. Trade and other payables

	Note	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Trade payables	(a)	354.7	448.6
Retention money payables		417.4	371.9
Advances received from customers for contract works		361.5	–
Amounts due to customers for contract works		467.1	279.5
Amounts due to non-controlling interests		19.2	40.7
Other payables and accruals		2,791.0	3,128.4
Amounts due to associated companies		614.7	167.7
Amounts due to jointly controlled entities		26.0	27.2
		5,051.6	4,464.0

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

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Under 3 months	336.9	425.5
4 to 6 months	2.0	2.7
Over 6 months	15.8	20.4
	354.7	448.6

21. Commitments

(a) The outstanding commitments for capital expenditure are as follows:

	Note	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Contracted but not provided for			
Property, plant and equipment		16.9	12.3
Investment properties		2.3	–
Capital contributions to/acquisitions of associated companies and jointly controlled entities	(i)	271.3	882.0
Other investments		5.7	5.7
Authorized but not contracted for			
Intangible concession rights		–	15.3
Capital contributions to an associated company		1,875.2	7.2
		2,171.4	922.5

(i) The Group has committed to acquire certain associated companies and jointly controlled entities, and to provide sufficient funds in the form of advances, capital and loan contributions to certain associated companies and jointly controlled entities to finance relevant projects. The directors estimate that the Group's share of projected funds requirements of these projects would be approximately HK\$271.3 million (30 June 2012: HK\$882.0 million) which represents the attributable portion of capital and loan contributions to be made to associated companies and jointly controlled entities.

(b) The Group's share of commitments for capital expenditure committed by the jointly controlled entities not included above are as follows:

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Contracted but not provided for		
Intangible concession rights	1.5	23.2
Property, plant and equipment	637.6	723.7
Capital contributions to/acquisitions of an associated company and jointly controlled entities	95.2	69.6
Authorized but not contracted for		
Intangible concession rights	255.6	183.7
Property, plant and equipment	556.7	571.8
	1,546.6	1,572.0

Interim Results

21. Commitments (continued)

(c) Commitments under operating leases

The future aggregate lease payments under non-cancellable operating leases are as follows:

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Buildings		
In the first year	48.4	48.9
In the second to fifth year inclusive	44.5	40.9
After the fifth year	6.7	6.8
	99.6	96.6

(d) Future minimum rental payments receivable

The future minimum rental payments receivable under non-cancellable operating leases are as follows:

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
In the first year	115.4	113.6
In the second to fifth year inclusive	374.3	405.5
After the fifth year	24.0	23.8
	513.7	542.9

The Group's operating leases terms range from one to ten years.

22. Contingent liabilities and financial guarantee contracts

(a) The Group's financial guarantee contracts are as follows:

	At 31 December 2012 HK\$'m	At 30 June 2012 HK\$'m
Guarantees for credit facilities granted to		
Associated companies	24.2	2.2
Jointly controlled entities	483.3	600.2
A related company	111.7	111.7
	619.2	714.1

(b) The Group's share of contingent liabilities of the jointly controlled entities not included above is HK\$20.3 million as at 31 December 2012 (30 June 2012: HK\$14.7 million).

23. Related party transactions

- (a) The following is a summary of significant related party transactions during the Current Period carried out in the normal course of the Group's business:

	Note	For the six months ended 31 December	
		2012 HK\$'m	2011 HK\$'m
Transactions with affiliated companies	(i)		
Provision of construction work services	(ii)	169.5	302.3
Provision of other services	(iii)	0.5	0.7
Interest income	(iv)	9.2	11.3
Management fee income	(v)	11.0	28.0
Rental and other related expenses	(vi)	(5.0)	(7.5)
Transactions with other related parties	(i)		
Provision of construction work services	(ii)	2,188.4	1,175.7
Provision of other services	(iii)	26.4	32.2
Rental and other related expenses	(vi)	(16.8)	(12.6)
Other expenses	(vii)	(285.6)	(100.4)

