



**新創建 NWS**

A large photograph of a sailboat's deck and rigging, viewed from the side, sailing on a blue ocean under a clear sky. The image is partially obscured by a white triangular graphic element.

**FORGING AHEAD  
PURSUING VALUE**

**INTERIM REPORT 2013-2014**  
**NWS HOLDINGS LIMITED**  
STOCK CODE: 659

# OUR VISION

To build a dynamic and premier group of infrastructure and service management companies driven by a shared passion for customer value and care



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Interim Report 2013-2014

# Financial Highlights

## For the six months ended 31 December

	<b>2013</b>	2012
	<b>HK\$'m</b>	HK\$'m
Revenue	<b>10,097.8</b>	7,971.0
Profit Attributable to Shareholders of the Company	<b>2,604.9</b>	2,106.2
Earnings per Share – Basic	<b>HK\$0.71</b>	HK\$0.59
Dividend Payout Ratio	<b>51%</b>	50%

	<b>At 31 December 2013</b>	At 30 June 2013
	<b>HK\$'m</b>	HK\$'m
Net Debt	<b>9,277.8</b>	9,911.3
Total Assets	<b>72,685.3</b>	67,022.8
Net Assets	<b>43,489.4</b>	41,021.0
Shareholders' Funds	<b>42,624.3</b>	40,183.1
Net Assets per Share	<b>HK\$11.71</b>	HK\$11.16
Net Gearing Ratio	<b>21%</b>	24%

# Chairman's Statement

Dear Shareholders,

On behalf of our board of directors (the "Board"), I am delighted to report that NWS Holdings Limited ("NWS Holdings" or the "Company", together with its subsidiaries, the "Group") has continued to deliver quality earnings growth and strengthen the underlying asset portfolio during the six months ended 31 December 2013 (the "Current Period").

## China's reforms and growth opportunities

As evidenced by the stable monetary policy and on-going reforms in Mainland China, the Chinese government is committed to maintaining steady and sustainable economic growth. The private sector should be a major beneficiary as the reforms are expected to drive domestic consumption and encourage private investments. To this end, the Group looks forward to leveraging on our proven track records in both infrastructure and services industries, and its financial strengths to take advantage of investment opportunities and further expand our footprint in Mainland China.

## Stable earnings growth from quality portfolio

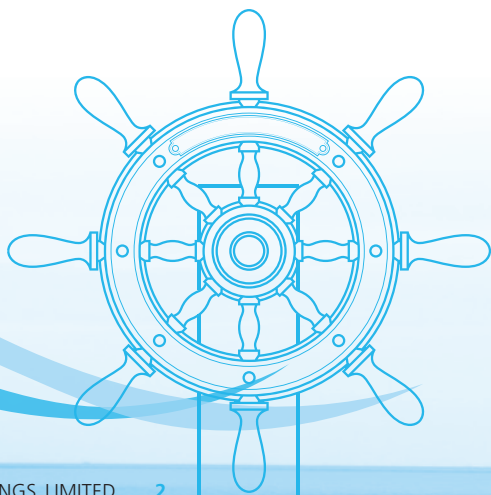
The Attributable Operating Profit ("AOP") from our Infrastructure division increased by 13% while AOP of the Services division dropped by 3% during the Current Period. Profit attributable to shareholders rose by 24% to HK\$2.6 billion.

The performance of the Roads segment was impacted by a significant decrease in extra profit distribution from Tangjin Expressway (Tianjin North Section) mainly due to the reduction in traffic volume since the commencement of its partial closure in June 2012 as required for the expansion works. Despite this impact, AOP of the Roads segment only dropped moderately by 3% as most of the other road projects maintained steady growth momentum including Hangzhou Ring Road ("HZRR") and Guangzhou City Northern Ring Road which reported toll revenue growth of 5% and 6% respectively. The performance of the roads portfolio will undoubtedly be further enhanced when the expansion of Tangjin Expressway (Tianjin North Section) is completed as scheduled by the end of 2014.

The Group's long-term investment strategy in acquiring quality infrastructure assets continued to bear fruit. AOP of the Energy segment grew by 73% as the power industry took full advantage of the falling coal price. Pursuant to the merger agreement with certain port operators as previously reported, the Group recognized a restructuring gain of HK\$594.3 million after injecting two port assets in Xiamen into a new joint venture. Last but not least, the Group bolstered the Ports & Logistics segment with the acquisition of an aggregate of approximately 10% interest in the total issued share capital of Beijing Capital International Airport Co., Ltd. ("BCIA") since December 2013. As a result, the Group became the second largest shareholder of BCIA which is currently the world's second busiest airport in terms of passenger throughput. Apart from immediate and recurring AOP contribution, the Group is optimistic in capturing BCIA's future growth prospects especially from the development of non-aeronautical business activities.

The results of the Services division reflected the adverse impact arising from the expiry of Free Duty's concession contract at the Hong Kong International Airport and the renewed concession terms for certain Free Duty outlets with effect from November 2012 and January 2013 respectively. However, the Group remains confident that the Services division will regain growth momentum as the Free Duty shops continue to capitalize on the rise in spending power of shoppers while the robust demand for high quality exhibition facilities and building contractors will continue to fuel the growth of Hong Kong Convention and Exhibition Centre ("HKCEC") and the construction business.

The Board is pleased to declare an interim dividend for the year ending 30 June 2014 of HK\$0.36 per share. The interim dividend payout ratio stands at approximately 51.3%.



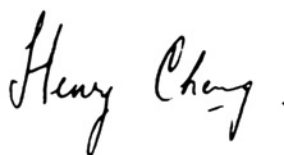


## Corporate social responsibilities

To mark the 10<sup>th</sup> anniversary since the Company's shares commenced trading on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the Group partnered with Hong Kong Young Women's Christian Association ("YWCA") in opening an elderly day care centre in Hong Kong's North District in December 2013. The centre, funded by the Group and operated by YWCA under a social enterprise model, demonstrates the Group's commitment in developing community services to address the needs of the underprivileged groups. The Group must also pay tribute to over 2,300 members of the corporate volunteer team for their dedication and devotion as the NWS Volunteer Alliance received the gold award in the Volunteer Team category of the Hong Kong Outstanding Corporate Citizenship Award for three years running.

## A word of appreciation

The Group's achievements have always been the result of team efforts. While the path ahead is not without challenges, I have every confidence that the Group will continue to deliver excellence under the stupendous leadership of our Board together with the seamless teamwork and collaboration between the management team and its staff. In closing, I would like to express my heartfelt gratitude and appreciation to the Board, staff members, shareholders and business partners for their support and contribution.



**Dr Cheng Kar Shun, Henry**  
*Chairman*

Hong Kong, 25 February 2014

“ The Group has continued to deliver core earnings growth while bolstering the underlying asset portfolio to generate long-lasting shareholder value. ”

# Management Discussion and Analysis

## GROUP OVERVIEW

The Group recorded an AOP of HK\$2.320 billion for the Current Period, representing an increase of HK\$124.2 million or 6%, as compared to HK\$2.196 billion for the six months ended 31 December 2012 (the "Last Period"). Infrastructure division generated an AOP of HK\$1.316 billion, an increase of 13% as compared to HK\$1.162 billion in the Last Period. The AOP of Services division decreased by 3% to HK\$1.005 billion.

In February 2013, the Company announced the establishment of a joint venture with other major port operators in Xiamen which would involve the injection of its two port investments in Xiamen – Xiamen New World Xiangyu Terminals Co., Ltd. ("NWX Terminal") and Trend Wood Investments Limited ("Trend Wood", which invested in Xiamen Haicang Xinhaida Container Terminals Co., Limited) in exchange for a 13.8% interest in the new joint venture. The new joint venture was legally established in December 2013 and a one-off gain on deemed disposal of HK\$594.3 million arising from the restructuring was recognized during the Current Period.

