



新創建 NWS

NWS HOLDINGS LIMITED

STOCK CODE: 659



GROWING BEYOND BOUNDARIES

INTERIM REPORT 2015-2016



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 2015-2016



FINANCIAL HIGHLIGHTS

	For the six months ended 31 December	
	2015 HK\$m	2014 HK\$m
Revenue	14,224.4	11,974.4
Profit Attributable to Shareholders of the Company	2,354.3	2,003.8
Basic Earnings per Share	HK\$0.62	HK\$0.54
Dividend Payout Ratio	50%	51%

	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
	Net Debt	7,086.7
Total Assets	77,320.0	75,153.6
Net Assets	45,436.2	46,187.7
Shareholders' Funds	44,663.6	45,413.4
Net Assets per Share	HK\$11.94	HK\$12.23
Net Gearing Ratio	16%	14%



CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of our board of directors (the "Board"), I am pleased to present the financial results of NWS Holdings Limited ("NWS Holdings" or the "Company", together with its subsidiaries, the "Group") for the six-month period ended 31 December 2015 (the "Current Period").

Growth Intact Despite Headwinds

As envisaged, China's economy grew at a slower pace in 2015 with the growth rate lingering marginally below the government target of 7%. The Central Government has continued to demonstrate its full commitment in driving structural reforms toward a modern and market-driven economy to ensure efficient resources allocation and safeguard environmentally sustainable economic growth. To this end, special focus continues to be given to the expansion of the domestic services sector and disciplined government spending on infrastructure to ensure a sustainable growth momentum. The Group is therefore both well positioned and prepared to take advantage of investment opportunities in the infrastructure and logistics sectors in Mainland China even though the road ahead will stay bumpy in light of the domestic and global economic headwinds.

The successful completion of investment in Chongqing Derun Environment Co., Ltd. ("Derun Environment") in December 2015 marked an important milestone for the Group to participate in a joint venture which will provide a wide range of environmental services in the fast growing environmental markets. With the firm backing of stringent national environmental legislation and the strength and experience of the other two shareholders, the Group has strong confidence in the growth potential of Derun Environment in the years ahead.

The rising global air travel demand is set to propel the growth of the Group's aviation business as Beijing Capital International Airport Co., Ltd. ("BCIA") saw steady international traffic growth while Goshawk Aviation Limited ("Goshawk") increased its fleet of leased aircraft by nearly two-fold since acquisition in February 2015. The stable and predictable returns and earnings profile of these businesses will safeguard the Group's earnings during times of uncertainty and volatility.

Back on home turf, the economic growth in Hong Kong is likely to remain slow and fragile amid persistent vulnerabilities such as falling retail sales from the contraction in Mainland China tourist arrivals and spending and further weakening of Hong Kong's attractiveness and competitiveness due to keen competition from neighbouring regions. However, based on the strong forward order book pipeline for the construction companies and Hong Kong Convention and Exhibition Centre ("HKCEC"), the Group retains its optimism in the resilience of the Services division.

Financial and Business Review

Despite the negative impact of Renminbi depreciation on the Group's mainland projects, the Attributable Operating Profit ("AOP") of the Infrastructure division for the Current Period grew by 8% when compared with the six-month period ended 31 December 2014 (the "Last Period"). The full period contribution from Goshawk to the Ports & Logistics segment served to soften the downturn of the Roads and Energy segments. Bearing in mind that the Roads segment continues to deliver steady toll revenue and traffic growth, its AOP decline was primarily linked to the currency translation effect. In the case of the Energy segment, AOP fell substantially due mainly to weakening electricity sales. Nonetheless, with commitments to increasing the fleet size by 20 aircraft in the second half of the financial year ending 30 June 2016 ("FY2016"), Goshawk is expected to uphold its status as a prominent growth driver for the Infrastructure division.

Aided by the vibrant construction market and the recovery of the transport business, the Construction & Transport segment became the top earnings contributor for the Services division. Both the Facilities Management and Strategic Investments segments recorded negative growth as sales recovery of the Free Duty shops remained suppressed by the unfavourable retail environment while certain individual strategic investment projects continue to underperform. Looking back at the mixed performance of the Services division under fairly extreme market conditions, the AOP growth of 4% should be considered respectable.

In conjunction with the rising AOP, the net impact of non-cash exceptional items contributed to the 17% rise in profit attributable to shareholders. On a positive note, the Group recognized fair value and deemed disposal gains of approximately HK\$593 million and HK\$179 million respectively on its investment properties and from the new investment in Derun Environment. On the downside, the gains were partly offset by the impairment losses on the carrying value of Tharisa plc ("Tharisa") and Hyva Holding B.V. ("Hyva"), which amounted to approximately HK\$200 million and HK\$178 million respectively.

The Board is pleased to declare an interim dividend for FY2016 of HK\$0.31 per share, representing an interim dividend payout ratio of approximately 50%.

Corporate Sustainability

The Group takes pride in being a responsible corporate citizen, which forms an integral part of our business strategy and success. Fittingly, for five consecutive years the Group has been recognized as the constituent stock of the Hang Seng Corporate Sustainability Benchmark Index and the gold winner in the volunteer team category at the Hong Kong Corporate Citizenship Award Scheme. As we forge ahead in our corporate sustainability path, a second standalone Sustainability Report with a wider reporting scope was published, reaffirming our efforts in enhancing corporate transparency and accountability.

Conclusion

In closing, I would like to convey my appreciation to my Board for their strategic and diligent guidance and to the management and staff for their dedication and hard work in realizing creditable results. I must also express my gratitude to our valued shareholders for their firm belief in the Group over the years. Despite the challenges of a volatile economic environment, I have every confidence that the Group will continue to make strides in converting strategic directions into profitable results and delivering higher shareholder returns.



Dr Cheng Kar Shun, Henry

Chairman

Hong Kong, 22 February 2016



MANAGEMENT DISCUSSION AND ANALYSIS

GROUP OVERVIEW

The Group recorded an AOP of HK\$2.398 billion for the Current Period, representing an increase of HK\$143.6 million or 6%, as compared to HK\$2.255 billion for the Last Period. Buoyed by the outstanding performance of the Logistics business, the Infrastructure division generated an AOP of HK\$1.469 billion, an increase of 8% as compared to HK\$1.366 billion in the Last Period, despite the impact of Renminbi depreciation. The AOP of Services division increased by 4% to HK\$928.9 million compared to HK\$888.9 million in the Last Period mainly due to the continuing growth of the Construction business.

During the Current Period, the Group shared a gain of HK\$179.3 million on the deemed disposal of its indirect interest in Chongqing Water Group Company Limited (“Chongqing Water Group”) as a 50% joint venture of the Group injected its interest in Chongqing Water Group and cash into Derun Environment. With a total asset valuation of approximately RMB30.0 billion, Derun Environment will strive to be a leading environmental services provider in Mainland China by focusing its resources on water and waste water treatment, urban and hazardous waste handling, waste-to-energy project investment, soil remediation and environmental technology development. In addition, the Group recognized a fair value gain of HK\$593.0 million from the revaluation of investment properties.

On the other hand, however, the Group recognized an impairment loss of HK\$200.0 million on the carrying value of the Group’s interest in Tharisa in view of the substantial drop in the market price of chrome concentrates. In light of the sales decline and growth projections for hydraulic components in Mainland China, an impairment loss of HK\$177.6 million for Hyva was also shared by the Group. Both of these impairment losses are non-cash items and bear no impact on the cash flow and the operation of the Group. Furthermore, the depreciation of Renminbi yielded a net exchange loss of HK\$266.6 million upon translation of the Group’s monetary assets denominated in Renminbi into Hong Kong Dollars.

In the Last Period, the Group recognized several one-off items including the share of a gain of approximately HK\$1.5 billion from the disposal of its indirect interest in Companhia de Electricidade de Macau – CEM, S.A., an impairment loss of HK\$1.3 billion on the carrying value of the Group’s interest in Newton Resources Ltd (“Newton Resources”) and a share of the impairment loss of HK\$0.3 billion for Guangzhou Dongxin Expressway.

As a whole, profit attributable to shareholders increased by 17% to HK\$2.354 billion. If there were no depreciation of Renminbi in the Current Period, the profit attributable to shareholders would have increased by approximately 40% instead.

GROUP OVERVIEW (continued)

Contribution by Division

For the six months ended 31 December

	2015 HK\$m	2014 HK\$m
Infrastructure	1,469.3	1,365.7
Services	928.9	888.9
Attributable operating profit	2,398.2	2,254.6
<i>Corporate office and non-operating items</i>		
Net gain on deemed disposal of a project under a joint venture	179.3	–
Net gain on disposal of a project under a joint venture	–	1,549.9
Gain on disposal of projects, net of tax	163.2	–
Gain on fair value of investment properties	593.0	148.3
Impairment loss related to an associated company	(200.0)	(1,300.0)
Impairment loss related to a joint venture	(177.6)	(300.0)
Net exchange (loss)/gain	(266.6)	3.1
Interest income	136.1	75.7
Finance costs	(274.1)	(257.2)
Expenses and others	(197.2)	(170.6)
	(43.9)	(250.8)
Profit attributable to shareholders	2,354.3	2,003.8

Contributions from the operations in Hong Kong accounted for 55% of AOP in the Current Period as compared to 54% in the Last Period. Mainland China and Macau & others contributed 37% and 8% respectively, as compared to 43% and 3% respectively in the Last Period.

GROUP OVERVIEW (continued)

Earnings per Share

The basic earnings per share was HK\$0.62 in the Current Period, representing an increase of 15% from HK\$0.54 in the Last Period.

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 cost-efficient ways of financing.

Liquidity

As at 31 December 2015, the Group's total cash and bank balances which were mainly denominated in Renminbi and Hong Kong Dollar amounted to HK\$11.369 billion, as compared to HK\$10.422 billion as at 30 June 2015. The Group's Net Debt as at 31 December 2015 was HK\$7.087 billion, as compared to HK\$6.389 billion as at 30 June 2015. The increase in Net Debt was mainly due to increase in investments in and advances to associated companies and joint ventures. The capital structure of the Group which comprised of 29% debt and 71% equity as at 31 December 2015 remained comparable to the composition of 27% debt and 73% equity as at 30 June 2015.