- (i) Affiliated companies include associated companies and jointly controlled entities of the Group. Related parties are subsidiaries, associated companies and jointly controlled entities of New World Development Company Limited ("NWD") and Chow Tai Fook Enterprises Limited ("CTF Enterprises") and Mr Doo Wai Hoi, William and his associates which are not companies within the Group. NWD is the ultimate holding company of the Company and CTF Enterprises is a substantial shareholder of NWD. Mr Doo Wai Hoi, William is a non-executive director of the Company.
- (ii) Revenue from the provision of construction work services was charged in accordance with the relevant contracts.
- (iii) The Group provided various kinds of services including facilities management, property management and other services to certain affiliated companies and related parties. The services were provided and charged in accordance with the relevant contracts.
- (iv) Interest income was charged at interest rates in accordance with the relevant contracts on the outstanding balances due by the affiliated companies.
- (v) Management fee was charged at rates in accordance with relevant contracts.
- (vi) Rental and other related expenses were charged at rates in accordance with respective tenancy agreements.
- (vii) Other expenses include mechanical and electrical engineering, purchase of construction materials, laundry, security and guarding, landscaping, cleaning and property management services. The services were charged in accordance with the relevant contracts.

Interim Results

23. Related party transactions (continued)

(b) Key management compensation

The aggregate amounts of emoluments of the directors of the Company are as follows:

	For the six months ended	
	31 December	
	2012	2011
	HK\$'m	HK\$'m
Fees	1.8	1.5
Basic salaries, allowances and other benefits	20.8	21.6
Employer's contribution to retirement benefits schemes	1.0	1.0
	23.6	24.1

There is no deemed share option benefits for the Current Period (2011: HK\$0.4 million).

- (c) The total amounts receivable from associated companies and jointly controlled entities are HK\$3,733.4 million (30 June 2012: HK\$3,562.2 million). These balances are unsecured, of which HK\$754.6 million (30 June 2012: HK\$747.6 million) are interest bearing. These balances also include an aggregate amount of HK\$697.5 million which has been subordinated to certain indebtedness of jointly controlled entities. The total amounts payable to associated companies, jointly controlled entities and non-controlling interests are HK\$757.4 million (30 June 2012: HK\$330.7 million). These balances are unsecured and interest free.

24. Subsequent event

On 25 February 2013, the Company announced that the Group had entered into a conditional agreement (the "Agreement") with certain port investors in Xiamen to establish a joint venture company (the "JV Company") in Mainland China by way of injecting their respective port investments in Xiamen. Pursuant to the Agreement, the Group will inject its 50% interest in NWCY Terminal (a jointly controlled entity of the Company) into the JV Company. The Group has also committed to dispose of its 100% interest in Trend Wood Investments Limited ("Trend Wood", a wholly owned subsidiary of the Company which owns 46% interest in Xiamen Haicang Xinhaida Container Terminals Company Limited (a jointly controlled entity of the Company)) to the JV Company (the "Trend Wood Disposal") after its establishment (the "JV Establishment") at a cash consideration of approximately RMB369.86 million (equivalent to approximately HK\$462.33 million). The disposal proceeds will be utilized in full by the Group for the capital injection to the JV Company.

After the JV Establishment and completion of the Trend Wood Disposal, the Group will hold 13.8% interest in the JV Company. Assuming these transactions had been completed on 31 December 2012, the Board estimates that it would result in a gain of approximately HK\$0.6 billion to the Group. Such gain does not take into account the change in the carrying value of the Group's interest in NWCY Terminal and Trend Wood as a result of the profit or loss of NWCY Terminal and Trend Wood for the period from 1 January 2013 to the date of JV Establishment and completion of the Trend Wood Disposal. A call option was also granted to the Group to acquire an additional 6.2% interest in the JV Company which will be exercisable for a period of three years from the JV Establishment. If such call option is exercised by the Group, its interest in the JV Company will be increased to 20%.

Interim Dividend

The Board has resolved to declare an interim dividend for the year ending 30 June 2013 in scrip form equivalent to HK\$0.29 per share with a cash option to shareholders registered on 21 March 2013.