## Contribution by Division

For the six months ended 31 December

	2013 HK\$'m	2012 HK\$'m
Infrastructure	1,315.7	1,161.9
Services	1,004.5	1,034.1
<b>Attributable operating profit</b>	<b>2,320.2</b>	<b>2,196.0</b>
<i>Corporate office and non-operating items</i>		
Gain on deemed disposal of interests in joint ventures	594.3	–
Gain on fair value of investment properties	55.8	178.4
Share of profit from Harbour Place	2.2	25.5
Net exchange gain	30.4	63.7
Interest income	72.7	58.5
Finance costs	(288.7)	(272.0)
Expenses and others	(182.0)	(143.9)
	284.7	(89.8)
<b>Profit attributable to shareholders</b>	<b>2,604.9</b>	<b>2,106.2</b>

Contributions from the operations in Hong Kong accounted for 50% of AOP in the Current Period as compared to 53% in the Last Period. Mainland China and Macau & others contributed 40% and 10% respectively, as compared to 39% and 8% respectively in the Last Period.

## Earnings per share

The basic earnings per share was HK\$0.71 in the Current Period, representing an increase of 20% from HK\$0.59 in the Last 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 and financial structure to minimize the Group's financial risks. The Group continues to monitor its cash flow position and debt profile, and to enhance the cost-efficiency of funding initiatives by its centralized treasury function. In order to maintain financial flexibility and adequate liquidity for the Group's operations, potential investments and growth plans, the Group has built a strong base of funding resources and will keep exploring new cost-efficient ways of financing.

### Liquidity

As at 31 December 2013, the Group's total cash and bank balances amounted to HK\$8.800 billion, as compared to HK\$7.768 billion as at 30 June 2013. The Group's Net Debt as at 31 December 2013 was HK\$9.278 billion, as compared to HK\$9.911 billion as at 30 June 2013. The decline in Net Debt was due to operating net cash inflow and dividends received from associated companies and joint ventures. The capital structure of the Group which comprised of 29% debt and 71% equity as at 31 December 2013 remained comparable to the composition of 30% debt and 70% equity as at 30 June 2013.

### Debt Profile and Maturity

As at 31 December 2013, the Group's Total Debt increased to HK\$18.078 billion from HK\$17.680 billion as at 30 June 2013. The Group purposely spreads out its debt maturity profile to reduce refinancing risks. Among the long-term loans and borrowings of HK\$12.898 billion as at 31 December 2013, 24% and 76% of which will mature in the second year and in the third to fifth year respectively. 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. Cross currency swaps and interest rate swaps are used 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 2013, 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\$1.540 billion as at 31 December 2013 as compared to HK\$1.463 billion as at 30 June 2013. This represented commitment for further acquisition of interest in a joint venture and capital contributions to an associated company and certain joint ventures, properties and equipment and intangible concession rights. Sources of funding for capital expenditure include internally generated resources and banking facilities.

### Contingent Liabilities

Contingent liabilities of the Group were HK\$1.465 billion as at 31 December 2013, as compared to HK\$603.1 million as at 30 June 2013. These composed of guarantees for credit facilities granted to associated companies, joint ventures and a related company.

# Management Discussion and Analysis

## OPERATIONAL REVIEW – INFRASTRUCTURE

Infrastructure division reported an AOP of HK\$1,315.7 million for the Current Period, an increase of 13% when compared to the Last Period.

### AOP Contribution by Segment

For the six months ended 31 December

	2013 HK\$m	2012 HK\$m	Change % Fav./Unfav.)
Roads	673.2	690.8	(3)
Energy	190.8	110.2	73
Water	221.3	207.5	7
Ports & Logistics	230.4	153.4	50
Total	1,315.7	1,161.9	13

### Roads

AOP from the Roads segment dropped by HK\$17.6 million or 3% to HK\$673.2 million.

Notwithstanding a significant decrease in gain on extra profit recognition from Tangjin Expressway (Tianjin North Section) due to the onset of the partial closure for its expansion works in June 2012, AOP contributions from a number of road projects improved in line with robust traffic growth during the Current Period. Excluding the AOP contributions from Tangjin Expressway (Tianjin North Section), AOP of the Roads segment for the Current Period grew by 12%.

Toll revenue of HZRR increased by 5% mainly due to the growth of heavy vehicles, despite the drop of 3% in average daily traffic flow when compared to the Last Period.

The Group's expressways in the Pearl River Delta Region continued to report robust traffic growth in the Current Period. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) increased by 15% and 9% respectively. Shenzhen-Huizhou Expressway and Guangzhou-Zhaoqing Expressway also reported traffic growth of 9% and 20% respectively. Guangzhou Dongxin Expressway registered an increase of 27% in traffic volume while the traffic flow of Guangzhou City Nansha Port Expressway rose by 2%.

Affected by traffic diversion to a competing expressway and the removal of a toll station since June 2013, the overall traffic volume of Guangxi Roadways Network decreased by 37% during the Current Period.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel dropped by 1% although the tariff increase in August 2013 had a positive impact on toll revenue.



## OPERATIONAL REVIEW – INFRASTRUCTURE (continued)

### Energy

AOP of the Energy segment grew by 73% from HK\$110.2 million to HK\$190.8 million for the Current Period.

Falling coal price continued to have a positive impact on the performance of the Group's power plants in Mainland China during the Current Period. Electricity sales of Zhujiang Power Plants posted an increase of 13% as one power plant underwent overhaul in the Last Period. On the other hand, electricity sales of Chengdu Jintang Power Plant dropped by 19% due to system upgrade.

Trading margin of Guangzhou Fuel Company improved as coal price remained less volatile during the Current Period while trading volume increased by 8%.

Electricity sales of Macau Power grew slightly by 1% when compared to the Last Period.

### Water

AOP of the Water segment rose by 7% from HK\$207.5 million to HK\$221.3 million for the Current Period.

Sales volume of Chongqing Water Plant and Tanggu Water Plant increased by 14% and 13% respectively during the Current Period. Waste water treated by Chongqing Tangjiatuo Waste Water Plant and Shanghai SCIP Water Treatment Plants also rose by 27% and 9% respectively. In Macau, sales volume of Macau Water Plant grew healthily by 5%.

Chongqing Water Group continued to perform satisfactorily and contributed to the increase in AOP for the Current Period.

### Ports & Logistics

AOP from the Ports & Logistics segment increased by 50% to HK\$230.4 million for the Current Period.

In Tianjin, the throughput of Tianjin Five Continents International Container Terminal Co., Ltd. grew by 2% to 1,149,000 TEUs but terminal modification at Tianjin Orient Container Terminals Co., Ltd. resulted in a 2% drop in its throughput to 475,000 TEUs.

Benefiting from the strong demand for logistics and warehousing facilities in Hong Kong, occupancy rate at ATL Logistics Centre increased further from 98% to 99% while average rental grew by 11%. NWS Kwai Chung Logistics Centre, which has been fully leased out, continued to provide steady AOP contribution to the Group during the Current Period.

China United International Rail Containers Co., Ltd. reported throughput growth of 9% to 834,000 TEUs and made positive AOP contribution during the Current Period.

In December 2013, the Group invested in BCIA which is the second busiest airport in the world in terms of passenger throughput with more than 80 million passengers per year. This quality infrastructure asset is expected to contribute recurring AOP for this segment.

# Management Discussion and Analysis

## OPERATIONAL REVIEW – SERVICES

Services division recorded an AOP of HK\$1,004.5 million in the Current Period, representing a 3% decrease from the Last Period.

### AOP Contribution by Segment

For the six months ended 31 December

	2013 HK\$'m	2012 HK\$'m	Change % Fav./Unfav.)
Facilities Management	499.4	686.6	(27)
Construction & Transport	278.3	123.3	126
Strategic Investments	226.8	224.2	1
Total	1,004.5	1,034.1	(3)

### Facilities Management

The Facilities Management segment mainly comprises the management and operation of HKCEC and the business of Free Duty.

HKCEC continued to maintain its steady growth momentum by leveraging on the strong demand to host international exhibitions and conventions at prime locations with state-of-the-art facilities. During the Current Period, 558 events were held at HKCEC with a total patronage of approximately 3.9 million.

