



New World China Land Limited

(Stock Code: 0917)

Interim Report 2007/2008



# Chairman's Statement

## To Our Shareholders,

For the six months ended 31st December 2007, New World China Land ("NWCL") recorded a revenue of HK\$1,261 million, up 18% year-on-year. Profit attributable to shareholders amounted to HK\$919.6 million, an increase of 126% over first half of FY2007. The significant increase in profit for the period was attributable to improved performance achieved by all three major operations of the Group, namely property sale, rental operation and hotel operation. The Group declared 4 HK cents interim dividend.

In 2007, China achieved an 11.4% GDP growth which was the fifth consecutive year enjoying double-digit growth. The resilient economic growth and stable increase of average income per capita have cradled the stable growth of real estate market in Mainland China.

For a property developer, landbank is the most important asset and also the blueprint of its future development. In this regard, developers in Hong Kong and Mainland China are actively expanding their landbanks in different cities in Mainland China, thus contributing to the record-breaking land auction prices. High land prices inevitably bring negative effect to the profit margins of enterprises. NWCL has been continuously looking for suitable land parcels ever since its investment in China during the 1980s. As a Hong Kong developer with the largest land bank in China, NWCL can be immune from the impact of high land prices.

In the last few months, the global financial market was overcast with US sub-prime turmoil. Alongside with the worry of global economic slowdown, the world is facing the risks triggered by the inflation due to the surging commodity prices, especially from crude oil. At the same time, Mainland China is also experiencing the negative effects from domestic inflation, macro-tightening measures and even the most recent snow storms. The Group will keep monitoring the risks affecting our operations and, if necessary, adjust our plans and executions for the best interests of the Group's shareholders.

**Dr Cheng Kar-shun, Henry**

*Chairman and Managing Director*

Hong Kong, 18th March 2008

# Financial Highlights

## KEY FINANCIAL DATA

6 months ended 31st December  
2007 2006

### Operating Result (HK\$'000)

<b>Revenue</b>		
Company and subsidiaries	<b>1,261,423</b>	1,065,183
Share of associated companies and jointly controlled entities (note 1)	<b>1,664,934</b>	741,130

**2,926,357** 1,806,313

### Representing:

Sale of properties	<b>2,280,099</b>	1,265,911
Rental income	<b>388,517</b>	335,950
Income from hotel operations	<b>184,037</b>	159,511
Property management services fees income	<b>47,388</b>	44,652
Project management fee income	<b>26,316</b>	289

**2,926,357** 1,806,313

### Gross Profit (HK\$'000)

Company and subsidiaries	<b>477,911</b>	372,501
Share of associated companies and jointly controlled entities (note 2)	<b>669,456</b>	315,224

**1,147,367** 687,725

### Profit attributable to equity holders of the Company (HK\$'000)

**919,588** 406,473

### Earnings per share (HK cents)

Basic	<b>23.99</b>	10.62
Diluted	<b>22.90</b>	10.62

### Interim dividend per share (HK cents)

**4.00** 2.00

As at  
**31st December 2007** As at  
30th June 2007

### Financial Position (HK\$ million)

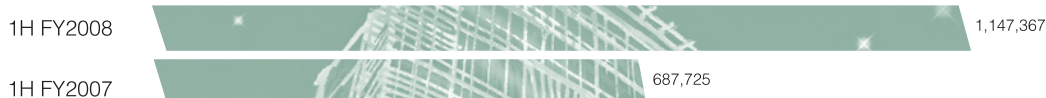
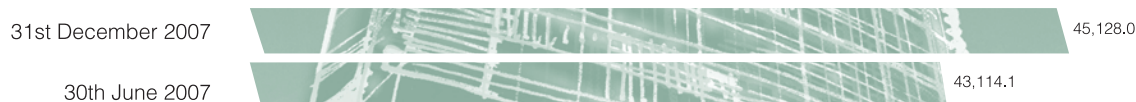
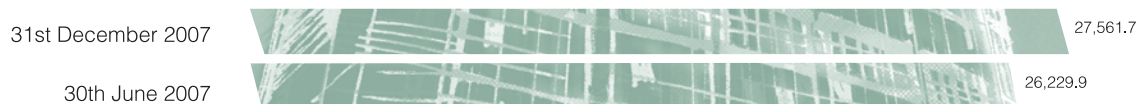
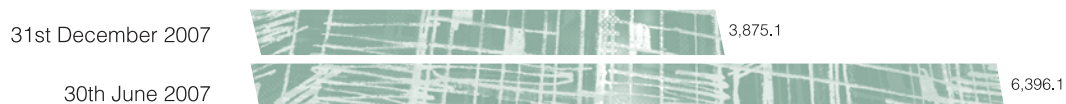
<b>Cash and bank balances</b>	<b>3,875.1</b>	6,396.1
<b>Total assets</b>	<b>45,128.0</b>	43,114.1
<b>Total liabilities</b>	<b>16,336.6</b>	15,642.5
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>27,561.7</b>	26,229.9