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 shareholder be given the option to elect to receive payment in cash of HK\$0.29 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 dividend, on or about 2 April 2013. It is expected that certificates for the scrip shares and dividend warrants will be despatched to shareholders on or about 16 May 2013.

BOOK CLOSE DATES

Book close dates (both days inclusive):	Monday, 18 March 2013 to Thursday, 21 March 2013
Latest time to lodge transfer with transfer office:	4:30 pm on Friday, 15 March 2013
Name and address of transfer office:	Tricor Standard Limited 26/F, Tesbury Centre 28 Queen's Road East, Hong Kong

Disclosure Pursuant to Rule 13.22 of the Listing Rules

As at 31 December 2012, the Group has provided financial assistance, by way of shareholders' loans or advances, in the aggregate amount of HK\$3,871.0 million to its affiliated companies, guaranteed bank loans and other borrowing facilities for the benefit of the affiliated companies in the amount of HK\$507.5 million and contracted to provide an aggregate amount of HK\$2,146.5 million in capital and/or loans to affiliated companies. The said amounts, in aggregate, represent approximately 10% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules.

The advances are unsecured, interest free and have no definite repayment terms except for (i) an aggregate amount of HK\$104.7 million which carries interest at 8% per annum; (ii) an amount of HK\$24.9 million which carries interest at Hong Kong prime rate; (iii) an amount of HK\$125.0 million which carries interest at the People's Bank of China two-year benchmark lending rate with 15% premium and is repayable on 9 December 2013; and (iv) an amount of HK\$500.0 million which carries interest at Hong Kong Interbank Offered Rate plus a margin of 1.5% per annum and of which HK\$300.0 million is repayable on 4 July 2016 and HK\$200.0 million is repayable on 20 December 2016. The advances also include an aggregate amount of HK\$697.5 million which has been subordinated to certain indebtedness of the affiliated companies. Contracted capital and loan contributions to affiliated companies would be funded by internally generated resources and banking facilities of the Group.

Pursuant to Rule 13.22 of the Listing Rules, a proforma combined statement of financial position of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2012 are presented as follows:

	Proforma combined statement of financial position HK\$m	Group's attributable interest HK\$m
Non-current assets	34,448.5	17,229.1
Current assets	8,237.0	3,935.8
Current liabilities	(11,139.4)	(5,555.6)
Non-current liabilities	(10,218.5)	(5,077.0)
	21,327.6	10,532.3

The proforma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 31 December 2012.

Additional Information

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance practices 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.

Pursuant to code provision E.1.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "CG Code"), the Chairman of the Board should attend the annual general meeting of the Company. Due to another meeting engagement in China, Dr Cheng Kar Shun, Henry, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 20 November 2012 (the "2012 AGM"). Mr Doo Wai Hoi, William, the Deputy Chairman of the Board who took the chair of the 2012 AGM, together with other members of the Board who attended this meeting, were of sufficient calibre for answering questions at the 2012 AGM.

Except the abovementioned deviation, throughout the six months ended 31 December 2012, the Company has complied with all the applicable code provisions in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all directors, they had complied with the required standards of the Model Code during the Current Period.

UPDATE ON DIRECTORS' INFORMATION

Changes in the information of directors of the Company since the disclosure made in the 2012 annual report of the Company, that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, are set out below:

1. From 2008 to January 2013, Mr Doo Wai Hoi, William has served as the Standing Committee Member as well as the Convener of the Hong Kong and Macau members for the Eleventh Chinese People's Political Consultative Conference ("CPPCC") in Shanghai. In February 2013, he was appointed as a National Committee Member of the Twelfth CPPCC.
2. The name of University of Western Ontario, Canada, of which Mr Lam Wai Hon, Patrick is a member of its Asian advisory board of Richard Ivey School of Business, was changed to Western University, Canada.
3. Mr William Junior Guilherme Doo was appointed as a member of the Standing Committee of the Twelfth CPPCC in Beijing with effect from 25 January 2013.
4. Mr Cheng Chi Ming, Brian was appointed as the Chairman of Fook Woo Group Holdings Limited and a non-executive director of Wai Kee Holdings Limited, both being listed public companies in Hong Kong, with effect from 16 October 2012 and 15 February 2013 respectively.
5. Mr Shek Lai Him, Abraham was appointed as an independent non-executive director of Lai Fung Holdings Limited, a listed public company in Hong Kong, with effect from 19 December 2012.
6. Mr Wilfried Ernst Kaffenberger resigned as director of AEI and BAA Airports Limited on 5 December 2012 and 20 December 2012 respectively.