The continuous rise in per passenger spending and patronage of affluent visitors from Mainland China continued to benefit Free Duty's tobacco and liquor retail business at all land border crossings. However, the overall performance was affected by the expiry of Free Duty's concession contract at the Hong Kong International Airport in November 2012 and the renewed concession terms.

To strengthen the Group's service portfolio in Hong Kong, a joint venture in which the Group has 40% interest, was formed for the construction, development and operation of a private hospital, Gleneagles Hong Kong Hospital, at Wong Chuk Hang. The construction phase kicked off in January 2014. With the strategic partnership of Parkway Pantai Limited and The University of Hong Kong, the Group has every confidence to make this project a success and open up new opportunities within the healthcare sector in the years to come.

### Construction & Transport

AOP contribution from the Construction business increased by fourfold to HK\$153.4 million in the Current Period mainly due to improved gross profit margin and project progress. Main projects during the Current Period included New World Centre Remodeling, residential developments "The Austin" at the MTR Austin Station, "Double Cove" in Ma On Shan, "Park Signature" in Yuen Long, residential development at Clear Water Bay Road and logistic centre for SF Express at Tsing Yi. As at 31 December 2013, the gross value of contracts on hand for the Construction business was approximately HK\$45.6 billion.

The Group's Transport business reported an AOP of HK\$124.9 million in the Current Period, representing a 34% increase. This was mainly attributable to the increase in fare revenue in connection with ridership growth and decrease in depreciation expenses for buses. Fuel costs decreased because of fuel cost hedging arrangements.

Five ferry service licences will expire either by the end of March or June 2014. Applications for extension for another three years have been submitted to the government and the results are expected to be announced shortly.

## OPERATIONAL REVIEW – SERVICES (continued)

### Strategic Investments

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

Tricor’s corporate services businesses performed solidly during the Current Period and captured about 44% of the total share of new listings in Hong Kong. Its business operations in Hong Kong, Singapore and Malaysia altogether contributed about 77% of the total profit of Tricor in the Current Period.

With the growth of its brokerage and retail margin financing, fixed income and structured financing businesses, Haitong International’s contribution to the Group’s AOP increased.

Production at the Yanjiazhuang Mine remained suspended in the Current Period although Newton Resources continued to engage itself in active communication and negotiations with the relevant government authorities at various levels regarding the mediation and solution to the disturbance to the mine. As matters stand, the resumption of iron concentrate production would be dependent on the outcome of these discussions and subsequent actions taken by respective parties.

The Group holds an effective interest of approximately 38% in Hyva, a company which engages in the manufacturing and supply of components used in hydraulic loading and unloading systems on trucks and trailers. Revenue from Mainland China has improved due to market recovery but sales in India continued to be affected by the slowdown of local infrastructure projects.

### BUSINESS OUTLOOK

The financial results and business operations in the Current Period exemplified the Group’s determination and ability in delivering and maintaining stable and sustainable growth. Having proven its resilience against the full-year impact of the negative government policies in the previous financial year, the Group’s roads portfolio is well poised to take advantage of the urban development in Mainland China. In addition, the daily traffic capacity of Tangjin Expressway (Tianjin North Section) will be raised from 50,000 to 75,000 vehicles upon the completion of its expansion works by the end of 2014 and will serve as a future growth driver for Roads segment. The Group remains confident that the services related business in Hong Kong will continue to produce gratifying results in light of the improving performance of Construction and Transport segment and unremitting demand for world-class exhibition facilities and duty-free goods.

On the other hand, the recent acquisition of interest in BCIA and development of Gleneagles Hong Kong Hospital showcased the Group’s success in identifying and acquiring high-quality assets in both infrastructure and services sectors. Going forward, the Group will continue to seek further acquisitions and has earmarked some HK\$4.0 billion of financial resources for new investments (including possible further investment in BCIA) and other capital expenditure plans in the second half of the current financial year. Hence the Group is well positioned to capitalize on business opportunities arising from the economic growth and development in Mainland China and Hong Kong.

# 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 38, 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 2013 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, 25 February 2014

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# 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 2013, all of which are unaudited, along with other explanatory notes, and are set out on pages 11 to 38 of this report.

## Condensed Consolidated Income Statement – Unaudited

	Note	For the six months ended 31 December	
		2013 HK\$'m	2012 HK\$'m
Revenue	4	<b>10,097.8</b>	7,971.0
Cost of sales		<b>(8,475.9)</b>	(6,299.6)
Gross profit		<b>1,621.9</b>	1,671.4
Gain on deemed disposal of interests in joint ventures	14(a)	<b>594.3</b>	–
Other income/gains (net)	5	<b>501.8</b>	690.5
General and administrative expenses		<b>(470.6)</b>	(376.2)
Operating profit	6	<b>2,247.4</b>	1,985.7
Finance costs		<b>(351.9)</b>	(383.1)
Share of results of			
Associated companies		<b>225.5</b>	189.0
Joint ventures		<b>797.6</b>	708.4
Profit before income tax		<b>2,918.6</b>	2,500.0
Income tax expenses	7	<b>(283.0)</b>	(358.6)
Profit for the period		<b>2,635.6</b>	2,141.4
Attributable to			
Shareholders of the Company		<b>2,604.9</b>	2,106.2
Non-controlling interests		<b>30.7</b>	35.2
		<b>2,635.6</b>	2,141.4
Dividend	8	<b>1,337.4</b>	1,056.7
Earnings per share attributable to the shareholders of the Company	9		
Basic		<b>HK\$0.71</b>	HK\$0.59
Diluted		<b>N/A</b>	HK\$0.59

# Interim Results

## Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended	
	31 December	
	2013	2012
	HK\$'m	HK\$'m
Profit for the period	<b>2,635.6</b>	2,141.4
Other comprehensive income/(loss)		
Item that will not be reclassified to profit or loss		
Remeasurement of post employment benefit obligation	<b>(17.3)</b>	–
Items that may be reclassified subsequently to profit or loss		
Fair value changes of available-for-sale financial assets	<b>73.3</b>	62.4
Release of reserves upon deemed disposal of interests in joint ventures	<b>(127.8)</b>	–
Release of reserves upon disposal of assets held for sale	–	(2.4)
Share of other comprehensive (loss)/income of associated companies and joint ventures	<b>(89.4)</b>	45.6
Cash flow hedges	<b>32.1</b>	(29.4)
Currency translation differences	<b>490.8</b>	699.4
Other comprehensive income for the period, net of tax	<b>361.7</b>	775.6
Total comprehensive income for the period	<b>2,997.3</b>	2,917.0
Total comprehensive income attributable to		
Shareholders of the Company	<b>2,955.6</b>	2,860.8
Non-controlling interests	<b>41.7</b>	56.2
	<b>2,997.3</b>	2,917.0



## Condensed Consolidated Statement of Financial Position – Unaudited

	Note	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
<b>ASSETS</b>			
Non-current assets			
Investment properties	10	3,499.0	3,443.1
Property, plant and equipment	11	479.6	454.1
Intangible concession rights	12	16,497.0	16,660.4
Intangible assets	13	470.7	486.3
Associated companies	14	13,546.9	9,686.2
Joint ventures		19,953.4	19,861.7
Available-for-sale financial assets		494.8	424.1
Other non-current assets	15	1,041.5	1,073.4
		<b>55,982.9</b>	<b>52,089.3</b>
Current assets			
Inventories		394.9	366.3
Trade and other receivables	16	6,915.9	5,464.1
Available-for-sale financial asset		583.5	583.5
Cash and bank balances		8,800.3	7,768.2
		<b>16,694.6</b>	<b>14,182.1</b>
Assets held for sale	17	7.8	751.4
		<b>16,702.4</b>	<b>14,933.5</b>
Total assets		<b>72,685.3</b>	<b>67,022.8</b>
<b>EQUITY</b>			
Share capital	18	3,715.1	3,675.6
Reserves	19	37,571.8	35,551.8
Proposed final dividend		–	955.7
Interim dividend	19	1,337.4	–
Shareholders' funds		<b>42,624.3</b>	<b>40,183.1</b>
Non-controlling interests		865.1	837.9
Total equity		<b>43,489.4</b>	<b>41,021.0</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Borrowings	20	12,898.1	16,275.8
Deferred tax liabilities		2,609.7	2,607.4
Other non-current liabilities		321.3	339.2
		<b>15,829.1</b>	<b>19,222.4</b>
Current liabilities			
Borrowings	20	5,180.0	1,403.7
Trade and other payables	21	7,818.2	4,972.2
Taxation		368.6	403.5
		<b>13,366.8</b>	<b>6,779.4</b>
Total liabilities		<b>29,195.9</b>	<b>26,001.8</b>
Total equity and liabilities		<b>72,685.3</b>	<b>67,022.8</b>
Net current assets		<b>3,335.6</b>	<b>8,154.1</b>
Total assets less current liabilities		<b>59,318.5</b>	<b>60,243.4</b>