Debt Profile and Maturity

As at 31 December 2015, the Group's Total Debt increased to HK\$18.456 billion from HK\$16.811 billion as at 30 June 2015. The Group has spaced out its debt maturity profile to reduce refinancing risks. Among the long-term loans and borrowings of HK\$14.870 billion as at 31 December 2015, 35% will mature in the second year and 65% will mature in the third to fifth year. Bank loans were denominated in Hong Kong Dollar or Renminbi, while bonds were denominated in United States Dollar. Apart from the fixed rate bonds, bank loans were mainly floating rate interest-bearing. Interest rate swaps are used to hedge part of the Group's underlying interest rate exposure. The Group did not have any material exposure to exchange risk other than Renminbi during the Current Period. As at 31 December 2015, intangible concession rights of Hangzhou Ring Road ("HZRR") were pledged as securities for a banking facility of the Group.

Commitments

The Group's commitments for capital expenditure were HK\$1.893 billion as at 31 December 2015 as compared to HK\$2.175 billion as at 30 June 2015. This represented commitments for capital contributions to an associated company and certain joint ventures, properties and equipment, intangible concession rights and other investment. Sources of funding for capital expenditure include internally generated resources and banking facilities.

Financial Guarantee Contracts

Financial guarantee contracts of the Group were HK\$2.414 billion as at 31 December 2015, as compared to HK\$1.095 billion as at 30 June 2015. These represented guarantees for credit facilities of associated companies, joint ventures and a related company.

OPERATIONAL REVIEW – INFRASTRUCTURE

The Infrastructure division reported an AOP of HK\$1.469 billion for the Current Period, an increase of 8% compared to the Last Period which is substantially contributed by the Group's Logistics business. This is an encouraging result in view of the depreciating Renminbi which has inevitably affected the AOP performance of the Group's projects in Mainland China.

AOP Contribution by Segment

For the six months ended 31 December

	2015 HK\$m	2014 HK\$m	Change % Fav./Unfav.)
Roads	620.2	676.7	(8)
Energy	37.6	93.7	(60)
Water	223.9	222.7	1
Ports & Logistics	587.6	372.6	58
Total	1,469.3	1,365.7	8

Roads

AOP from the Roads segment decreased by 8% to HK\$620.2 million which was mainly due to the depreciation of Renminbi, despite healthy growth of traffic flow and toll revenue in the Current Period. AOP would have increased by 12% without the impact of Renminbi depreciation.

Toll revenue of HZRR grew by 2% despite a 1% drop in traffic volume. The improvement works to alleviate the bottleneck in the western section during peak hours will be completed in the second half of FY2016.

Average daily traffic flow of Tangjin Expressway (Tianjin North Section) surged by 58% due to the resumption of two-way traffic after the completion of expansion works in December 2014 and traffic diversion from the temporary closure of a competing road following the local explosion incident in August 2015.

Riding on the economic development in the Pearl River Delta Region and the implementation of toll-by-weight policy since June 2015, all the expressways in Guangdong registered growth in both traffic volume and toll revenue. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) increased by 10% and 7% respectively. Both Shenzhen-Huizhou Expressway (Huizhou Section) and Guangzhou-Zhaoqing Expressway reported traffic growth of 10%. Average daily traffic flow of Guangzhou City Nansha Port Expressway and Guangzhou Dongxin Expressway also registered an increase of 11% and 44% respectively. Road expansion works of Shenzhen-Huizhou Expressway (Huizhou Section) from dual 2-lane to dual 3-lane were completed in December 2015 as scheduled.

In Hong Kong, the average daily traffic flow of Tate's Cairn Tunnel rose by 3% and the latest toll hike took effect in January 2016.

Energy

AOP of the Energy segment dropped from HK\$93.7 million to HK\$37.6 million for the Current Period.

Notwithstanding the decline in fuel prices, weakening electricity demand, competition from renewable energy and rigorous emission controls continued to exert pressure on coal-fired power plant operators. Electricity sales of both Zhujiang Power Plants and Chengdu Jintang Power Plant fell by 19% during the Current Period. In January 2016, the average coal-fired benchmark on-grid tariff in Mainland China was cut by RMB0.03/kWh or 7%.

Coal trading margin of Guangzhou Fuel Company fell due to keen competition while the operating loss from a coal mine further affected its AOP contribution during the Current Period.

OPERATIONAL REVIEW – INFRASTRUCTURE (continued)

Water

AOP of the Water segment reported a mild growth of 1% to HK\$223.9 million despite the pressure from Renminbi depreciation in the Current Period.

Sales volume of Chongqing Water Plant and Jiangsu Water Company increased by 7% and 13% respectively during the Current Period. In Macau, sales volume of Macau Water Plant grew slightly by 1% and a tariff hike of 4.3% became effective in October 2015. After the expansion of several existing water plants, the total daily treatment capacity for water and waste water exceeded 8 million cubic metres as at 31 December 2015.

Chongqing Water Group remained a major AOP contributor for the segment. Pursuant to the agreement between Chongqing Water Assets Management Co., Ltd. and a joint venture with Suez Environnement, the Group attained an indirect interest of 12.55% in Derun Environment, an approximately RMB30.0 billion platform to invest in environmental-related business in Mainland China, in December 2015. The consideration for the interest in Derun Environment was substantially met by the injection of the Group's indirect interest in Chongqing Water Group. Accordingly, the Group shared a deemed disposal gain of HK\$179.3 million during the Current Period.

Ports & Logistics

Ports & Logistics segment maintained its robust growth momentum as AOP for the Current Period rose by 58% to HK\$587.6 million. To capture the growing demand for air transportation, the Group entered the commercial aircraft leasing business by acquiring 40% equity interest in Goshawk in February 2015 which focuses on young narrow body aircraft that are both modern and in demand. As evidenced by Goshawk's fast expanding fleet that grew from 27 aircraft at the time of acquisition to 53 aircraft as at 31 December 2015 and commitments to increasing the fleet size to over 70 aircraft by June 2016, this business will serve as an important growth impetus for the Group in the years to come.

As the world's second busiest airport in terms of passenger throughput, Beijing Capital International Airport served 45,870,000 passengers in the Current Period and continued to be one of the major AOP contributors of the segment.

Throughput handled by Xiamen Container Terminal Group Co., Ltd. ("XCTG") reached 4,079,000 TEUs for the Current Period, representing a healthy growth of 12%. Following the acquisition of additional 6.2% interest in September 2015 as previously reported, the Group's stake in XCTG has increased to 20%. In Tianjin, the throughputs of Tianjin Five Continents International Container Terminal Co., Ltd. and Tianjin Orient Container Terminals Co., Ltd. fell by 5% to 1,226,000 TEUs and 6% to 454,000 TEUs respectively in the Current Period.

With the introduction of containerized break-bulk cargo transportation in January 2015 and the increasing demand for international block train services, throughput handled by China United International Rail Containers Co., Limited grew 6% to 979,000 TEUs during the Current Period. To meet the business growth, the expansion works to double the handling capacity at Chongqing terminal were completed in December 2015 while the construction of Tianjin and Urumqi terminals are scheduled to be completed in 2016 and 2017 respectively.

ATL Logistics Centre continued to register robust rental growth. The Current Period saw an average rental uplift of 16% which was partly boosted by the rental adjustment of a major tenant. Its occupancy rate decreased slightly from 99.5% to 97.8% due to transitional vacancy upon lease renewals during the Current Period. NWS Kwai Chung Logistics Centre remained a stable AOP contributor to the Group.

OPERATIONAL REVIEW – SERVICES

The Services division recorded an AOP of HK\$928.9 million in the Current Period, representing a 4% increase from the Last Period, as the Construction business maintained its growth momentum.

AOP Contribution by Segment

For the six months ended 31 December

	2015 HK\$m	2014 HK\$m	Change % Fav./Unfav.)
Facilities Management	369.5	453.7	(19)
Construction & Transport	492.4	308.1	60
Strategic Investments	67.0	127.1	(47)
Total	928.9	888.9	4

Facilities Management

Having been voted the “Best Convention and Exhibition Centre in Asia” for 13 times from 2001 to 2016 by CEI Asia magazine, one of the most influential trade publications in the region, HKCEC has firmly solidified its leading position in the industry. During the Current Period, 587 events were held at HKCEC with a total patronage of approximately 3.7 million. Furthermore, HKCEC reached a significant milestone in its sustainability efforts by becoming the first organization in Hong Kong to achieve the ISO 20121 Event Sustainability Management System recognition. HKCEC will endeavour to enhance its competitiveness by offering innovative solutions and quality services capable of achieving total customer satisfaction to sustain its healthy organic revenue growth.

A reduction in the number of high-spending visitors from Mainland China and the continued contraction of inbound tourism have negatively impacted Free Duty’s business. Coupled with rising operating costs, the profit contribution from this business declined. However, in light of the promising growth potential at the Lok Ma Chau terminal and the Macau International Airport and the successful renewal of concession contracts at Macau Ferry Terminal and China Hong Kong Ferry Terminal to 2018, the Group remains cautiously optimistic on the sales outlook despite the headwinds.

The construction of Gleneagles Hong Kong Hospital is making good progress and the hospital is expected to commence operations in early 2017.

OPERATIONAL REVIEW – SERVICES (continued)

Construction & Transport

AOP contribution from the Construction business increased encouragingly by 59% to HK\$370.2 million in the Current Period mainly due to the continuous improvement in gross profit through effective project management. Major projects during the Current Period included New World Centre remodeling, Phase II Expansion of Cathay Pacific's catering services facility, Shangri-La Hotel at Hung Hom, Gleneagles Hong Kong Hospital, Xiqu Centre at the West Kowloon Cultural District, Goldin Financial Global Centre, as well as residential developments at New Eastern Terrace and Clear Water Bay Road. In addition, new tenders awarded during the Current Period included construction for the Home Ownership Scheme Developments at Kiu Cheong Road, Yuen Long and Ngan Kwong Wan Road East and West, Lantau Island, a composite development at Tseung Kwan O and a commercial development at Kowloon Bay. As at 31 December 2015, the gross value of contracts on hand for the Construction business was approximately HK\$75.3 billion and the remaining works to be completed amounted to approximately HK\$48.8 billion.

Having recovered from the impact of the "Occupy Central Movement" in the Last Period and riding on the increased patronage for airport bus services and lower fuel costs, the Group's Transport business reported AOP growth of 63% to HK\$122.2 million in the Current Period, even though the competition from the MTR West Island Line continues to exert pressure on ridership.

Strategic Investments

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

Tricor's corporate services businesses performed steadily during the Current Period and captured about 53% of the total share of new listings in Hong Kong. Hong Kong, Singapore and Malaysia are the major contributors of its profit.

The Group's investment in Haitong International was reclassified from an associated company to an available-for-sale financial asset in June 2015. Contribution from Haitong International represented dividend income in the Current Period.