Additional Information

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

The Audit Committee of the Company was set up by the Board with specific terms of reference for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal control. It currently comprises three 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 interim financial statements for the Current Period with the management and the external auditor.

The unaudited interim results of the Company 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.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2012, the directors and their respective associates had the following interests in shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO:

(a) Long position in shares

	Number of shares			Total	Approximate percentage to the issued share capital as at 31.12.12
	Personal interests	Family interests	Corporate interests		
The Company					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	18,349,571	–	12,000,000 ⁽¹⁾	30,349,571	0.833%
Mr Doo Wai Hoi, William	3,527,834	–	8,330,782 ⁽²⁾	11,858,616	0.325%
Mr Tsang Yam Pui	180,000	–	–	180,000	0.005%
Mr Lam Wai Hon, Patrick	1,305,207	–	7,608 ⁽³⁾	1,312,815	0.036%
Mr William Junior Guilherme Doo	450,260	–	103,308 ⁽⁴⁾	553,568	0.015%
Mr Kwong Che Keung, Gordon	1,652,077	–	–	1,652,077	0.045%
Dr Cheng Wai Chee, Christopher	2,367,154	–	–	2,367,154	0.065%
Mr Wilfried Ernst Kaffenberger	723,372	–	–	723,372	0.020%
NWD					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	–	450,000 ⁽⁵⁾	–	450,000	0.007%
Mr Doo Wai Hoi, William	–	–	1,500,000 ⁽²⁾	1,500,000	0.024%
Mr Cheung Chin Cheung	93,300	–	–	93,300	0.001%
Mr William Junior Guilherme Doo	–	30,000 ⁽⁶⁾	–	30,000	0.000%
Mr Kwong Che Keung, Gordon	30,000	–	–	30,000	0.000%

DIRECTORS' INTERESTS IN SECURITIES (continued)

(a) Long position in shares (continued)

	Number of shares			Total	Approximate percentage to the issued share capital as at 31.12.12
	Personal interests	Family interests	Corporate interests		
New World China Land Limited					
(Ordinary shares of HK\$0.10 each)					
Dr Cheng Kar Shun, Henry	29,985,826	4,387,500 ⁽⁵⁾	117,610,200 ⁽¹⁾	151,983,526	1.755%
Mr Doo Wai Hoi, William	755,961	–	1,317,000 ⁽²⁾	2,072,961	0.024%
Mr William Junior Guilherme Doo	–	112,500 ⁽⁶⁾	405,000 ⁽⁴⁾	517,500	0.006%
Mr Cheng Chi Ming, Brian	106,400	–	–	106,400	0.001%
Dr Cheng Wai Chee, Christopher	387,448	–	–	387,448	0.004%
Newton Resources					
(Ordinary shares of HK\$0.10 each)					
Mr Cheung Chin Cheung	7,154	–	–	7,154	0.000%
Mr Kwong Che Keung, Gordon	11,307	–	–	11,307	0.000%
Wai Kee Holdings Limited					
(Ordinary shares of HK\$0.10 each)					
Mr Lam Wai Hon, Patrick	300,000	–	–	300,000	0.038%
Mega Choice Holdings Limited (In liquidation)					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	–	–	420,585,070 ⁽¹⁾	420,585,070	34.608%

Notes:

- (1) The shares are held by a company / companies wholly owned by Dr Cheng Kar Shun, Henry.
- (2) The shares are held by a company wholly owned by Mr Doo Wai Hoi, William.
- (3) The shares are held by a company wholly owned by Mr Lam Wai Hon, Patrick.
- (4) The shares are held by a company wholly owned by Mr William Junior Guilherme Doo.
- (5) The shares are held by the spouse of Dr Cheng Kar Shun, Henry.
- (6) The shares are held by the spouse of Mr William Junior Guilherme Doo.