# Interim Results

## Condensed Consolidated Statement of Changes In Equity – Unaudited

HK\$'m	For the six months ended 31 December 2013						
	Shareholders' funds					Non-controlling interests	Total
	Share capital	Share premium	Revenue reserve	Other reserves	Total		
<b>At 1 July 2013</b>	<b>3,675.6</b>	<b>15,172.7</b>	<b>17,002.1</b>	<b>4,332.7</b>	<b>40,183.1</b>	<b>837.9</b>	<b>41,021.0</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,467.5</b>	<b>488.1</b>	<b>2,955.6</b>	<b>41.7</b>	<b>2,997.3</b>
<i>Contributions by/(distribution to) owners</i>							
Dividend paid to							
Shareholders of the Company	-	-	(955.7)	-	(955.7)	-	(955.7)
Non-controlling interests	-	-	-	-	-	(14.5)	(14.5)
Scrip dividend							
Nominal value of new shares issued	39.5	-	-	-	39.5	-	39.5
Share premium on new shares issued	-	402.1	-	-	402.1	-	402.1
Share options							
Value of services provided	-	-	-	(0.3)	(0.3)	-	(0.3)
<b>Total transactions with owners</b>	<b>39.5</b>	<b>402.1</b>	<b>(955.7)</b>	<b>(0.3)</b>	<b>(514.4)</b>	<b>(14.5)</b>	<b>(528.9)</b>
<b>At 31 December 2013</b>	<b>3,715.1</b>	<b>15,574.8</b>	<b>18,513.9</b>	<b>4,820.5</b>	<b>42,624.3</b>	<b>865.1</b>	<b>43,489.4</b>
HK\$'m	For the six months ended 31 December 2012						
	Shareholders' funds					Non-controlling interests	Total
	Share capital	Share premium	Revenue reserve	Other reserves	Total		
<b>At 1 July 2012</b>	<b>3,581.6</b>	<b>14,130.4</b>	<b>14,951.0</b>	<b>3,131.3</b>	<b>35,794.3</b>	<b>838.5</b>	<b>36,632.8</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,106.2</b>	<b>754.6</b>	<b>2,860.8</b>	<b>56.2</b>	<b>2,917.0</b>
<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 dividend							
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	-	-	-
<b>Total transactions with owners</b>	<b>62.3</b>	<b>666.0</b>	<b>(898.5)</b>	<b>0.5</b>	<b>(169.7)</b>	<b>(7.6)</b>	<b>(177.3)</b>
<b>At 31 December 2012</b>	<b>3,643.9</b>	<b>14,796.4</b>	<b>16,158.7</b>	<b>3,886.4</b>	<b>38,485.4</b>	<b>887.1</b>	<b>39,372.5</b>

## Condensed Consolidated Statement of Cash Flows – Unaudited

	For the six months ended 31 December	
	2013 HK\$m	2012 HK\$m
Net cash generated from operating activities	<b>2,591.1</b>	1,373.7
Net cash used in investing activities	<b>(1,359.1)</b>	(842.6)
Net cash (used in)/from financing activities	<b>(222.7)</b>	698.2
Net increase in cash and cash equivalents	<b>1,009.3</b>	1,229.3
Cash and cash equivalents at the beginning of the period	<b>7,747.8</b>	5,199.0
Currency translation differences	<b>26.5</b>	59.0
Cash and cash equivalents at the end of the period	<b>8,783.6</b>	6,487.3
Analysis of cash and cash equivalents		
Cash and bank balances	<b>8,800.3</b>	6,487.3
Short-term bank deposits maturing after more than three months	<b>(16.7)</b>	–
	<b>8,783.6</b>	6,487.3

# Interim Results

## 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 Hong Kong Stock Exchange.

The interim financial statements were approved for issuance by the Board on 25 February 2014.

### 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 2013 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 2013 except for the adoption of new standards and amendments to standards which are further explained as below.

#### (a) Adoption of new standards and amendments to standards

During the Current Period, the Group adopted the following new standards and amendments to standards which are relevant to the Group’s operations and are mandatory for the financial year ending 30 June 2014:

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
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

Except as described below, the adoption of the above new standards and amendments to standards has no material effect on the results and financial position of the Group.

## 2. Basis of preparation and accounting policies (continued)

### (a) Adoption of new standards and amendments to standards (continued)

As a result of the adoption of HKFRS 10 on 1 July 2013, the accounting policy for subsidiaries has been revised as follows:

A subsidiary is an entity in which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group assessed that the adoption of HKFRS 10 did not result in any change in the determination of control over its subsidiaries.

The Group also adopted HKFRS 11 on 1 July 2013. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor rather than the legal structure of the joint arrangements. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures and therefore adopted equity method of accounting for investments in joint ventures. The application of HKFRS 11 has no material impact on the Group's accounting treatment for joint ventures.

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group.

HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 Financial Instruments: Disclosures. The Group provided these disclosures accordingly in notes to the interim financial statements.

The Group also adopted HKAS 19 (2011) on 1 July 2013. The revised standard calculates interest expense/income by applying the discount rate to the net defined benefit liability/asset. This replaces the interest cost on the defined benefit obligation and the expected return on plan assets. The initial application of this standard constitutes a change in accounting policy but is not material for restatement of the comparative figures.

### (b) Standards, amendments to standards and interpretation 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 2014 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2015

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
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities
HKFRSs Amendments	Annual improvements to HKFRSs 2010–2012 Cycle and Annual improvements to HKFRSs 2011–2013 Cycle

# Interim Results

## 2. Basis of preparation and accounting policies (continued)

### (b) Standards, amendments to standards and interpretation which are not yet effective (continued)

Effective for the year ending 30 June 2016

HKFRS 9	Financial Instruments (Hedge Accounting and amendments to HKFRS 9, HKFRS 7 and HKAS 39)
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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. Financial risk management and fair value estimation

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk.

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's June 2013 annual financial statements.

There has been no change in any risk management policies since the last year end.

### (b) Fair value estimation

The carrying amounts and fair value disclosures of the financial instruments of the Group are as follows:

- (i) Listed investments are stated at market prices. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period. Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market is not readily available.
- (ii) The fair value of long-term financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
- (iii) The carrying values of bank balances, receivables, payables and short-term borrowings approximate their fair values due to the short-term maturities of these assets and liabilities.
- (iv) The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2013:
  - Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
  - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
  - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).



### 3. Financial risk management and fair value estimation (continued)

#### (b) Fair value estimation (continued)

(iv) (continued):

The following table presents the Group's financial instruments that are measured at fair value at 31 December 2013:

HK\$'m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Trading securities	0.6	–	–	0.6
Available-for-sale financial assets				
Equity securities	349.0	–	145.8	494.8
Debt securities	–	–	583.5	583.5
Derivative financial instruments	–	57.0	58.8	115.8
	349.6	57.0	788.1	1,194.7
<b>Liabilities</b>				
Derivative financial instruments	–	(24.2)	(38.1)	(62.3)

The following table presents the Group's financial instruments that are measured at fair value at 30 June 2013:

HK\$'m	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Trading securities	0.8	–	–	0.8
Available-for-sale financial assets				
Equity securities	278.3	–	145.8	424.1
Debt securities	–	–	583.5	583.5
Derivative financial instruments	–	21.9	58.8	80.7
	279.1	21.9	788.1	1,089.1
<b>Liabilities</b>				
Derivative financial instruments	–	(37.6)	(40.9)	(78.5)

There was no transfer of financial assets between Level 1 and Level 2 fair value hierarchy classifications.