Production at the Yanjiazhuang Mine remained suspended in the Current Period and Newton Resources continued to develop new income streams from the sale of gabbro-dabase and crushed stones.

Tharisa, which is principally engaged in chrome mining and processing in South Africa, continued to ramp up production to full capacity. Its ordinary shares are listed on the Johannesburg Stock Exchange Limited. In view of the substantial drop in the market price of chrome concentrates, the Group recognized an impairment loss of HK\$200.0 million in the carrying value of its interest in Tharisa.

The slowdown of China's economy continued to have an adverse impact on Hyva's sales. While the operating losses had been mitigated by cost savings measures, an impairment loss of HK\$177.6 million was shared by the Group in the Current Period.

BUSINESS OUTLOOK

As evidenced by the reassuring AOP growth of 6%, the Group continued to display its capability and adeptness in handling challenges and uncertainties in the operating environment. AOP of Ports & Logistics segment rose substantially as the Group capitalized on the global demand for leased aircraft and the sustained local demand for quality warehousing facilities. Goshawk grew swiftly in accordance with the post-acquisition expansion plan and nearly doubled the size of its fleet in 2015. However, the growth momentum was dampened by the adverse impact of Renminbi depreciation on our infrastructure projects in Mainland China, especially the Roads segment which endured an 8% decline in profit contribution notwithstanding the overall increase in toll revenue and traffic volumes.

The investment of Derun Environment in December 2015 will serve as a springboard to the Group's entry into a wider range of environmental services in Mainland China and overseas. Riding on the rigorous government sustainability strategies and policies, this new investment platform is poised to be a major long-term growth driver for the Water segment.

The upbeat AOP growth of the Construction & Transport segment showed that the Group continued to take advantage of the vibrant construction market while lower fuel costs and the non-recurrence of prolonged major public order events like the "Occupy Central Movement" aided the recovery of the bus operations. However, the persistent downturn of the retail and tourism industries coupled with rising operating costs stalled Free Duty's recovery which in turn led to the negative growth of the Facilities Management segment.

The Group from time to time conducts strategic reviews on its long-term assets and is currently considering various strategic options, including potential disposals, for NWS Kwai Chung Logistics Centre and Tricor which would enhance shareholder value.

Looking ahead, with the backing of a strong balance sheet and war chest, the Group is well resourced and positioned to deliver stable growth in times of uncertainty. The Group has earmarked some HK\$3.0 billion of financial resources for new investments and other capital expenditure plans in the second half of the current financial year. By the same token, the Group will remain vigilant and cautious in managing its Renminbi exposure while seizing acquisition and divestment opportunities to create and unlock long-term shareholder value.

INDEPENDENT AUDITOR'S REVIEW REPORT



羅兵咸永道

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

(incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 13 to 48, 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 2015 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six months 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, 22 February 2016

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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 2015, all of which are unaudited, along with other explanatory notes, and are set out on pages 13 to 48 of this report.

Condensed Consolidated Income Statement – Unaudited

	Note	For the six months ended 31 December	
		2015 HK\$m	2014 HK\$m
Revenue	4	14,224.4	11,974.4
Cost of sales		(12,554.2)	(10,364.8)
Gross profit		1,670.2	1,609.6
Other income/gains (net)	5	845.5	507.7
General and administrative expenses		(591.7)	(494.0)
Operating profit	6	1,924.0	1,623.3
Finance costs		(311.9)	(332.1)
Share of results of			
Associated companies	4(b)	299.0	(984.2)
Joint ventures	4(b)	785.5	1,936.5
Profit before income tax		2,696.6	2,243.5
Income tax expenses	7	(303.9)	(215.0)
Profit for the period		2,392.7	2,028.5
Attributable to			
Shareholders of the Company		2,354.3	2,003.8
Non-controlling interests		38.4	24.7
		2,392.7	2,028.5
Basic earnings per share attributable to the shareholders of the Company	8	HK\$0.62	HK\$0.54

Condensed Consolidated Statement of Comprehensive Income – Unaudited

	For the six months ended 31 December	
	2015 HK\$'m	2014 HK\$'m
Profit for the period	2,392.7	2,028.5
Other comprehensive (loss)/income		
Item that will not be reclassified to profit or loss		
Reversal of reserves upon reclassification of an available-for-sale financial asset as an associated company	–	717.2
Items that have been reclassified/may be subsequently reclassified to profit or loss		
Fair value changes of available-for-sale financial assets	(429.7)	(215.5)
Share of other comprehensive loss of associated companies and joint ventures	(91.5)	(163.0)
Cash flow hedges	(0.4)	9.1
Currency translation differences	(1,686.2)	348.0
Other comprehensive (loss)/income for the period, net of tax	(2,207.8)	695.8
Total comprehensive income for the period	184.9	2,724.3
Total comprehensive income attributable to		
Shareholders of the Company	170.6	2,689.7
Non-controlling interests	14.3	34.6
	184.9	2,724.3

Condensed Consolidated Statement of Financial Position – Unaudited

	Note	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
ASSETS			
Non-current assets			
Investment properties	9	4,536.4	3,944.0
Property, plant and equipment	10	993.5	658.4
Intangible concession rights	11	13,736.4	14,904.0
Intangible assets	12	402.5	423.9
Associated companies	13	13,934.8	13,480.4
Joint ventures	14	18,214.1	18,277.5
Available-for-sale financial assets	15	2,239.4	2,602.5
Other non-current assets	16	1,032.7	1,015.1
		55,089.8	55,305.8
Current assets			
Inventories		548.4	436.9
Trade and other receivables	17	10,312.6	8,988.6
Cash and bank balances		11,369.2	10,422.3
		22,230.2	19,847.8
Total assets		77,320.0	75,153.6

Condensed Consolidated Statement of Financial Position – Unaudited (continued)

	Note	At 31 December 2015 HK\$'m	At 30 June 2015 HK\$'m
EQUITY			
Share capital	18	3,805.2	3,775.4
Reserves	19	40,858.4	41,638.0
<hr/>			
Shareholders' funds		44,663.6	45,413.4
Non-controlling interests		772.6	774.3
<hr/>			
Total equity		45,436.2	46,187.7
<hr style="border-top: 1px dashed black;"/>			
LIABILITIES			
Non-current liabilities			
Borrowings	20	14,869.6	13,487.0
Deferred tax liabilities		2,235.6	2,378.3
Other non-current liabilities		210.6	351.7
<hr/>			
		17,315.8	16,217.0
<hr style="border-top: 1px dashed black;"/>			
Current liabilities			
Borrowings	20	3,586.3	3,324.4
Trade and other payables	21	10,712.8	9,055.2
Taxation		268.9	369.3
<hr/>			
		14,568.0	12,748.9
<hr style="border-top: 1px dashed black;"/>			
Total liabilities		31,883.8	28,965.9
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Total equity and liabilities		77,320.0	75,153.6

Condensed Consolidated Statement of Changes in Equity – Unaudited

For the six months ended 31 December 2015

HK\$m	Note	Shareholders' funds						Non-controlling interests	Total
		Share capital	Share premium	Revenue reserve	Other reserves	Total			
At 1 July 2015		3,775.4	16,288.7	21,497.3	3,852.0	45,413.4	774.3	46,187.7	
Total comprehensive income for the period		-	-	2,351.9	(2,181.3)	170.6	14.3	184.9	
<i>Contributions by/(distribution to) owners</i>									
<i>Dividend paid to</i>									
Shareholders of the Company	22	-	-	(1,245.9)	-	(1,245.9)	-	(1,245.9)	
Non-controlling interests		-	-	-	-	-	(16.0)	(16.0)	
<i>Scrip dividend</i>									
<i>Nominal value of new shares issued</i>									
		29.8	-	-	-	29.8	-	29.8	
<i>Share premium on new shares issued</i>									
		-	276.4	-	-	276.4	-	276.4	
<i>Share options</i>									
<i>Value of services provided</i>									
		-	-	-	19.3	19.3	-	19.3	
Total transactions with owners		29.8	276.4	(1,245.9)	19.3	(920.4)	(16.0)	(936.4)	
At 31 December 2015		3,805.2	16,565.1	22,603.3	1,690.0	44,663.6	772.6	45,436.2	

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

		For the six months ended 31 December 2014						
		Shareholders' funds						
HK\$m	Note	Share capital	Share premium	Revenue reserve	Other reserves	Total	Non-controlling interests	Total
At 1 July 2014		3,741.9	15,880.0	18,894.2	3,700.3	42,216.4	827.0	43,043.4
Total comprehensive income for the period		–	–	2,001.3	688.4	2,689.7	34.6	2,724.3
<i>Contributions by/(distribution to) owners</i>								
<i>Dividend paid to</i>								
Shareholders of the Company	22	–	–	(823.2)	–	(823.2)	–	(823.2)
Non-controlling interests		–	–	–	–	–	(30.4)	(30.4)
<i>Scrip dividend</i>								
<i>Nominal value of new shares issued</i>								
		14.6	–	–	–	14.6	–	14.6
<i>Share premium on new shares issued</i>								
		–	180.8	–	–	180.8	–	180.8
<i>Transfer</i>								
		–	–	0.4	(0.4)	–	–	–
Total transactions with owners		14.6	180.8	(822.8)	(0.4)	(627.8)	(30.4)	(658.2)
At 31 December 2014		3,756.5	16,060.8	20,072.7	4,388.3	44,278.3	831.2	45,109.5

Condensed Consolidated Statement of Cash Flows – Unaudited

	Note	For the six months ended 31 December	
		2015 HK\$'m	2014 HK\$'m
Cash flows from operating activities			
Net cash generated from operations	25(a)	1,830.3	652.9
Finance costs paid		(286.8)	(282.2)
Interest received		159.8	238.3
Hong Kong profits tax paid		(284.9)	(86.9)
Mainland China and overseas taxation paid		(160.3)	(71.8)
Net cash from operating activities		1,258.1	450.3
Cash flows from investing activities			
Dividends received from associated companies and joint ventures		1,056.1	2,688.9
Increase in investments in and advances to associated companies		(409.4)	(72.7)
Increase in investments in and advances to joint ventures		(1,036.3)	(69.1)
Refund of deposits from potential investments		–	2,375.0
Additions of investment properties, property, plant and equipment		(415.1)	(53.8)
Additions of intangible concession rights		(121.4)	(43.9)
Addition of an available-for-sale financial asset		(54.3)	–
Disposal of intangible concession rights, property, plant and equipment		158.3	0.2
Disposal of an available-for-sale financial asset and a financial asset at fair value through profit or loss		0.8	10.9
Disposal of a subsidiary	25(b)	95.0	–
Disposal of an asset held for sale		22.8	–
Dividends received from available-for-sale financial assets		54.9	2.8
Decrease/(increase) in other non-current assets		2.1	(0.4)
Decrease in short-term bank deposits maturing after more than three months		1.6	3.0
Net cash (used in)/from investing activities		(644.9)	4,840.9