Additional Information

DIRECTORS' INTERESTS IN SECURITIES (continued)

(b) Long position in underlying shares – share options

(i) The Company

The following directors of the Company have personal interests in options to subscribe for shares of the Company:

Name	Date of grant	Exercisable period (Note)	Balance as at 01.07.12	Number of share options			Balance as at 31.12.12	Exercise price per share ⁽⁵⁾ HK\$
				Granted during the period	Exercised during the period	Lapsed during the period		
Dr Cheng Kar Shun, Henry	21 August 2007	(1)	4,580,773	–	(4,580,773) ⁽²⁾	–	–	–
Mr Tsang Yam Pui	21 August 2007	(1)	487	–	–	(487)	–	–
Mr Lam Wai Hon, Patrick	21 August 2007	(1)	589,777	–	(589,777) ⁽³⁾	–	–	–
Mr Cheung Chin Cheung	21 August 2007	(1)	487	–	–	(487)	–	–
Mr To Hin Tsun, Gerald	21 August 2007	(1)	458,072	–	(458,072) ⁽⁴⁾	–	–	–
Mr Dominic Lai	21 August 2007	(1)	458,072	–	–	(458,072)	–	–
Mr Kwong Che Keung, Gordon	21 August 2007	(1)	916,151	–	(916,151) ⁽²⁾	–	–	–
Dr Cheng Wai Chee, Christopher	21 August 2007	(1)	916,151	–	(916,151) ⁽²⁾	–	–	–
Mr Shek Lai Him, Abraham	21 August 2007	(1)	916,151	–	–	(916,151)	–	–
Mr Wilfried Ernst Kaffenberger	21 August 2007	(1)	458,072	–	–	(458,072)	–	–

Notes:

- (1) 40% of the share options were exercisable from 21 August 2008 to 20 August 2012 while the remaining 60% of the share options were divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012. All unexercised share options lapsed on 21 August 2012 (the "Date of Lapse").
- (2) The exercise date was 20 August 2012 and the exercise price per share was HK\$10.609. The closing price of the shares immediately before the date on which the share options were exercised was HK\$12.000.
- (3) The exercise date was 17 August 2012 and the exercise price per share was HK\$10.609. The closing price of the shares immediately before the date on which the share options were exercised was HK\$11.860.
- (4) The exercise date was 24 July 2012 and the exercise price per share was HK\$10.609. The closing price of the shares immediately before the date on which the share options were exercised was HK\$11.740.
- (5) The exercise price per share immediately before the Date of Lapse was HK\$10.609.
- (6) The cash consideration paid by each of the directors for the grant of share options is HK\$10.

DIRECTORS' INTERESTS IN SECURITIES (continued)

(b) Long position in underlying shares – share options (continued)

(ii) NWD

Under the share option scheme of NWD, the holding company of the Company, the following director of the Company has personal interest in options to subscribe for its shares. Details of the share options of NWD granted to him are as follows:

Name	Date of grant	Exercisable period (Note)	Number of share options			Exercise price per share ⁽²⁾ HK\$	
			Balance as at 01.07.12	Adjusted during the period ⁽²⁾	Exercised during the period		Balance as at 31.12.12
Dr Cheng Kar Shun, Henry	19 March 2012	(1)	10,001,320	5,575	–	10,006,895	9.764

Notes:

- (1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.
- (2) NWD declared final dividend for the year ended 30 June 2012 in scrip form (with cash option) during the period which gave rise to adjustments to the number of outstanding shares options and the exercise price. The exercise price per share of the share options was adjusted from HK\$9.769 to HK\$9.764 on 31 December 2012.
- (3) The cash consideration paid by the director for the grant of the share options is HK\$10.