The following table presents the changes in Level 3 financial instruments for the period ended 31 December 2013:

HK\$'m	Available-for-sale financial assets	Derivative financial assets	Derivative financial liabilities
At 1 July 2013	729.3	58.8	(40.9)
Total gain recognized in the condensed consolidated income statement	–	–	2.8
At 31 December 2013	729.3	58.8	(38.1)

# Interim Results

## 4. Revenue and segment information

The Group's revenue is analyzed as follows:

	For the six months ended 31 December	
	2013 HK\$m	2012 HK\$m
Roads	1,172.6	1,115.1
Ports & Logistics	49.8	52.3
Facilities Management	3,088.0	3,498.1
Construction & Transport	5,787.4	3,305.5
	<b>10,097.8</b>	7,971.0

Management has determined the operating segments based on the reports reviewed by the Executive Committee of the Company that are used to make strategic decisions. The 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 corporate office and non-operating items. Corporate interest income, finance costs and expenses are not allocated to segments.

#### 4. Revenue and segment information (continued)

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

HK\$m	Roads	Energy & Water	Ports & Logistics	Facilities Management	Construction & Transport	Strategic Investments	Total
<b>For the six months ended 31 December 2013</b>							
Total revenue	1,172.6	–	49.8	3,099.0	5,863.4	–	10,184.8
Inter-segment	–	–	–	(11.0)	(76.0)	–	(87.0)
Revenue – external	1,172.6	–	49.8	3,088.0	5,787.4	–	10,097.8
Attributable operating profit							
Company and subsidiaries	425.4	–	38.1	497.3	100.8	143.2	1,204.8
Associated companies	22.6	15.4	18.2	(0.5)	52.6	134.0 (ii)	242.3 (b)
Joint ventures	225.2	396.7	174.1	2.6	124.9 (i)	(50.4)	873.1 (b)
	673.2	412.1	230.4	499.4	278.3	226.8	2,320.2
Reconciliation – corporate office and non-operating items							
Gain on deemed disposal of interests in joint ventures							594.3
Gain on fair value of investment properties							55.8
Share of profit from Harbour Place							2.2
Net exchange gain							30.4
Interest income							72.7
Finance costs							(288.7)
Expenses and others							(182.0)
Profit attributable to shareholders							2,604.9

- (i) The amount includes the Group's share of attributable operating profit of HK\$124.9 million from its Transport business.
- (ii) The amount includes the Group's share of attributable operating profit of HK\$107.1 million from three associated companies engaged in investment activities.

# Interim Results

## 4. 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
<b>For the six months ended 31 December 2013</b>										
Depreciation	4.9	-	-	24.9	18.7	-	48.5	4.9	-	53.4
Amortization of intangible concession rights	372.3	-	-	-	-	-	372.3	-	-	372.3
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	8.5	-	-	34.5	35.9	-	78.9	0.1	-	79.0
Interest income	25.1	11.2	1.1	0.8	3.2	130.5	171.9	72.7	(7.6)	237.0
Finance costs	56.3	-	4.6	0.3	9.6	-	70.8	288.7	(7.6)	351.9
Income tax expenses	155.6	12.7	8.7	98.2	4.2	3.4	282.8	0.2	-	283.0
<b>As at 31 December 2013</b>										
Company and subsidiaries	18,240.0	91.1	2,165.6	3,974.6	6,013.1	1,822.7	32,307.1	6,877.9	-	39,185.0
Associated companies	425.9	649.6	3,924.5	711.1	1,401.6	6,369.9	13,482.6	64.3	-	13,546.9
Joint ventures	6,755.7	7,072.1	3,058.7	13.6	1,734.4	(i)	1,292.6	19,927.1	26.3	19,953.4
Total assets	25,421.6	7,812.8	9,148.8	4,699.3	9,149.1	9,485.2	65,716.8	6,968.5	-	72,685.3
Total liabilities	4,987.1	30.2	67.9	779.0	4,783.9	1,355.0	12,003.1	17,192.8	-	29,195.9

(i) The balance includes the Group's investment in its Transport business of HK\$2,078.5 million.

#### 4. 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 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)
Joint ventures	295.7	290.1	106.9	0.1	97.4 (i)	(52.1)	738.1 (b)
	690.8	317.7	153.4	686.6	123.3	224.2	2,196.0
Reconciliation – corporate office and non-operating items							
Gain on fair value of investment properties							178.4
Share of profit from Harbour Place							25.5
Net exchange gain							63.7
Interest income							58.5
Finance costs							(272.0)
Expenses and others							(143.9)
Profit attributable to shareholders							2,106.2

- (i) The amount included the Group's share of attributable operating profit of HK\$93.2 million from its Transport business.
- (ii) The amount included the Group's share of attributable operating profit of HK\$112.1 million from three associated companies engaged in investment activities.

# Interim Results

## 4. 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 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 30 June 2013										
Company and subsidiaries	18,933.0	162.0	2,159.5	4,036.4	4,515.0	1,898.4	31,704.3	5,770.6	-	37,474.9
Associated companies	422.5	643.9	280.0	689.0	1,363.8	6,224.6	9,623.8	62.4	-	9,686.2
Joint ventures	6,409.7	7,480.9	3,039.1	17.5	1,617.0 (i)	1,273.1	19,837.3	24.4	-	19,861.7
Total assets	25,765.2	8,286.8	5,478.6	4,742.9	7,495.8	9,396.1	61,165.4	5,857.4	-	67,022.8
Total liabilities	5,899.5	27.3	91.2	916.2	3,674.9	148.3	10,757.4	15,244.4	-	26,001.8

- (i) The balance included the Group's investment in its Transport business of HK\$1,922.0 million.
- (b) Reconciliation of attributable operating profit from associated companies and joint ventures to the condensed consolidated income statement:

HK\$m	Associated companies		Joint ventures	
	For the six months ended 31 December		For the six months ended 31 December	
	2013	2012	2013	2012
Attributable operating profit	<b>242.3</b>	222.2	<b>873.1</b>	738.1
Associated companies, joint ventures and non-operating items of corporate office				
Harbour Place	-	-	<b>2.2</b>	25.5
Others	<b>(16.8)</b>	(33.2)	<b>(77.7)</b>	(55.2)
Share of results of associated companies and joint ventures	<b>225.5</b>	189.0	<b>797.6</b>	708.4



#### 4. 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 2013	At 30 June 2013
	2013	2012		
Hong Kong	<b>8,678.3</b>	6,822.8	<b>4,373.7</b>	4,306.4
Mainland China	<b>1,208.7</b>	1,146.8	<b>16,572.6</b>	16,731.8
Macau	<b>210.8</b>	1.4	–	5.7
	<b>10,097.8</b>	7,971.0	<b>20,946.3</b>	21,043.9

#### 5. Other income/gains (net)

	For the six months ended 31 December	
	2013 HK\$'m	2012 HK\$'m
Gain on fair value of investment properties	<b>55.8</b>	178.4
Gain on fair value of a derivative financial instrument	–	58.8
Profit on disposal of assets held for sale	–	45.4
Net gain on fair value of financial assets at fair value through profit or loss	–	34.5
Profit on disposal of an available-for-sale financial asset	<b>14.3</b>	–
Net exchange gain	<b>94.2</b>	113.3
Interest income		
Available-for-sale financial asset	<b>116.4</b>	82.1
Bank deposits and others	<b>120.6</b>	102.2
Machinery hire income	<b>47.2</b>	31.5
Dividends and other income	<b>39.6</b>	30.8
Management fee income	<b>13.7</b>	13.5
	<b>501.8</b>	690.5

# Interim Results

## 6. Operating profit

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

	Note	For the six months ended 31 December	
		2013 HK\$'m	2012 HK\$'m
<b>Crediting</b>			
Gross rental income from investment properties		77.9	78.9
Less: outgoings		(6.7)	(13.0)
		71.2	65.9
<b>Charging</b>			
Cost of inventories sold		1,037.8	1,175.2
Cost of services rendered		7,438.1	5,124.4
Depreciation	11	53.4	55.7
Amortization of intangible concession rights	12	372.3	344.2
Amortization of intangible assets	13	15.6	15.6
Operating lease rental expenses – properties		29.8	30.6
Impairment of trade and other receivables		30.7	2.5

## 7. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2012: 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% (2012: 9% to 25%).