Condensed Consolidated Statement of Cash Flows – Unaudited (continued)

	For the six months ended 31 December	
	2015 HK\$'m	2014 HK\$'m
Cash flows from financing activities		
New bank loans and other borrowings	2,599.9	4,282.4
Repayment of bank loans and other borrowings	(942.2)	(4,046.4)
Redemption of fixed rate bonds	–	(1,250.0)
Dividends paid to shareholders of the Company	(939.7)	(627.9)
Dividends paid to non-controlling interests	(16.0)	(30.4)
Decrease in loans from non-controlling interests	(0.8)	–
Net cash from/(used in) financing activities	701.2	(1,672.3)
Net increase in cash and cash equivalents	1,314.4	3,618.9
Cash and cash equivalents at the beginning of the period	10,405.7	7,619.0
Currency translation differences	(365.9)	20.1
Cash and cash equivalents at the end of the period	11,354.2	11,258.0
Analysis of cash and cash equivalents		
Cash and bank balances	11,369.2	11,272.8
Short-term bank deposits maturing after more than three months	(15.0)	(14.8)
	11,354.2	11,258.0

Notes to Condensed Consolidated Interim Financial Statements

1. General information

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

The principal activity of the Company is investment holding.

The principal activities of its subsidiaries include:

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

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

The interim financial statements were approved for issuance by the Board on 22 February 2016.

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 on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The interim financial statements should be read in conjunction with the June 2015 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 2015.

There has been no new standards or amendments to standards which are relevant to the Group’s operations and are mandatory for FY2016. The following new standards and amendments to standards are mandatory for accounting period beginning on or after 1 July 2016 or later periods but which the Group has not early adopted:

Effective for the financial year ending 30 June 2017 or after

HKFRS 9	Financial Instruments
HKFRS 14	Regulatory Deferral Accounts
HKFRS 15	Revenue from Contracts with Customers
HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortization
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interest in Joint Operations
HKFRSs Amendments	Annual Improvements to HKFRSs 2012-2014 Cycle

2. Basis of preparation and accounting policies (continued)

The Group has already commenced an assessment of the impact of these new standards and amendments to standards, certain of which may be relevant to the Group's operations and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the 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 2015 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 2015:
 - 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 2015:

HK\$m	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Trading securities	0.2	–	–	0.2
Available-for-sale financial assets				
Equity securities	1,907.8	–	60.1	1,967.9
Debt securities	241.5	–	30.0	271.5
Derivative financial instruments	–	–	58.8	58.8
	2,149.5	–	148.9	2,298.4
Liabilities				
Derivative financial instruments	–	(53.5)	(27.3)	(80.8)

The following table presents the Group's financial instruments that are measured at fair value at 30 June 2015:

HK\$m	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Trading securities	0.2	–	–	0.2
Available-for-sale financial assets				
Equity securities	2,322.5	–	5.8	2,328.3
Debt securities	244.2	–	30.0	274.2
Derivative financial instruments	–	–	58.8	58.8
	2,566.9	–	94.6	2,661.5
Liabilities				
Derivative financial instruments	–	(53.1)	(30.1)	(83.2)

There were no transfers of financial assets between Level 1 and Level 2 fair value hierarchy classifications.

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

(b) Fair value estimation (continued)

(iv) (continued)

The following table presents the changes in Level 3 instruments for the Current Period:

HK\$m	Available- for-sale financial assets	Derivative financial assets	Derivative financial liabilities
At 1 July 2015	35.8	58.8	(30.1)
Addition	54.3	–	–
Total gain recognized in the condensed consolidated income statement	–	–	2.8
At 31 December 2015	90.1	58.8	(27.3)

4. Revenue and segment information

The Group's revenue is analyzed as follows:

	For the six months ended 31 December	
	2015 HK\$m	2014 HK\$m
Roads	1,217.8	1,259.8
Ports & Logistics	50.0	50.1
Facilities Management	3,514.2	3,283.3
Construction & Transport	9,442.4	7,381.2
	14,224.4	11,974.4

Management has determined the operating segments based on the reports reviewed by the Executive Committee of the Company that are used to make strategic decisions. The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. The Executive Committee considers the business of the Group from product and service perspectives, which comprise (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 AOP. 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
For the six months ended 31 December 2015							
Total revenue	1,217.8	-	50.0	3,522.0	9,442.4	-	14,232.2
Inter-segment	-	-	-	(7.8)	-	-	(7.8)
Revenue – external	1,217.8	-	50.0	3,514.2	9,442.4	-	14,224.4
Attributable operating profit							
Company and subsidiaries	347.5	7.1	34.2	371.7	249.9	67.1	1,077.5
Associated companies	37.5	19.1	295.8	(5.3)	120.3	57.6 (ii)	525.0 (b)
Joint ventures	235.2	235.3	257.6	3.1	122.2 (i)	(57.7)	795.7 (b)
	620.2	261.5	587.6	369.5	492.4	67.0	2,398.2
Reconciliation – corporate office and non-operating items							
Gain on fair value of investment properties							593.0
Net gain on deemed disposal of a project under a joint venture							179.3 (b)
Gain on disposal of projects, net of tax							163.2
Interest income							136.1
Net exchange loss							(266.6)
Impairment loss related to an associated company							(200.0) (b)
Impairment loss related to a joint venture							(177.6) (b)
Finance costs							(274.1)
Expenses and others							(197.2)
Profit attributable to shareholders							2,354.3

(i) The amount includes the Group's share of AOP of HK\$122.2 million from its Transport business.

(ii) The amount includes the Group's share of AOP of HK\$64.2 million from three associated companies engaged in investment activities.

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 2015										
Depreciation	6.9	-	-	36.9	29.5	-	73.3	2.5	-	75.8
Amortization of intangible concession rights	408.5	-	-	-	-	-	408.5	-	-	408.5
Amortization of intangible assets	-	-	-	15.6	-	-	15.6	-	-	15.6
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	159.4	-	-	24.4	350.6	-	534.4	2.1	-	536.5
Interest income	16.6	10.4	7.9	1.4	3.7	12.2	52.2	136.6	(6.9)	181.9
Finance costs	26.1	-	3.6	0.4	14.3	0.3	44.7	274.1	(6.9)	311.9
Income tax expenses	192.3	3.9	9.4	75.4	22.4	-	303.4	0.5	-	303.9
As at 31 December 2015										
Company and subsidiaries	15,171.5	370.7	4,099.8	4,570.6	9,399.2	2,878.3	36,490.1	8,681.0	-	45,171.1
Associated companies	459.9	588.8	6,434.4	1,128.7	1,739.1	3,547.3	13,898.2	36.6	-	13,934.8
Joint ventures	5,642.9	6,501.3	2,925.5	6.7	1,955.4 (i)	1,152.6	18,184.4	29.7	-	18,214.1
Total assets	21,274.3	7,460.8	13,459.7	5,706.0	13,093.7	7,578.2	68,572.7	8,747.3	-	77,320.0
Total liabilities	3,426.5	26.8	135.2	1,025.4	9,278.9	17.6	13,910.4	17,973.4	-	31,883.8

(i) The balance includes the Group's investment in its Transport business of HK\$1,952.9 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 2014							
Total revenue	1,259.8	-	50.1	3,293.9	7,397.3	-	12,001.1
Inter-segment	-	-	-	(10.6)	(16.1)	-	(26.7)
Revenue – external	1,259.8	-	50.1	3,283.3	7,381.2	-	11,974.4
Attributable operating profit							
Company and subsidiaries	424.5	7.1	34.3	456.8	175.2	65.6	1,163.5
Associated companies	25.8	29.7	129.7	(3.4)	57.9	110.1 (ii)	349.8 (b)
Joint ventures	226.4	279.6	208.6	0.3	75.0 (i)	(48.6)	741.3 (b)
	676.7	316.4	372.6	453.7	308.1	127.1	2,254.6
Reconciliation – corporate office and non-operating items							
Net gain on disposal of a project under a joint venture							1,549.9 (b)
Gain on fair value of investment properties							148.3
Interest income							75.7
Net exchange gain							3.1
Impairment loss related to an associated company							(1,300.0) (b)
Impairment loss related to a joint venture							(300.0) (b)
Finance costs							(257.2)
Expenses and others							(170.6)
Profit attributable to shareholders							2,003.8

(i) The amount included the Group's share of AOP of HK\$75.1 million from its Transport business.

(ii) The amount included the Group's share of AOP of HK\$52.6 million from three associated companies engaged in investment activities.

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 2014										
Depreciation	5.2	-	-	31.7	23.4	-	60.3	3.4	-	63.7
Amortization of intangible concession rights	418.8	-	-	-	-	-	418.8	-	-	418.8
Amortization of intangible assets	-	-	-	15.6	-	-	15.6	-	-	15.6
Additions to non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets	48.0	-	-	19.5	27.7	-	95.2	2.5	-	97.7
Interest income	84.0	10.7	2.8	0.6	3.3	-	101.4	78.0	(7.5)	171.9
Finance costs	65.6	-	4.1	0.2	12.1	0.4	82.4	257.2	(7.5)	332.1
Income tax expenses	160.8	9.7	9.5	92.1	4.9	(53.4)	223.6	(8.6)	-	215.0
As at 30 June 2015										
Company and subsidiaries	15,722.2	530.0	3,969.6	4,262.5	7,465.0	2,499.9	34,449.2	8,946.5	-	43,395.7
Associated companies	488.0	615.6	6,004.4	902.3	1,631.2	3,803.0	13,444.5	35.9	-	13,480.4
Joint ventures	5,993.9	6,290.1	2,990.9	6.3	1,908.6 (i)	997.0	18,186.8	90.7	-	18,277.5
Total assets	22,204.1	7,435.7	12,964.9	5,171.1	11,004.8	7,299.9	66,080.5	9,073.1	-	75,153.6
Total liabilities	3,972.7	21.8	128.4	1,205.9	7,481.2	4.3	12,814.3	16,151.6	-	28,965.9

(i) The balance included the Group's investment in its Transport business of HK\$1,898.2 million.