(iii) New World China Land Limited

Under the share option scheme of New World China Land Limited ("NWCL", a fellow subsidiary of the Company), the following directors of the Company have personal interests in options to subscribe for its shares. Details of the share options of NWCL granted to them are as follows:

Name	Date of grant	Exercisable period (Note)	Number of share options			Exercise price per share HK\$
			Balance as at 01.07.12	Exercised during the period	Balance as at 31.12.12	
Dr Cheng Kar Shun, Henry	29 December 2008	(1)	1,860,826	(1,860,826) ⁽³⁾	–	–
	18 January 2011	(2)	2,077,922	–	2,077,922	3.036
Mr Doo Wai Hoi, William	29 December 2008	(1)	755,961	(755,961) ⁽³⁾	–	–
	18 January 2011	(2)	831,169	–	831,169	3.036
Dr Cheng Wai Chee, Christopher	29 December 2008	(1)	88,048	(88,048) ⁽³⁾	–	–
	18 January 2011	(2)	311,688	–	311,688	3.036

Notes:

- (1) Divided into 4 tranches exercisable from 30 January 2009, 30 January 2010, 30 January 2011 and 30 January 2012 respectively to 29 January 2013.
- (2) Divided into 5 tranches exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015 respectively to 18 February 2016.
- (3) The exercise price per share was HK\$1.290.
- (4) The cash consideration paid by each of the directors for each grant of the share options is HK\$10.

Additional Information

DIRECTORS' INTERESTS IN SECURITIES (continued)

(b) Long position in underlying shares – share options (continued)

(iv) *New World Department Store China Limited*

Under the share option scheme of New World Department Store China Limited, a fellow subsidiary of the Company, the following director of the Company has personal interest in options to subscribe for its shares. Details of the share options of New World Department Store China Limited granted to him are as follows:

Name	Date of grant	Exercisable period (Note)	Number of share options		Exercise price per share HK\$	
			Balance as at 01.07.12	Exercised during the period Balance as at 31.12.12		
Dr Cheng Kar Shun, Henry	27 November 2007	(1)	1,000,000	–	1,000,000	8.660

Notes:

- (1) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013 provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (2) The cash consideration paid by the director for the grant of share option is HK\$1.

(c) Long position in debentures

(i) *Rosy Unicorn Limited*

The following directors of the Company have interests in the US\$500,000,000 6.50% guaranteed bonds due 2017 issued by Rosy Unicorn Limited, an indirect wholly owned subsidiary of the Company. Details of such debentures held by them are as follows:

Name	Amount of debentures in US\$				Approximate percentage to the total amount of debentures in issue as at 31.12.12
	Personal interests	Family interests	Corporate interests	Total	
Mr Doo Wai Hoi, William	–	51,500,000	22,840,000	74,340,000	14.868%
Mr William Junior Guilherme Doo	–	–	4,500,000	4,500,000	0.900%

DIRECTORS' INTERESTS IN SECURITIES (continued)

(c) Long position in debentures (continued)

(ii) NWCL

The following directors of the Company have interests in the RMB4,300,000,000 8.50% bonds due 2015 issued by NWCL, a fellow subsidiary of the Company. Details of such debentures held by them are as follows:

Name	Amount of debentures in RMB			Total	Approximate percentage to the total amount of debentures in issue as at 31.12.12
	Personal interests	Family interests	Corporate interests		
Mr Doo Wai Hoi, William	–	106,000,000	45,600,000	151,600,000	3.526%
Mr Tsang Yam Pui	3,500,000	–	–	3,500,000	0.081%
Mr Lam Wai Hon, Patrick	1,000,000	–	–	1,000,000	0.023%
Mr William Junior Guilherme Doo	–	–	8,000,000	8,000,000	0.186%

(iii) Fita International Limited

The following director of the Company has interest in the US\$500,000,000 7.00% guaranteed bonds due 2020 issued by Fita International Limited, a fellow subsidiary of the Company. Details of such debentures held by him are as follows:

Name	Amount of debentures in US\$			Total	Approximate percentage to the total amount of debentures in issue as at 31.12.12
	Personal interests	Family interests	Corporate interests		
Mr Doo Wai Hoi, William	–	2,900,000	1,240,000	4,140,000	0.552%

Save as disclosed above, no interests and short positions were held or deemed to be taken to be held under Part XV of the SFO by any director or chief executive of the Company or their respective associates in shares, underlying shares and debentures of the Company or any of its associated corporations which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to Part XV of the SFO or pursuant to the Model Code or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein.

Additional Information

SHARE OPTION SCHEMES

The Company adopted a new share option scheme on 21 November 2011 (the "2011 Share Option Scheme"). No share option has been granted under the 2011 Share Option Scheme since its adoption.

The 2001 Share Option Scheme, which was adopted by the Company on 6 December 2001 and certain rules of which were amended on 12 March 2003 and 24 November 2006, expired on 6 December 2011. Share options granted under the 2001 Share Option Scheme prior to its expiry would continue to be valid and exercisable pursuant to the terms of the 2001 Share Option Scheme. During the Current Period, movement of share options granted under the 2001 Share Option Scheme was as follows:

- (i) Details of movement of share options granted to the directors of the Company were disclosed under the section headed "Directors' interests in securities" above.
- (ii) Details of movement of share options granted to other eligible participants were as follows:

Date of grant	Exercisable period (Note)	Number of share options				Balance as at 31.12.12	Exercise price per share ⁽³⁾ HK\$
		Balance as at 01.07.12	Granted during the period	Exercised during the period	Lapsed during the period		
21 August 2007	(1)	3,892,736	–	(3,088,367) ⁽²⁾	(804,369)	–	–
28 January 2008	(1)	1,068,824	–	–	(1,068,824)	–	–

Notes:

- (1) 40% of the share options were exercisable from 21 August 2008 to 20 August 2012 while the remaining 60% of the share options were divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012. All unexercised share options lapsed on the Date of Lapse.
- (2) The exercise price per share was HK\$10.609. The weighted average closing price of the shares immediately before the dates on which share options were exercised was HK\$11.825.
- (3) The exercise prices per share of the share options granted on 21 August 2007 and the share options granted on 28 January 2008 immediately before the Date of Lapse was HK\$10.609 and HK\$13.490 respectively.
- (4) The cash consideration paid by each eligible participant for each grant of share options is HK\$10.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2012, so far as are known to the directors, the following parties (other than a director or chief executive of the Company) were recorded in the register kept by the Company under Section 336 of the SFO as being directly or indirectly interested or deemed to be interested in 5% or more of the issued share capital of the Company:

Name	Number of shares			Approximate percentage to the issued share capital of the Company as at 31.12.12
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited	–	2,317,814,868 ⁽¹⁾	2,317,814,868	63.61%
Cheng Yu Tung Family (Holdings II) Limited	–	2,317,814,868 ⁽²⁾	2,317,814,868	63.61%
Chow Tai Fook Capital Limited	–	2,317,814,868 ⁽³⁾	2,317,814,868	63.61%
Chow Tai Fook (Holding) Limited	–	2,317,814,868 ⁽⁴⁾	2,317,814,868	63.61%
CTF Enterprises	97,034,424	2,220,780,444 ⁽⁵⁾	2,317,814,868	63.61%
NWD	1,490,129,197	730,651,247 ⁽⁶⁾	2,220,780,444	60.95%
Mombasa Limited	669,736,008	–	669,736,008	18.38%

Notes:

- (1) Cheng Yu Tung Family (Holdings) Limited holds approximately 48.98% direct interest in Chow Tai Fook Capital Limited ("CTFC") and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC.
- (2) Cheng Yu Tung Family (Holdings II) Limited holds approximately 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC.
- (3) CTFC holds approximately 74.07% direct interest in Chow Tai Fook (Holding) Limited ("CTFH") and is accordingly deemed to have an interest in the shares deemed to be interested by CTFH.
- (4) CTFH holds 100% direct interest in CTF Enterprises and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF Enterprises.
- (5) CTF Enterprises, together with its subsidiaries, hold more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by NWD.
- (6) NWD holds 100% indirect interest in Mombasa Limited and is accordingly deemed to have an interest in the shares held by Mombasa Limited in the Company. NWD is also deemed to be interested in 2,979,975 shares held by Financial Concepts Investment Limited, 28,967,632 shares held by Hing Loong Limited and 28,967,632 shares held by Fine Reputation Incorporated, all of them are subsidiaries of NWD.
- (7) All the interests stated above represent long positions.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 336 of the SFO as at 31 December 2012.

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.

Dr Cheng Kar Shun, Henry
Chairman

Hong Kong, 26 February 2013

Corporate Information

Board of Directors

Executive Directors

Dr Cheng Kar Shun, Henry (Chairman)
Mr Tsang Yam Pui
Mr Lam Wai Hon, Patrick
Mr Cheung Chin Cheung
Mr William Junior Guilherme Doo
Mr Cheng Chi Ming, Brian

Non-executive Directors

Mr Doo Wai Hoi, William (Deputy Chairman)
Mr To Hin Tsun, Gerald
Mr Dominic Lai

Independent Non-executive Directors

Mr Kwong Che Keung, Gordon
Dr Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham
Mr Wilfried Ernst Kaffenberger
Mr Yeung Kun Wah, David
(alternate director to Mr Wilfried Ernst Kaffenberger)
Mr Lee Yiu Kwong, Alan

Board Committees

Executive Committee

Dr Cheng Kar Shun, Henry (Chairman)
Mr Tsang Yam Pui
Mr Lam Wai Hon, Patrick
Mr Cheung Chin Cheung
Mr William Junior Guilherme Doo
Mr Cheng Chi Ming, Brian

Audit Committee

Mr Kwong Che Keung, Gordon (Chairman)
Mr Dominic Lai
Dr Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

Remuneration Committee

The Honourable Shek Lai Him, Abraham (Chairman)
Mr Tsang Yam Pui
Mr Lam Wai Hon, Patrick
Mr Kwong Che Keung, Gordon
Dr Cheng Wai Chee, Christopher

Nomination Committee

Dr Cheng Kar Shun, Henry (Chairman)
Mr Tsang Yam Pui
Mr Kwong Che Keung, Gordon
Dr Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham

Corporate Social Responsibility Committee

Mr Tsang Yam Pui (Chairman)
Mr Lam Wai Hon, Patrick
Mr Cheung Chin Cheung
Mr William Junior Guilherme Doo
Mr Cheng Chi Ming, Brian
Mr Dominic Lai
Mr Lee Yiu Kwong, Alan
Ms Lam Yuet Wan, Elina
Ms Tang Cheung Yi

Company Secretary

Mr Chow Tak Wing

Registered Office

Clarendon House
2 Church Street, Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

28/F, New World Tower
18 Queen's Road Central
Hong Kong

Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Standard Limited
26/F, Tesbury Centre
28 Queen's Road East
Hong Kong

Auditor

PricewaterhouseCoopers
Certified Public Accountants
22/F, Prince's Building, Central
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
BNP Paribas Hong Kong Branch
Chong Hing Bank Limited
DBS Bank Ltd. Hong Kong Branch
Mizuho Corporate Bank, Ltd. Hong Kong Branch
Nanyang Commercial Bank, Limited
Oversea-Chinese Banking Corporation Limited
Scotiabank (Hong Kong) Limited
Standard Chartered Bank (Hong Kong) Limited
Sumitomo Mitsui Banking Corporation Hong Kong Branch
The Bank of Tokyo – Mitsubishi UFJ, Ltd. Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited
Wing Lung Bank Limited

Website

www.nws.com.hk

Where the English and the Chinese texts conflict, the English text prevails.

This interim report is also available at www.nws.com.hk.

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