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

	For the six months ended 31 December	
	2013 HK\$'m	2012 HK\$'m
Current income tax		
Hong Kong profits tax	98.8	145.2
Mainland China and overseas taxation	211.8	209.1
Deferred income tax (credit)/charge	(27.6)	4.3
	283.0	358.6

Share of taxation of associated companies and joint ventures of HK\$30.0 million (2012: HK\$16.7 million) and HK\$199.0 million (2012: HK\$148.6 million) respectively are included in the condensed consolidated income statement as share of results of associated companies and joint ventures respectively.

## 8. Dividend

	For the six months ended 31 December	
	2013 HK\$'m	2012 HK\$'m
Interim dividend declared of HK\$0.36 (2012: paid of HK\$0.29) per share	<b>1,337.4</b>	1,056.7

## 9. Earnings per share

The calculation of basic earnings per share for the Current Period is based on earnings of HK\$2,604.9 million (2012: HK\$2,106.2 million) and on the weighted average of 3,675,841,300 (2012: 3,590,308,151) ordinary shares outstanding during the Current Period.

There is no dilutive potential ordinary share in the Current Period. The calculation of diluted earnings per share for the Last Period was based on earnings of HK\$2,106.2 million and on the weighted average of 3,590,727,932 ordinary shares outstanding during the Last Period, calculated as follows:

	For the six months ended 31 December 2012 HK\$'m
Profit attributable to shareholders of the Company and for calculation of diluted earnings per share	2,106.2
	Number of shares 2012
Weighted average number of shares for calculating basic earnings per share	3,590,308,151
Effect of dilutive potential ordinary shares Share options	419,781
Weighted average number of shares for calculating diluted earnings per share	3,590,727,932

## 10. Investment properties

	HK\$'m
At 1 July 2013	<b>3,443.1</b>
Fair value changes	<b>55.8</b>
Translation differences	<b>0.1</b>
<b>At 31 December 2013</b>	<b>3,499.0</b>

The investment properties were revalued on 31 December 2013 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

## 11. Property, plant and equipment

HK\$'m	Note	Land and properties	Other plant and equipment	Total
<b>Cost</b>				
At 1 July 2013		44.4	1,456.3	1,500.7
Additions		–	79.0	79.0
Disposals		–	(35.2)	(35.2)
Translation differences		–	0.9	0.9
<b>At 31 December 2013</b>		<b>44.4</b>	<b>1,501.0</b>	<b>1,545.4</b>
<b>Accumulated depreciation and impairment</b>				
At 1 July 2013		15.9	1,030.7	1,046.6
Depreciation	6	0.4	53.0	53.4
Disposals		–	(34.8)	(34.8)
Translation differences		–	0.6	0.6
<b>At 31 December 2013</b>		<b>16.3</b>	<b>1,049.5</b>	<b>1,065.8</b>
<b>Net book value</b>				
<b>At 31 December 2013</b>		<b>28.1</b>	<b>451.5</b>	<b>479.6</b>
At 30 June 2013		28.5	425.6	454.1

## 12. Intangible concession rights

	Note	HK\$'m
<b>Cost</b>		
At 1 July 2013		20,935.1
Translation differences		258.2
<b>At 31 December 2013</b>		<b>21,193.3</b>
<b>Accumulated amortization and impairment</b>		
At 1 July 2013		4,274.7
Amortization	6	372.3
Translation differences		49.3
<b>At 31 December 2013</b>		<b>4,696.3</b>
<b>Net book value</b>		
<b>At 31 December 2013</b>		<b>16,497.0</b>
At 30 June 2013		16,660.4

### 13. Intangible assets

HK\$m	Note	Goodwill	Operating right	Total
<b>Cost</b>				
At 1 July 2013 and at 31 December 2013		<b>67.2</b>	<b>567.2</b>	<b>634.4</b>
<b>Accumulated amortization and impairment</b>				
At 1 July 2013		<b>15.4</b>	<b>132.7</b>	<b>148.1</b>
Amortization	6	–	<b>15.6</b>	<b>15.6</b>
<b>At 31 December 2013</b>		<b>15.4</b>	<b>148.3</b>	<b>163.7</b>
<b>Net book value</b>				
<b>At 31 December 2013</b>		<b>51.8</b>	<b>418.9</b>	<b>470.7</b>
At 30 June 2013		51.8	434.5	486.3

### 14. Associated companies

- (a) Pursuant to an announcement made by the Company on 25 February 2013 in relation to the establishment of a joint venture with other major port operators in Xiamen which would involve the injection of the Group's two port investments in Xiamen – NWCY Terminal and Trend Wood in exchange for a 13.8% interest in the new joint venture, the carrying values of NWCY Terminal and Trend Wood, thereafter, had been reclassified as assets held for sale. The joint venture, namely Xiamen Container Terminal Group Co., Ltd. ("XCTG"), was legally established in December 2013 and a gain on deemed disposal of interests in joint ventures of HK\$594.3 million was recognized in the Current Period. The Group's investment in XCTG was accounted for as an associated company as at 31 December 2013.
- (b) 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 2013 amounted to HK\$1,962.7 million (30 June 2013: HK\$1,855.6 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\$107.1 million (2012: HK\$112.1 million).

### 15. Other non-current assets

	At 31 December 2013 HK\$m	At 30 June 2013 HK\$m
Security deposits	<b>962.0</b>	962.0
Derivative financial instruments	<b>39.5</b>	61.4
Retirement benefit assets	<b>0.5</b>	10.9
Others	<b>39.5</b>	39.1
	<b>1,041.5</b>	1,073.4

# Interim Results

## 16. Trade and other receivables

	Note	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Trade receivables	(a)	<b>1,232.5</b>	1,144.1
Retention money receivables		<b>508.5</b>	439.7
Amounts due from customers for contract works		<b>191.1</b>	122.8
Other receivables, deposits and prepayments		<b>4,374.6</b>	2,996.0
Financial assets at fair value through profit or loss		<b>0.6</b>	0.8
Derivative financial instruments		<b>76.3</b>	19.3
Amounts due from associated companies		<b>101.3</b>	25.1
Amounts due from joint ventures		<b>431.0</b>	716.3
		<b>6,915.9</b>	5,464.1

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

	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Under 3 months	<b>1,129.6</b>	1,018.3
4 to 6 months	<b>58.9</b>	90.8
Over 6 months	<b>44.0</b>	35.0
	<b>1,232.5</b>	1,144.1

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.

## 17. Assets held for sale

	Note	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Equity securities listed in Hong Kong		7.8	7.8
Assets reclassified as held for sale	14(a)	–	743.6
		<b>7.8</b>	751.4

## 18. Share capital

	Ordinary shares	
	No. of shares	HK\$'m
<b>Authorized</b>		
At 1 July 2013 and 31 December 2013	6,000,000,000	6,000.0
<b>Issued and fully paid</b>		
At 1 July 2013	3,675,625,438	3,675.6
Issued as scrip dividend	39,502,825	39.5
<b>At 31 December 2013</b>	<b>3,715,128,263</b>	<b>3,715.1</b>

### Share Option Scheme

The existing share option scheme of the Company was adopted by its shareholders on 21 November 2011. No share option has been granted under this scheme since its adoption.

As at 31 December 2013, there was no outstanding share option of the Company which was granted under any other share option schemes previously adopted by the Company.