4. Revenue and segment information (continued)

(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	
	2015	2014	2015	2014
Attributable operating profit	525.0	349.8	795.7	741.3
Corporate associated companies, joint ventures and non-operating items				
Net gain on deemed disposal/disposal of a project under a joint venture	–	–	179.3	1,549.9
Impairment losses (Notes 13(b) and 14(a))	(200.0)	(1,300.0)	(177.6)	(300.0)
Others	(26.0)	(34.0)	(11.9)	(54.7)
Share of results of associated companies and joint ventures	299.0	(984.2)	785.5	1,936.5

(c) Information by geographical areas:

HK\$m	Revenue		Non-current assets other than financial instruments, deferred tax assets and post-employment benefits assets	
	For the six months ended 31 December		At 31 December	At 30 June
	2015	2014	2015	2015
Hong Kong	12,564.9	10,625.6	5,809.9	4,930.2
Mainland China	1,256.0	1,297.6	13,842.7	14,987.3
Macau	403.5	51.2	16.2	12.8
	14,224.4	11,974.4	19,668.8	19,930.3

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

5. Other income/gains (net)

	Note	For the six months ended 31 December	
		2015 HK\$m	2014 HK\$m
Gain on fair value of investment properties	9	593.0	148.3
Profit on disposal of a subsidiary		95.0	–
Profit on disposal of intangible concession rights		58.7	–
Profit on disposal of a financial asset at fair value through profit or loss		–	10.7
Profit on disposal of an asset held for sale		15.0	–
Net exchange (loss)/gain		(271.0)	57.6
Interest income		181.9	171.9
Machinery hire income		42.1	59.7
Dividend income		54.9	2.8
Management fee income		11.4	21.2
Other income		64.5	35.5
		845.5	507.7

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	
		2015 HK\$m	2014 HK\$m
Crediting			
Gross rental income from investment properties		82.9	81.8
Less: outgoings		(13.4)	(12.8)
		69.5	69.0
Charging			
Cost of inventories sold		1,206.9	1,118.4
Cost of services rendered		11,347.3	9,246.4
Depreciation	10	75.8	63.7
Amortization of intangible concession rights	11	408.5	418.8
Amortization of intangible assets	12	15.6	15.6
Operating lease rental expenses – properties		42.2	32.0

7. Income tax expenses

Hong Kong profits tax is provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the Current Period. Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profits for the Current Period at the rates of tax prevailing in the countries in which the Group operates. These rates range from 12% to 25% (2014: 9% to 25%).

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

	For the six months ended 31 December	
	2015 HK\$m	2014 HK\$m
Current income tax		
Hong Kong profits tax	91.6	30.8
Mainland China and overseas taxation	236.3	222.6
Deferred income tax credit	(24.0)	(38.4)
	303.9	215.0

Share of taxation of associated companies and joint ventures of HK\$94.7 million (2014: HK\$56.5 million) and HK\$199.8 million (2014: HK\$172.5 million) respectively are included in the condensed consolidated income statement as share of results of associated companies and joint ventures respectively.

8. Earnings per share

The calculation of basic earnings per share for the Current Period is based on earnings of HK\$2,354.3 million (2014: HK\$2,003.8 million) and on the weighted average of 3,775,691,850 (2014: 3,741,994,845) ordinary shares outstanding during the Current Period.

The share options of the Company have an anti-dilutive effect on the basic earnings per share for the Current Period and are ignored in the calculation of diluted earnings per share. There was no dilutive potential ordinary share during the Last Period.

9. Investment properties

HK\$m	Note	Commercial and industrial properties in Hong Kong	Residential properties in Mainland China	Total
At 1 July 2015		3,924.9	19.1	3,944.0
Fair value changes	5	592.2	0.8	593.0
Translation differences		–	(0.6)	(0.6)
At 31 December 2015		4,517.1	19.3	4,536.4

The investment properties were revalued on 31 December 2015 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.

10. Property, plant and equipment

HK\$m	Note	Land and properties	Other plant and equipment	Total
Cost				
At 1 July 2015		25.1	1,816.2	1,841.3
Additions		291.2	123.9	415.1
Disposals		–	(31.5)	(31.5)
Translation differences		–	(4.5)	(4.5)
At 31 December 2015		316.3	1,904.1	2,220.4
Accumulated depreciation and impairment				
At 1 July 2015		9.3	1,173.6	1,182.9
Depreciation	6	3.0	72.8	75.8
Disposals		–	(29.1)	(29.1)
Translation differences		–	(2.7)	(2.7)
At 31 December 2015		12.3	1,214.6	1,226.9
Net book value				
At 31 December 2015		304.0	689.5	993.5
At 30 June 2015		15.8	642.6	658.4

11. Intangible concession rights

	Note	HK\$m
Cost		
At 1 July 2015		20,729.0
Additions		121.4
Disposals		(643.7)
Translation differences		(857.3)
At 31 December 2015		19,349.4
Accumulated amortization and impairment		
At 1 July 2015		5,825.0
Amortization	6	408.5
Disposals		(376.0)
Translation differences		(244.5)
At 31 December 2015		5,613.0
Net book value		
At 31 December 2015		13,736.4
At 30 June 2015		14,904.0

12. Intangible assets

HK\$m	Note	Goodwill	Operating right	Total
Cost				
At 1 July 2015		67.2	567.2	634.4
Amount written off		(5.8)	-	(5.8)
At 31 December 2015		61.4	567.2	628.6
Accumulated amortization and impairment				
At 1 July 2015		15.4	195.1	210.5
Amortization	6	-	15.6	15.6
At 31 December 2015		15.4	210.7	226.1
Net book value				
At 31 December 2015		46.0	356.5	402.5
At 30 June 2015		51.8	372.1	423.9

13. Associated companies

	Note	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Group's share of net assets			
Listed shares – Hong Kong	(a),(c)	4,972.4	4,985.2
Listed shares – Overseas	(b),(c)	835.8	1,081.0
Unlisted shares	(d)	6,074.1	5,476.8
		11,882.3	11,543.0
Goodwill		744.7	777.3
Amounts receivable		1,307.8	1,160.1
		13,934.8	13,480.4

- (a) As at 31 December 2015, the carrying amount represents the Group's investments in BCIA, Wai Kee Holdings Limited and Newton Resources.

As at 31 December 2015, the Group held 35.5% equity interest in Newton Resources. Its carrying value of approximately HK\$1.0 billion is below its market value. As such, management is of the view that there is no impairment provision required. However, in consideration of the continued fluctuation in iron concentrates' price that may impact its carrying value, the management has carried out an impairment assessment on the carrying value using the discounted cash flow method. The estimated cash flows used in the assessment are based on assumptions, such as iron concentrates' price, production cost, proved and probable ore reserve, production capacity and discount rate, with reference to the business plan and prevailing market conditions. The assessment also considered the impact of the recent further decline in the market price of iron concentrates and the recovery of estimated iron concentrates' price in the long-term. The assessment also indicated no impairment on the carrying value of Newton Resources.

The assumptions used to determine the value in use calculations are judgemental, and heavily dependent on the iron concentrates' price projection and the discount rate used. For illustrative purpose, if the average iron concentrates' price decreases by 5%, or if the risk premium applied in the discount rate increases by 1% while other variables remain constant, any of such changes, if adopted, would result in impairment loss of approximately HK\$41.0 million and HK\$22.0 million respectively.

13. Associated companies (continued)

- (b) As at 31 December 2015, the Group held approximately 16% equity interest in Tharisa, an associated company of the Group incorporated in Cyprus with its ordinary shares listed on the Johannesburg Stock Exchange Limited and principally engaged in chrome mining and processing in South Africa. Its carrying value of approximately HK\$1.0 billion (before impairment provision detailed below) is above its market value.

Management has carried out an impairment assessment using the discounted cash flow method. The estimated cash flows used in the assessment are based on assumptions, such as revenue growth, metal price, production cost, proved and probable ore reserve, production capacity and discount rate, with reference to the business plan and prevailing market conditions. In preparing the assessment, the management has considered the impact of the decline in the market price of chrome concentrates and the recovery of estimated chrome concentrates' price in the long-term. Based on the assessment, an impairment loss of HK\$200.0 million for Tharisa was recognized by the Group in the condensed consolidated income statement during the Current Period.

The assumptions used in the impairment assessment are highly judgemental, and heavily dependent on the discount rate used and chrome price projection. For illustrative purpose, if the metal price for the first five projection periods increases or decreases by 5%, the impairment loss would decrease or increase by approximately HK\$47.0 million respectively. In addition, if there is a 1% increase or decrease in risk premium applied in the discount rate, the impairment loss would increase by approximately HK\$78.0 million or decrease by approximately HK\$93.0 million respectively.

- (c) The share of market value of the Group's listed associated companies amounts to HK\$5,466.2 million (30 June 2015: HK\$6,396.2 million). Management regularly reviews whether there are any indications of impairment of the Group's investments in associated companies based on value in use calculations. Management is of the view that there is no impairment of the Group's investments in associated companies as at 31 December 2015 except as detailed in note 13(b) above.
- (d) As at 31 December 2015, the carrying amount mainly represents the Group's investments in various infrastructure, ports, aircraft leasing, healthcare, strategic investments and other projects. Among which the Group has participating interests and holds for investment purpose in three investment companies amounted to HK\$1,217.1 million (30 June 2015: HK\$1,152.9 million), which mainly represents various loans receivables. The Group's share of AOP of these three investment companies for the Current Period amounted to HK\$64.2 million (2014: HK\$52.6 million) as detailed in note 4(a)(ii).

14. Joint ventures

	Note	At 31 December 2015 HK\$'m	At 30 June 2015 HK\$'m
<hr/>			
Co-operative joint ventures			
Cost of investment less provision		1,671.0	1,747.1
Goodwill		90.0	90.0
Share of undistributed post-acquisition results		1,673.0	1,866.0
Amounts receivable		8.3	12.9
		3,442.3	3,716.0
<hr style="border-top: 1px dashed black;"/>			
Equity joint ventures			
Group's share of net assets		3,264.3	3,371.9
Goodwill		87.2	87.2
		3,351.5	3,459.1
<hr style="border-top: 1px dashed black;"/>			
Companies limited by shares			
Group's share of net assets	(a)	7,977.7	7,952.6
Goodwill		488.4	501.0
Amounts receivable		3,143.1	2,834.4
Amounts payable		(188.9)	(185.6)
		11,420.3	11,102.4
<hr style="border-top: 1px dashed black;"/>			
	(b)	18,214.1	18,277.5
<hr/>			

14. Joint ventures (continued)

- (a) As at 31 December 2015, the Group held approximately 38% effective equity interest in Hyva, a private company incorporated in the Netherlands and principally engaged in manufacturing and supply of components used in hydraulic loading and unloading systems. The Group accounts for Hyva as a joint venture and its share of net assets (including goodwill and intangible assets) of Hyva was approximately HK\$1.3 billion (before impairment provision detailed below).

As a result of the weaker demand for hydraulic components in Mainland China market leading to a revised sales growth projection for its Mainland China market, management has carried out an impairment assessment using the discounted cash flow method. The estimated cash flows used in the assessment are based on assumptions, such as sales growth, production cost, production capacity and discount rate, with reference to the business plan and prevailing market conditions. In preparing the assessment, the management has considered the impact of reduction in sales growth projection. Based on the assessment, an impairment loss of HK\$177.6 million for Hyva was shared by the Group in the condensed consolidated income statement during the Current Period.

The assumptions used in the impairment assessment are highly judgemental, and heavily dependent on the discount rate used and sales growth projection. For illustrative purpose, if the projected sales increases or decreases by 5%, the impairment loss would decrease or increase by approximately HK\$69.0 million respectively. In addition, if there is a 1% increase or decrease in risk premium applied in the discount rate, the impairment loss would increase by approximately HK\$123.0 million or decrease by approximately HK\$151.0 million respectively.

- (b) As at 31 December 2015, the carrying amount mainly represents the Group's investments in various infrastructure, ports, logistics, transport and other projects.

15. Available-for-sale financial assets

	Note	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Equity securities listed in Hong Kong	(a)	1,817.4	2,245.0
Equity securities listed overseas	(a)	90.4	77.5
Debt securities listed in Hong Kong		241.6	244.2
Unlisted equity securities		60.0	5.8
Unlisted debt securities		30.0	30.0
		2,239.4	2,602.5

- (a) The stock markets on which the Group's equity securities were listed remain volatile. As at 22 February 2016, the date of approval of the interim financial statements, the aggregate amount of the market price of the Group's listed securities in Hong Kong and overseas was HK\$1,818.4 million.

16. Other non-current assets

	At 31 December 2015 HK\$'m	At 30 June 2015 HK\$'m
Security deposits	971.9	952.0
Derivative financial instruments	39.5	39.5
Others	21.3	23.6
	1,032.7	1,015.1

17. Trade and other receivables

	Note	At 31 December 2015 HK\$'m	At 30 June 2015 HK\$'m
Trade receivables	(a)	1,620.0	1,976.8
Retention money receivables		1,253.0	1,049.0
Amounts due from customers for contract works		194.8	129.9
Other receivables, deposits and prepayments		4,797.4	3,997.2
Financial assets at fair value through profit or loss		0.2	0.2
Derivative financial instruments		19.3	19.3
Amounts due from associated companies		2,099.0	1,582.4
Amounts due from joint ventures		328.9	233.8
		10,312.6	8,988.6

17. Trade and other receivables (continued)

(a) The ageing analysis of trade receivables based on invoice date is as follows:

	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Under 3 months	1,569.5	1,909.9
4 to 6 months	9.1	9.0
Over 6 months	41.4	57.9
	1,620.0	1,976.8

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.

18. Share capital

	Ordinary shares	
	No. of shares	HK\$m
Authorized At 1 July 2015 and 31 December 2015	6,000,000,000	6,000.0
Issued and fully paid At 1 July 2015 Issued as scrip dividend	3,775,365,900 29,824,470	3,775.4 29.8
At 31 December 2015	3,805,190,370	3,805.2

18. Share capital (continued)

Share option scheme

The share option scheme of the Company (the "Share Option Scheme"), which was adopted on 21 November 2011, is valid and effective for a period of ten years from the date of adoption. The Board may, at their discretion, grant options to any eligible participant as defined under the Share Option Scheme to subscribe for the shares of the Company. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10% of the share capital of the Company in issue as at 21 November 2011, i.e. 3,388,900,598 shares.

Movements in the number of share options during the Current Period are as follows:

	Note	Number of options
At 1 July 2015		55,478,053
Lapsed		(60,008)
Adjusted	(b)	51,227
At 31 December 2015		55,469,272

- (a) On 9 March 2015, 55,470,000 share options were granted to directors and certain eligible participants at the exercise price of HK\$14.160 per share, which represents the average closing price of the Company's shares in the daily quotations sheets of the Hong Kong Stock Exchange for the five trading days immediately preceding 9 March 2015. Such share options will expire on 8 March 2020.
- (b) Pursuant to the Share Option Scheme, the number of outstanding share options and the exercise price may be subject to adjustment in case of alteration in the capital structure of the Company. The Company declared the final dividend for the financial year ended 30 June 2015 in scrip form (with cash option) during the Current Period which gave rise to adjustments to the number of outstanding share options and the exercise price in accordance with the Share Option Scheme. The exercise price per share of the share options was adjusted from HK\$14.158 to HK\$14.145 on 29 December 2015.
- (c) The share options will be vested according to the Share Option Scheme and the terms of grant provided that for the vesting to occur the grantee has to remain as an eligible participant on such vesting date.

19. Reserves

HK\$m	Share premium	Special reserves	Investment revaluation reserve	Exchange reserve	Revenue reserve	Total
At 1 July 2015	16,288.7	634.2	296.3	2,921.5	21,497.3	41,638.0
Profit for the period	-	-	-	-	2,354.3	2,354.3
Dividend paid to shareholders of the Company	-	-	-	-	(1,245.9)	(1,245.9)
Fair value changes on available-for-sale financial assets						
Group	-	-	(417.4)	-	-	(417.4)
Associated companies	-	-	0.2	-	-	0.2
Joint ventures	-	-	(12.5)	-	-	(12.5)
Currency translation differences						
Group	-	-	-	(550.7)	-	(550.7)
Associated companies	-	-	-	(333.5)	-	(333.5)
Joint ventures	-	-	-	(777.9)	-	(777.9)
Scrip dividend						
Share premium on new shares issued	276.4	-	-	-	-	276.4
Share options						
Value of services provided						
Group	-	17.9	-	-	-	17.9
Associated company	-	0.1	-	-	-	0.1
Joint ventures	-	1.3	-	-	-	1.3
Share of other comprehensive loss of associated companies and joint ventures	-	(89.1)	-	-	(2.4)	(91.5)
Cash flow hedges	-	(0.4)	-	-	-	(0.4)
At 31 December 2015	16,565.1	564.0	(133.4)	1,259.4	22,603.3	40,858.4

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, property revaluation reserve and cash flow hedges reserve arising from interest rate swaps.

20. Borrowings

	Note	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Non-current			
Long-term bank loans			
Secured	(a)	203.6	606.2
Unsecured		10,792.5	9,012.2
Fixed rate bonds			
Unsecured		3,873.5	3,868.4
Other borrowings			
Unsecured		–	0.2
		14,869.6	13,487.0
Current			
Current portion of long-term bank loans			
Secured	(a)	395.2	412.5
Unsecured		3,190.9	2,402.6
Short-term bank loans and overdrafts			
Unsecured		–	509.1
Other borrowings			
Unsecured		0.2	0.2
		3,586.3	3,324.4
		18,455.9	16,811.4

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

21. Trade and other payables

	Note	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Trade payables	(a)	411.3	606.5
Retention money payables		1,085.2	890.3
Advances received from customers for contract works		1,786.2	1,284.9
Amounts due to customers for contract works		1,101.5	1,089.7
Amounts due to non-controlling interests		101.7	94.2
Other payables and accruals		6,205.0	5,080.7
Amounts due to associated companies		21.2	8.3
Amounts due to joint ventures		0.7	0.6
		10,712.8	9,055.2

(a) The ageing analysis of trade payables based on invoice date is as follows:

	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Under 3 months	395.5	587.7
4 to 6 months	5.3	5.4
Over 6 months	10.5	13.4
	411.3	606.5

22. Dividend

A final dividend of HK\$1,245.9 million (2014: HK\$823.2 million) that related to the financial year ended 30 June 2015 was paid in December 2015.

On 22 February 2016, the Board has resolved to declare an interim dividend of HK\$0.31 per share (2014: paid of HK\$0.27 per share) for FY2016 in scrip form with a cash option, which is payable on or about 16 May 2016 to shareholders whose names appear on the register of the members of the Company on 23 March 2016. This interim dividend, amounting to HK\$1,179.6 million (2014: HK\$1,014.3 million), has not been recognized as liability in these interim financial statements. It will be recognized in shareholders' equity in FY2016.

23. Commitments

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

	Note	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Contracted but not provided for			
Intangible concession rights		–	93.0
Property, plant and equipment		42.3	9.3
Capital contributions to/acquisitions of an associated company and joint ventures	(i)	1,131.7	2,072.7
Other investment		718.5	–
		1,892.5	2,175.0

- (i) The Group has committed 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\$1,131.7 million (30 June 2015: HK\$2,072.7 million) which represents the attributable portion of capital and loan contributions to be made to the associated company and joint ventures.

23. Commitments (continued)

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

	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Contracted but not provided for Property, plant and equipment	737.7	971.2
Capital contributions to/acquisitions of associated companies and joint ventures	75.2	177.6
	812.9	1,148.8

24. Financial guarantee contracts

The Group's financial guarantee contracts are as follows:

	At 31 December 2015 HK\$m	At 30 June 2015 HK\$m
Guarantees for credit facilities granted to Associated companies	1,340.9	20.0
Joint ventures	1,028.6	1,025.6
A related company	44.7	49.7
	2,414.2	1,095.3

25. Notes to condensed consolidated statement of cash flows

(a) Reconciliation of operating profit to net cash generated from operations:

	For the six months ended 31 December	
	2015 HK\$m	2014 HK\$m
Operating profit	1,924.0	1,623.3
Depreciation and amortization	499.9	498.1
Share-based payments	17.9	–
Interest income	(181.9)	(171.9)
Gain on fair value of investment properties	(593.0)	(148.3)
Profit on disposal of a subsidiary	(95.0)	–
Profit on disposal of intangible concession rights	(58.7)	–
Profit on disposal of a financial asset at fair value through profit or loss	–	(10.7)
Profit on disposal of an asset held for sale	(15.0)	–
Dividend income from available-for-sale financial assets	(54.9)	(2.8)
Net exchange losses/(gains)	310.1	(6.8)
Other non-cash items	(38.2)	(8.0)
Operating profit before working capital changes	1,715.2	1,772.9
Decrease/(increase) in security deposits	10.3	(0.1)
Increase in inventories	(111.5)	(81.0)
Increase in trade and other receivables	(713.2)	(815.5)
Increase in trade and other payables	1,652.1	948.8
Increase in balances with associated companies and joint ventures	(762.0)	(1,218.2)
Increase in amounts due to non-controlling interests	10.1	34.8
Others	29.3	11.2
Net cash generated from operations	1,830.3	652.9

(b) **Disposal of a subsidiary**

During the Current Period, an indirect wholly owned subsidiary of the Group which holds a convertible note of a private company (full provision was made in prior years) was disposed at a net cash consideration of HK\$95.0 million.