# Interim Results

## 19. Reserves

HK\$'m	Share premium	Special reserves	Investment revaluation reserve	Exchange reserve	Revenue reserve	Total
At 1 July 2013	15,172.7	480.2	101.1	3,751.4	17,002.1	36,507.5
Profit for the period	-	-	-	-	2,604.9	2,604.9
Dividend to shareholders of the Company	-	-	-	-	(955.7)	(955.7)
Fair value changes on available-for-sale financial assets						
Group	-	-	70.8	-	-	70.8
Associated companies	-	-	(1.3)	-	-	(1.3)
Joint ventures	-	-	3.8	-	-	3.8
Currency translation differences						
Group	-	-	-	155.1	-	155.1
Associated companies	-	-	-	91.0	-	91.0
Joint ventures	-	-	-	233.7	-	233.7
Scrip dividend						
Share premium on new shares issued	402.1	-	-	-	-	402.1
Share options						
Value of services provided						
Associated company	-	(0.3)	-	-	-	(0.3)
Share of other comprehensive income/(loss) of an associated company and joint ventures	-	30.7	-	-	(120.1)	(89.4)
Cash flow hedges	-	32.1	-	-	-	32.1
Release of reserves upon deemed disposal of interests in joint ventures	-	(3.1)	-	(124.7)	-	(127.8)
Remeasurement of post-employment benefit obligation	-	-	-	-	(17.3)	(17.3)
<b>At 31 December 2013</b>	<b>15,574.8</b>	<b>539.6</b>	<b>174.4</b>	<b>4,106.5</b>	<b>18,513.9</b>	<b>38,909.2</b>
Representing						
Balance at 31 December 2013	15,574.8	539.6	174.4	4,106.5	17,176.5	37,571.8
2014 declared interim dividend	-	-	-	-	1,337.4	1,337.4
	<b>15,574.8</b>	<b>539.6</b>	<b>174.4</b>	<b>4,106.5</b>	<b>18,513.9</b>	<b>38,909.2</b>

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 joint ventures established in Mainland China and are required to be retained in the financial statements of these subsidiaries and joint ventures 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.



## 20. Borrowings

	Note	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
<b>Non-current</b>			
Long term bank loans			
Secured	(a)	<b>1,256.4</b>	2,335.5
Unsecured		<b>7,787.1</b>	8,828.9
Fixed rate bonds			
Unsecured		<b>3,854.2</b>	5,111.0
Other borrowings			
Unsecured		<b>0.4</b>	0.4
		<b>12,898.1</b>	16,275.8
<b>Current</b>			
Current portion of long term bank loans			
Secured	(a)	<b>423.1</b>	417.7
Unsecured		<b>2,225.5</b>	420.2
Fixed rate bonds			
Unsecured		<b>1,279.7</b>	–
Short term bank loans and overdrafts			
Unsecured		<b>1,251.5</b>	565.6
Other borrowings			
Unsecured		<b>0.2</b>	0.2
		<b>5,180.0</b>	1,403.7
		<b>18,078.1</b>	17,679.5

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

# Interim Results

## 21. Trade and other payables

	Note	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Trade payables	(a)	345.9	555.6
Retention money payables		568.4	451.2
Advances received from customers for contract works		687.0	385.4
Amounts due to customers for contract works		508.3	503.1
Amounts due to non-controlling interests		66.8	81.7
Other payables and accruals		4,401.9	2,959.0
Amounts due to associated companies		1,217.6	9.6
Amounts due to joint ventures		22.3	26.6
		<b>7,818.2</b>	<b>4,972.2</b>

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

	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Under 3 months	328.4	534.3
4 to 6 months	2.4	5.5
Over 6 months	15.1	15.8
	<b>345.9</b>	<b>555.6</b>

## 22. Commitments

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

	Note	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Contracted but not provided for			
Intangible concession rights		–	9.3
Property, plant and equipment		23.0	14.6
Capital contributions to/acquisitions of an associated company and joint ventures	(i)	1,517.4	1,427.9
Authorized but not contracted for			
Intangible concession rights		–	10.9
		<b>1,540.4</b>	<b>1,462.7</b>

(i) The Group has committed to acquire further interest in a joint venture and to provide sufficient funds in the form of advances, capital and loan contributions to an associated company and certain joint ventures to finance relevant projects. The directors estimate that the Group's share of projected funds requirements of these projects would be approximately HK\$1,517.4 million (30 June 2013: HK\$1,427.9 million) which represents the attributable portion of capital and loan contributions to be made to the associated company and joint ventures.

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

		At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Contracted but not provided for			
Intangible concession rights		2.1	8.9
Property, plant and equipment		692.0	784.4
Capital contributions to/acquisitions of associated companies and joint ventures		90.6	84.5
Authorized but not contracted for			
Intangible concession rights		–	60.5
Property, plant and equipment		713.4	635.8
		<b>1,498.1</b>	<b>1,574.1</b>

# Interim Results

## 23. Contingent liabilities and financial guarantee contracts

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

	At 31 December 2013 HK\$'m	At 30 June 2013 HK\$'m
Guarantees for credit facilities granted to		
Associated companies	22.0	24.2
Joint ventures	1,378.2	477.2
A related company	64.7	101.7
	<b>1,464.9</b>	603.1

(b) The Group's share of contingent liabilities of joint ventures not included above are HK\$16.7 million as at 31 December 2013 (30 June 2013: HK\$20.4 million).

## 24. 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	
		2013 HK\$'m	2012 HK\$'m
<b>Transactions with affiliated companies</b>	(i)		
Provision of construction work services	(ii)	146.4	169.5
Provision of other services	(iii)	0.5	0.5
Interest income	(iv)	18.7	9.2
Management fee income	(v)	11.1	11.0
Rental and other related expenses	(vi)	(1.2)	(5.0)
<b>Transactions with other related parties</b>	(i)		
Provision of construction work services	(ii)	3,083.1	2,188.4
Provision of other services	(iii)	31.1	26.4
Rental and other related expenses	(vi)	(19.7)	(16.8)
Other expenses	(vii)	(334.2)	(285.6)

## 24. Related party transactions (continued)

(a) (continued):

- (i) Affiliated companies include associated companies and joint ventures of the Group. Related parties are subsidiaries, associated companies and joint ventures of New World Development Company Limited (“NWD”), 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 the Vice-chairman and a non-executive director of NWD.
- (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 agreements on the outstanding balances due from the affiliated companies.
- (v) Management fee was charged at rates in accordance with the relevant contracts.
- (vi) Rental and other related expenses were charged at rates in accordance with the 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.

(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	
	2013	2012
	HK\$'m	HK\$'m
Fees	2.0	1.8
Basic salaries, allowances and other benefits	22.5	20.8
Employer's contribution to retirement benefits schemes	1.2	1.0
	<b>25.7</b>	23.6

# Interim Results

## 24. Related party transactions (continued)

- (c) The total amounts receivable from associated companies and joint ventures are HK\$4,056.9 million (30 June 2013: HK\$4,597.1 million). These balances are unsecured, of which HK\$1,142.7 million (30 June 2013: HK\$1,443.6 million) are interest bearing. These balances also include an aggregate amount of HK\$197.5 million (30 June 2013: HK\$697.5 million) which has been subordinated to certain indebtedness of joint ventures. The total amounts payable to associated companies, joint ventures and non-controlling interests are HK\$1,406.7 million (30 June 2013: HK\$216.6 million). These balances are unsecured and interest free.

# Interim Dividend

The Board has resolved to declare an interim dividend for the year ending 30 June 2014 in scrip form equivalent to HK\$0.36 per share with a cash option to shareholders registered on 24 March 2014.

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\$0.36 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 1 April 2014. It is expected that certificates for the scrip shares and dividend warrants will be despatched to shareholders on or about 16 May 2014.