26. 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	
		2015 HK\$m	2014 HK\$m
Transactions with affiliated companies			
	(i)		
Provision of construction work services	(ii)	413.4	–
Provision of other services	(iii)	1.9	0.2
Interest income	(iv)	31.8	11.5
Management fee income	(v)	11.7	8.8
Rental and other related expenses	(vi)	(5.6)	(4.9)
Transactions with other related parties			
	(i)		
Provision of construction work services	(ii)	3,578.8	3,497.0
Provision of other services	(iii)	40.3	36.6
Rental and other related expenses	(vi)	(26.0)	(26.4)
Other expenses	(vii)	(711.6)	(322.2)

- (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 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.

26. Related party transactions (continued)
(b) Key management compensation

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

	For the six months ended 31 December	
	2015 HK\$'m	2014 HK\$'m
Fees	2.1	2.1
Basic salaries, allowances and other benefits	32.7	21.7
Employer's contribution to retirement benefits schemes	1.4	1.1
	36.2	24.9
Deemed share option benefits	10.9	–
	47.1	24.9

- (c) On 24 September 2015, Catchy Investments Limited (the "Vendor", a direct wholly owned subsidiary of NWD) and Hip Hing Construction Holdings Limited ("Hip Hing", an indirect wholly owned subsidiary of the Company) entered into an agreement and pursuant to which, the Vendor agreed to dispose of the entire issued share capital of Next Jubilee Holdings Limited ("Next Jubilee") and assign the outstanding shareholder's loan of Next Jubilee from the Vendor to Hip Hing at a total consideration of HK\$261.9 million. Next Jubilee is an investment holding company whose main asset is its investment in a wholly owned subsidiary, whose main assets are the properties comprising all those office units nos. 1 to 20 on the eleventh floor of Chevalier Commercial Centre at No. 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong.

The consideration was satisfied in cash by Hip Hing and completion of the agreement took place on 24 September 2015.

- (d) The total amounts receivable from associated companies and joint ventures are HK\$6,887.1 million (30 June 2015: HK\$5,823.6 million). These balances are unsecured, of which HK\$1,839.0 million (30 June 2015: HK\$2,123.4 million) are interest bearing. These balances also include an aggregate amount of HK\$197.5 million (30 June 2015: HK\$197.5 million) which has been subordinated to certain indebtedness of a joint venture. The total amounts payable to associated companies, joint ventures and non-controlling interests are HK\$404.4 million (30 June 2015: HK\$385.5 million). These balances are unsecured and interest free.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend for FY2016 (the “Interim Dividend”) in scrip form equivalent to HK\$0.31 per share with a cash option to shareholders whose names appear on the register of members of the Company on 23 March 2016.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting the listing of and permission to deal in the new shares to be issued under the Interim Dividend, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholders could elect to receive in cash and they will be given the option of electing to receive payment in cash of HK\$0.31 per share instead of the allotment of shares. A circular containing details of the scrip dividend arrangement will be despatched to shareholders of the Company, together with a form of election for cash dividend, on or about 30 March 2016.

CLOSURE OF REGISTER OF MEMBERS

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

Latest time to lodge transfer documents for registration 4:30 pm on 17 March 2016

Closure of register of members 18 to 23 March 2016 (both days inclusive)

Record date 23 March 2016

Interim Dividend payment date on or about 16 May 2016

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

DISCLOSURE PURSUANT TO RULE 13.22 OF THE LISTING RULES

As at 31 December 2015, the Group has provided financial assistance, by way of shareholders' loans or advances, in the aggregate amount of HK\$6,887.1 million to its affiliated companies, guaranteed bank loans and other borrowing facilities for the benefit of the affiliated companies in the amount of HK\$2,369.5 million and contracted to provide an aggregate amount of HK\$1,131.7 million in capital and/or loans to affiliated companies. The said amounts, in aggregate, represent approximately 13.6% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. Affiliated companies include associated companies and joint ventures of the Group.

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\$8.2 million which carries interest at Hong Kong prime rate; (iii) an amount of HK\$1,106.3 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; (iv) an amount of HK\$340.1 million which carries interest at London Interbank Offered Rate ("LIBOR") plus a margin of 2.2% to 2.75% per annum and is repayable within the next 12 months from the end of the reporting period; (v) an amount of HK\$279.7 million which carries interest at LIBOR plus a margin of 12.15% per annum and is repayable within the next 12 months from the end of the reporting period; (vi) an amount of HK\$854.9 million which is interest free and is repayable within the next 12 months from the end of the reporting period; and (vii) an amount of HK\$173.7 million which is interest free 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 2015 are presented as follows:

	Proforma combined statement of financial position HK\$m	Group's attributable interest HK\$m
Non-current assets	57,627.3	26,625.9
Current assets	8,875.8	5,200.2
Current liabilities	(13,656.8)	(7,438.3)
Non-current liabilities	(25,658.8)	(11,238.1)
	27,187.5	13,149.7

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 2015.

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 shareholder value.

Throughout the six months ended 31 December 2015, the Company has complied with all the applicable code provisions under the Corporate Governance Code as contained in Appendix 14 of the Listing Rules.

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

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

The Company has also adopted the "Code for Securities Transactions by Relevant Employees", which is no less exacting than the Model Code, for governing the securities transactions of specified employees ("Relevant Employees") who, because of their positions, are likely to come across unpublished inside information. Following specific enquiry by the Company, all Relevant Employees had confirmed that they complied with the standards set out in the "Code for Securities Transactions by Relevant Employees" during the Current Period.

UPDATE ON DIRECTORS' INFORMATION

Changes in the information of directors of the Company since the disclosure made in the 2015 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. Dr Cheng Kar Shun, Henry was appointed as the Chairman and a non-executive director of FSE Engineering Holdings Limited, the shares of which have been listed on the Hong Kong Stock Exchange since 10 December 2015, on 28 August 2015.
2. Mr Tsang Yam Pui was appointed as a non-executive director of Wai Kee Holdings Limited, a listed public company in Hong Kong, on 30 December 2015.
3. Mr Hui Hon Chung was appointed as a member of the Corporate Social Responsibility Committee of the Company on 23 October 2015. He was also appointed as the Vice-Chairman and a non-executive director of Newton Resources, a listed public company in Hong Kong, on 2 January 2016.
4. On 1 January 2016, Mr Lam Wai Hon, Patrick was re-designated from an executive director to a non-executive director of the Company and ceased to be a member of the Executive Committee and the Remuneration Committee of the Company. Mr Lam resigned as a non-executive director of Wai Kee Holdings Limited, a listed public company in Hong Kong, on 30 December 2015. In addition, he resigned as the Vice-Chairman and a non-executive director of Newton Resources, a listed public company in Hong Kong, on 2 January 2016. Mr Lam was appointed as the Chief Executive Officer and an executive director of FSE Holdings Limited on 1 January 2016.

UPDATE ON DIRECTORS' INFORMATION (continued)

5. Mr William Junior Guilherme Doo was appointed as a director and was designated as an executive director of FSE Engineering Holdings Limited, the shares of which have been listed on the Hong Kong Stock Exchange since 10 December 2015, on 22 June 2015 and 28 August 2015 respectively.
6. Mr Kwong Che Keung, Gordon was appointed as an independent non-executive director of FSE Engineering Holdings Limited, the shares of which have been listed on the Hong Kong Stock Exchange since 10 December 2015, on 18 November 2015.
7. Mr Wilfried Ernst Kaffenberger retired as an independent non-executive director of the Company upon the conclusion of the annual general meeting of the Company held on 17 November 2015 (the "2015 AGM"). In addition, Mr Yeung Kun Wah, David ceased to be an alternate director of Mr Kaffenberger upon the retirement of Mr Kaffenberger.
8. Mr Shek Lai Him, Abraham is an independent non-executive director of Dorsett Hospitality International Limited, the shares of which have been withdrawn from listing on the Hong Kong Stock Exchange since 4:00 pm on 16 October 2015. In addition, the company name of Jinheng Automotive Safety Technology Holdings Limited, a listed public company in Hong Kong of which Mr Shek is its independent non-executive director, was changed to TUS International Limited on 28 January 2016.
9. Mr Lee Yiu Kwong, Alan was appointed as a member of the Audit Committee of the Company on 1 January 2016.
10. Mrs Oei Fung Wai Chi, Grace was appointed as an independent non-executive director of the Company and a member of the Corporate Social Responsibility Committee of the Company both on 1 January 2016.

AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS

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

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

DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2015, 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 relevant issued share capital as at 31.12.15
	Personal interests	Family interests	Corporate interests		
The Company					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar Shun, Henry	18,349,571	–	12,000,000 ⁽¹⁾	30,349,571	0.798%
Mr Tsang Yam Pui	180,000	–	–	180,000	0.005%
Mr Lam Wai Hon, Patrick	1,316,207	–	7,608 ⁽²⁾	1,323,815	0.035%
Mr William Junior Guilherme Doo	519,114	–	119,103 ⁽³⁾	638,217	0.017%
Mr Kwong Che Keung, Gordon	1,207,077	–	–	1,207,077	0.032%
Dr Cheng Wai Chee, Christopher	2,729,136	–	–	2,729,136	0.072%
NWD					
(Ordinary shares)					
Dr Cheng Kar Shun, Henry	–	600,000 ⁽⁴⁾	–	600,000	0.006%
Mr Cheung Chin Cheung	124,400	–	–	124,400	0.001%
Mr William Junior Guilherme Doo	–	40,000 ⁽⁵⁾	–	40,000	0.000%
Mr Kwong Che Keung, Gordon	40,000	–	–	40,000	0.000%
New World China Land Limited					
(Ordinary shares of HK\$0.10 each)					
Mr William Junior Guilherme Doo	–	112,500 ⁽⁵⁾	405,000 ⁽³⁾	517,500	0.006%
Dr Cheng Wai Chee, Christopher	387,448	–	–	387,448	0.004%
Newton Resources					
(Ordinary shares of HK\$0.10 each)					
Mr Cheung Chin Cheung	7,154	–	–	7,154	0.000%
Mr Kwong Che Keung, Gordon	11,307	–	–	11,307	0.000%
Wai Kee Holdings Limited					
(Ordinary shares of HK\$0.10 each)					
Mr Lam Wai Hon, Patrick	300,000	–	–	300,000	0.038%

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) The Company

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

Name	Date of grant	Exercisable period (Note)	Number of share options					Balance as at 31.12.15	Exercise price per share ⁽²⁾ HK\$
			Balance as at 01.07.15	Granted during the period	Adjusted during the period ⁽²⁾	Exercised during the period	Re- classified during the period		
Dr Cheng Kar Shun, Henry	9 March 2015	(1)	7,401,080	–	6,845	–	–	7,407,925	14.145
Mr Tsang Yam Pui	9 March 2015	(1)	3,700,540	–	3,422	–	–	3,703,962	14.145
Mr Cheung Chin Cheung	9 March 2015	(1)	3,700,540	–	3,422	–	–	3,703,962	14.145
Mr Cheng Chi Ming, Brian	9 March 2015	(1)	3,700,540	–	3,422	–	–	3,703,962	14.145
Mr To Hin Tsun, Gerald	9 March 2015	(1)	700,102	–	647	–	–	700,749	14.145
Mr Dominic Lai	9 March 2015	(1)	700,102	–	647	–	–	700,749	14.145
Mr Lam Wai Hon, Patrick	9 March 2015	(1)	3,700,540	–	3,422	–	–	3,703,962	14.145
Mr William Junior Guilherme Doo	9 March 2015	(1)	700,102	–	647	–	–	700,749	14.145
Mr Kwong Che Keung, Gordon	9 March 2015	(1)	1,400,204	–	1,295	–	–	1,401,499	14.145
Dr Cheng Wai Chee, Christopher	9 March 2015	(1)	1,400,204	–	1,295	–	–	1,401,499	14.145
Mr Shek Lai Him, Abraham	9 March 2015	(1)	1,400,204	–	1,295	–	–	1,401,499	14.145
Mr Lee Yiu Kwong, Alan	9 March 2015	(1)	1,400,204	–	1,295	–	–	1,401,499	14.145
Mr Wilfried Ernst Kaffenberger	9 March 2015	(1)	1,400,204	–	–	–	(1,400,204) ⁽³⁾	–	14.158

Notes:

- (1) 60% of the share options are exercisable from 9 May 2015 to 8 March 2020 while the remaining 40% of the share options are divided into 2 tranches exercisable from 9 March 2016 and 9 March 2017 respectively to 8 March 2020.
- (2) The Company declared final dividend for the financial year ended 30 June 2015 in scrip form (with cash option) during the period which gave rise to adjustments to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$14.158 to HK\$14.145 on 29 December 2015.
- (3) The interest of Mr Wilfried Ernst Kaffenberger, who retired as an independent non-executive director of the Company upon the conclusion of the 2015 AGM, was re-classified as eligible participants' interest on the date of his retirement.
- (4) The cash consideration paid by each of the directors for the grant of share options was HK\$10.

DIRECTORS' INTERESTS IN SECURITIES (continued)

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

(ii) NWD

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

Name	Date of grant	Exercisable period (Note)	Number of share options			Balance as at 31.12.15	Exercise price per share ⁽²⁾ HK\$
			Balance as at 01.07.15	Adjusted during the period ⁽²⁾	Exercised during the period		
Dr Cheng Kar Shun, Henry	19 March 2012	(1)	10,664,813	10,824	–	10,675,637	9.152

Notes:

- (1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.
- (2) NWD declared final dividend for the financial year ended 30 June 2015 in cash (with scrip option) during the period. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$9.161 to HK\$9.152 on 29 December 2015.
- (3) The cash consideration paid by the director for the grant of the share options was HK\$10.

(iii) New World China Land Limited

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

Name	Date of grant	Exercisable period (Note)	Number of share options			Balance as at 31.12.15	Exercise price per share HK\$
			Balance as at 01.07.15	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 was HK\$10.

DIRECTORS' INTERESTS IN SECURITIES (continued)

(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 the 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 31.12.15
	Personal interests	Family interests	Corporate interests		
Mr William Junior Guilherme Doo	–	–	4,500,000 ^(Note)	4,500,000	0.900%

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

(ii) *NWCL*

The following director of the Company has interest in the debentures issued by NWCL, which include the RMB3,000,000,000 5.50% bonds due 2018 and the US\$900,000,000 5.375% notes due 2019 under its US\$1,500,000,000 medium term note programme. Details of the debentures held by him are as follows:

Name	Amount of debentures in RMB			Total	Approximate percentage to the total amount of debentures in issue as at 31.12.15
	Personal interests	Family interests	Corporate interests		
Mr William Junior Guilherme Doo	–	–	27,628,000 ^(Note)	27,628,000	0.295%

Note: The debentures are held by a company wholly owned by Mr William Junior Guilherme Doo of which RMB6,128,000 debentures were issued in US\$ and has been translated into RMB using the rate of US\$1 = RMB6.128.

DIRECTORS' INTERESTS IN SECURITIES (continued)

(c) Long position in debentures (continued)

(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 the 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 31.12.15
	Personal interests	Family interests	Corporate interests		
Mr William Junior Guilherme Doo	–	–	3,000,000 ^(Note)	3,000,000	0.400%

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

(iv) *NWD (MTN) Limited*

The following director of the Company has interest in the debentures issued under the medium term notes programme of NWD (MTN) Limited, a fellow subsidiary of the Company. Details of the 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 31.12.15
	Personal interests	Family interests	Corporate interests		
Mr William Junior Guilherme Doo	–	–	2,000,000 ^(Note)	2,000,000	0.084%

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

Save as disclosed above, as at 31 December 2015, none of the directors or chief executive of the Company had or deemed to have any interest or short position in the shares, underlying shares and debentures of the Company and any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

During the Current Period, movement of share options granted by the Company under the Share Option Scheme is as follows:

- (1) Details of the movement of share options granted to directors of the Company are disclosed under the section headed "Directors' Interests in Securities" above.
- (2) Details of the movement of share options granted to other eligible participants are as follows:

Date of grant	Exercisable period (Note)	Number of share options						Balance as at 31.12.15	Exercise price per share ⁽²⁾ HK\$
		Balance as at 01.07.15	Granted during the period	Adjusted during the period ⁽²⁾	Exercised during the period	Re-classified during the period	Lapsed during the period		
9 March 2015	(1)	24,173,487	-	23,573	-	1,400,204 ⁽³⁾	(60,008)	25,537,256	14.145

Notes:

- (1) 60% of the share options are exercisable from 9 May 2015 to 8 March 2020 while the remaining 40% of the share options are divided into 2 tranches exercisable from 9 March 2016 and 9 March 2017 respectively to 8 March 2020.
- (2) The Company declared final dividend for the financial year ended 30 June 2015 in scrip form (with cash option) during the period which gave rise to adjustments to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$14.158 to HK\$14.145 on 29 December 2015.
- (3) The interest of Mr Wilfried Ernst Kaffenberger, who retired as an independent non-executive director of the Company upon the conclusion of the 2015 AGM, was re-classified as eligible participants' interest on the date of his retirement.
- (4) The consideration paid by each of the eligible participants for the grant of share options was HK\$10.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2015, 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 31.12.15
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited	–	2,430,673,523 ⁽¹⁾	2,430,673,523	63.88%
Cheng Yu Tung Family (Holdings II) Limited	–	2,430,673,523 ⁽²⁾	2,430,673,523	63.88%
Chow Tai Fook Capital Limited	–	2,430,673,523 ⁽³⁾	2,430,673,523	63.88%
Chow Tai Fook (Holding) Limited	–	2,430,673,523 ⁽⁴⁾	2,430,673,523	63.88%
CTF Enterprises	97,034,424	2,333,639,099 ⁽⁵⁾	2,430,673,523	63.88%
NWD	1,565,053,773	768,585,326 ⁽⁶⁾	2,333,639,099	61.33%
Mombasa Limited	700,298,223	–	700,298,223	18.40%

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, 32,653,564 shares each held by Hing Loong Limited and Fine Reputation Incorporated respectively, 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 2015.

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, 22 February 2016

Board of Directors**Executive Directors**

Dr Cheng Kar Shun, Henry (*Chairman*)
Mr Tsang Yam Pui (*Chief Executive Officer*)
Mr Hui Hon Chung (*Deputy Chief Executive Officer*)
Mr Cheung Chin Cheung
Mr Cheng Chi Ming, Brian

Non-executive Directors

Mr To Hin Tsun, Gerald
Mr Dominic Lai
Mr Lam Wai Hon, Patrick
Mr William Junior Guilherme Doo

Independent Non-executive Directors

Mr Kwong Che Keung, Gordon
Dr Cheng Wai Chee, Christopher
The Honourable Shek Lai Him, Abraham
Mr Lee Yiu Kwong, Alan
Mrs Oei Fung Wai Chi, Grace

Board Committees**Executive Committee**

Dr Cheng Kar Shun, Henry (*Chairman*)
Mr Tsang Yam Pui
Mr Hui Hon Chung
Mr Cheung Chin Cheung
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
Mr Lee Yiu Kwong, Alan

Remuneration Committee

The Honourable Shek Lai Him, Abraham (*Chairman*)
Mr Tsang Yam Pui
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 Hui Hon Chung
Mr Cheung Chin Cheung
Mr Cheng Chi Ming, Brian
Mr Dominic Lai
Mr Lam Wai Hon, Patrick
Mr William Junior Guilherme Doo
Mr Lee Yiu Kwong, Alan
Mrs Oei Fung Wai Chi, Grace
Ms Lam Yuet Wan, Elina
Ms Tang Cheung Yi

Company Secretary

Mr Chow Tak Wing

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Head Office and Principal Place of Business

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18 Queen's Road Central
Hong Kong

Principal Share Registrar and Transfer Office

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Branch Share Registrar and Transfer Office in Hong Kong

Tricor Standard Limited
Level 22, Hopewell Centre
183 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
China Construction Bank (Asia) Corporation Limited
Crédit Agricole Corporate & Investment Bank
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
The Bank of Tokyo – Mitsubishi UFJ, Ltd. Hong Kong Branch
The Hongkong and Shanghai Banking Corporation Limited

Website

www.nws.com.hk

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

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

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