## BOOK CLOSE DATES

Book close dates (both days inclusive):	Wednesday, 19 March 2014 to Monday, 24 March 2014
Latest time to lodge transfer with transfer office:	4:30 pm on Tuesday, 18 March 2014
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 2013, the Group has provided financial assistance, by way of shareholders' loans or advances, in the aggregate amount of HK\$4,056.9 million to its affiliated companies, guaranteed bank loans and other borrowing facilities for the benefit of the affiliated companies in the amount of HK\$1,400.2 million and contracted to provide an aggregate amount of HK\$1,517.4 million in capital and/or loans to affiliated companies. The said amounts, in aggregate, represent approximately 9.8% 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\$25.3 million which carries interest at Hong Kong prime rate; (iii) an amount of HK\$308.6 million which carries interest at 3.25% per annum and is repayable on 29 July 2014; and (iv) an amount of HK\$704.1 million which carries interest at 6-month Hong Kong Interbank Offered Rate plus a margin of 1.3% per annum and is not repayable within the next 12 months from the end of the reporting period. The advances also include an aggregate amount of HK\$197.5 million which has been subordinated to certain indebtedness of an affiliated company. 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 2013 are presented as follows:

	Proforma combined statement of financial position HK\$'m	Group's attributable interest HK\$'m
Non-current assets	34,283.1	16,555.2
Current assets	8,254.5	3,931.5
Current liabilities	(10,181.8)	(5,453.8)
Non-current liabilities	(13,361.1)	(6,007.1)
	18,994.7	9,025.8

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 2013.



## 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.

Throughout the six months ended 31 December 2013, the Company has complied with all the applicable code provisions in the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

## 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 2013 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. Mr Kwong Che Keung, Gordon resigned as an independent non-executive director of China Chengtong Development Group Limited, a listed public company in Hong Kong, with effect from 1 November 2013.
2. Dr Cheng Wai Chee, Christopher retired as a member of the Hong Kong Government Exchange Fund Advisory Committee with effect from 10 December 2013.
3. Mr Shek Lai Him, Abraham was appointed as an independent non-executive director of Cosmopolitan International Holdings Limited, a listed public company in Hong Kong, with effect from 18 December 2013.
4. Mr Lee Yiu Kwong, Alan resigned as the Chairman of Hong Kong Container Terminal Operators Association with effect from 1 January 2014. At the same time, he also ceased to be a committee member of Hong Kong Port Development Council, Hong Kong Logistics Development Council and the Sailors Home and Missions to Seamen Hong Kong.

## 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 financial statements 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.

# Additional Information

## DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2013, 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 31.12.13
	Personal interests	Family interests	Corporate interests		
<b>The Company</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	18,349,571	–	12,000,000 <sup>(1)</sup>	30,349,571	0.817%
Mr Tsang Yam Pui	180,000	–	–	180,000	0.005%
Mr Lam Wai Hon, Patrick	1,316,207	–	7,608 <sup>(2)</sup>	1,323,815	0.036%
Mr William Junior Guilherme Doo	471,127	–	108,095 <sup>(3)</sup>	579,222	0.016%
Mr Kwong Che Keung, Gordon	1,207,077	–	–	1,207,077	0.032%
Dr Cheng Wai Chee, Christopher	2,476,863	–	–	2,476,863	0.067%
Mr Wilfried Ernst Kaffenberger	723,372	–	–	723,372	0.019%
<b>NWD</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	–	450,000 <sup>(4)</sup>	–	450,000	0.007%
Mr Cheung Chin Cheung	93,300	–	–	93,300	0.001%
Mr William Junior Guilherme Doo	–	30,000 <sup>(5)</sup>	–	30,000	0.000%
Mr Kwong Che Keung, Gordon	30,000	–	–	30,000	0.000%
<b>New World China Land Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Dr Cheng Kar Shun, Henry	29,985,826	4,387,500 <sup>(4)</sup>	117,610,200 <sup>(1)</sup>	151,983,526	1.753%
Mr William Junior Guilherme Doo	–	112,500 <sup>(5)</sup>	405,000 <sup>(3)</sup>	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%
<b>Newton Resources</b>					
(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%
<b>Wai Kee Holdings Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Mr Lam Wai Hon, Patrick	300,000	–	–	300,000	0.038%

Notes:

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

## DIRECTORS' INTERESTS IN SECURITIES (continued)

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

#### (i) 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		Balance as at 31.12.13	Exercise price per share HK\$
			Balance as at 01.07.13	Exercised during the period		
Dr Cheng Kar Shun, Henry	19 March 2012	(1)	10,014,956	–	10,014,956	9.756

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) The cash consideration paid by the director for the grant of the share options is HK\$10.

#### (ii) 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		Balance as at 31.12.13	Exercise price per share HK\$
			Balance as at 01.07.13	Exercised during the period		
Dr Cheng Kar Shun, Henry	18 January 2011	(1)	2,077,922	–	2,077,922	3.036
Dr Cheng Wai Chee, Christopher	18 January 2011	(1)	311,688	–	311,688	3.036

Notes:

- (1) 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.
- (2) The cash consideration paid by each of the directors for the grant of the share options is HK\$10.

## Additional Information

### DIRECTORS' INTERESTS IN SECURITIES (continued)

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

##### (iii) 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 01.07.13	Exercised during the period	Lapsed during the period	Balance as at 31.12.13	
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 the share option is HK\$1.

#### (c) Long position in debentures

##### (i) Rosy Unicorn Limited

The following director of the Company has interest 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 him are as follows:

Name	Amount of debentures in US\$				Approximate percentage to the total amount of debentures in issue as at 31.12.13
	Personal interests	Family interests	Corporate interests	Total	
Mr William Junior Guilherme Doo	–	–	4,500,000 <sup>(Note)</sup>	4,500,000	0.900%

Note: The debentures are held by companies wholly owned by Mr William Junior Guilherme Doo.

## DIRECTORS' INTERESTS IN SECURITIES (continued)

### (c) Long position in debentures (continued)

#### (ii) NWCL

The following directors of the Company have interest in the RMB4,300,000,000 8.50% bonds due 2015 and the RMB3,000,000,000 5.50% bonds due 2018 both issued by NWCL, a fellow subsidiary of the Company. Details of the 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 31.12.13
	Personal interests	Family interests	Corporate interests		
Mr Tsang Yam Pui	3,500,000	–	–	3,500,000	0.048%
Mr Lam Wai Hon, Patrick	1,000,000	–	–	1,000,000	0.014%
Mr William Junior Guilherme Doo	–	–	21,500,000 <sup>(Note)</sup>	21,500,000	0.295%

Note: The debentures are held by a company wholly owned by Mr William Junior Guilherme Doo.

#### (iii) Fita International Limited

The following director of the Company has interest in the US\$750,000,000 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 31.12.13
	Personal interests	Family interests	Corporate interests		
Mr William Junior Guilherme Doo	–	–	3,000,000 <sup>(Note)</sup>	3,000,000	0.400%

Note: The debentures are held by a company wholly owned by Mr William Junior Guilherme Doo.

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 SCHEME

The existing share option scheme of the Company was adopted by its shareholders on 21 November 2011. No share option has been granted under this scheme since its adoption.

As at 31 December 2013, there was no outstanding share option of the Company which was granted under any other share option schemes previously adopted by the Company.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2013, 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 31.12.13
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited	–	2,374,449,704 <sup>(1)</sup>	2,374,449,704	63.91%
Cheng Yu Tung Family (Holdings II) Limited	–	2,374,449,704 <sup>(2)</sup>	2,374,449,704	63.91%
Chow Tai Fook Capital Limited	–	2,374,449,704 <sup>(3)</sup>	2,374,449,704	63.91%
Chow Tai Fook (Holding) Limited	–	2,374,449,704 <sup>(4)</sup>	2,374,449,704	63.91%
CTF Enterprises	97,034,424	2,277,415,280 <sup>(5)</sup>	2,374,449,704	63.91%
NWD	1,529,996,917	747,418,363 <sup>(6)</sup>	2,277,415,280	61.30%
Mombasa Limited	685,168,172	–	685,168,172	18.44%

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 78.58% 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, 29,635,108 shares each held by Hing Loong Limited and 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 2013.



## 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, 25 February 2014

# 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 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

MUFG Fund Services (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 America, N.A. Hong Kong Branch  
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 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](http://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](http://www.nws.com.hk).

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# 新創建 NWS

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