### Financial Ratios

<b>Current ratio (times)</b>	<b>2.42</b>	2.95
<b>Net debt to equity ratio</b>	<b>24.6%</b>	17.7%

Note 1: It represents attributable share of revenue of associated companies and jointly controlled entities to the Group.

Note 2: It represents attributable share of gross profit of associated companies and jointly controlled entities to the Group.

**Revenue** (note 1) (HK\$'000)**Gross profit** (note 2) (HK\$'000)**Profit attributable to equity holders of the Company** (HK\$'000)**Total assets** (HK\$ million)**Capital and reserves attributable to the Company's equity holders** (HK\$ million)**Cash and bank balances** (HK\$ million)

Note 1: It represents revenue of the Company and subsidiaries plus share of associated companies and jointly controlled entities attributable to the Group as tabulated on page 2.

Note 2: It represents gross profit of the Company and subsidiaries plus share of associated companies and jointly controlled entities attributable to the Group as tabulated on page 2.

# Management Discussion and Analysis

## BUSINESS REVIEW

In the first half of FY2008, the Group has recorded a profit of HK\$919.6 million, an increase of 126% over the same period last year. The significant increase in profit for the period was attributable to improved performance achieved by all three major operations of the Group, namely property sale, rental operation and hotel operation. The attributable operating profit ("AOP") before provisions and finance costs amounted to HK\$778.8 million, representing an increase of more than 163% over that of corresponding period last year.

### Analysis of attributable operating profit ("AOP")

	6 months ended 31st December	
	2007 HK\$'000	2006 HK\$'000
Property sales	598,750	141,417
Rental operation	190,070	146,831
Hotel operation	13,732	9,016
Property management services	4,493	176
Others	(28,220)	(2,117)
AOP before provision and finance costs	778,825	295,323
Net increase in fair value of investment properties, net of deferred taxation	76,532	138,179
Provisions	–	(2,543)
Land appreciation tax	(267,359)	(65,041)
Tax indemnity from the ultimate holding company	254,259	64,357
Excess of fair value of net assets acquired over cost of acquisition of interests in a subsidiary	19,584	1,893
Gain on disposal of subsidiaries	85,301	–
Impairment of goodwill	–	(7,096)
Finance costs — project loans	(108,901)	(63,433)
AOP	838,241	361,639
Finance costs — corporate loans	(85,003)	(55,381)
Corporate items	(60,439)	(37,721)
Net foreign exchange gains	226,789	137,936
Profit attributable to equity holders of the Company	919,588	406,473

## Property sales

During the period under review, property sale operation has achieved a marked increase in AOP to HK\$598.7 million or an increase of 323% over that of corresponding period last year. The substantial AOP increase from property sales was mainly attributable to improvement in overall gross profit margin resulting from robust growth in selling price of properties. The price surge was particularly prominent for the projects in Beijing and Wuhan. In the first half of FY2008, the Group has completed two property development projects in Guangzhou and Zhuhai with a total gross floor area ("GFA") of 148,034 sq.m., of which over 90% were sold.

During the period under review, a total GFA of 283,098 sq.m. were sold to generate gross sale proceeds of over RMB2.6 billion and an average gross profit margin of 33.5%. As at 31st December 2007, the Group's inventory of completed development property was reduced to a total GFA of 201,230 sq.m..

Development property projects completed in 1st half FY2008	Usage	Total GFA (sq.m.)	NWCL's interest
Guangzhou Park Paradise Phase IID2 (廣州嶺南新世界二期D2)	R	64,869	60%
Zhuhai New World Riviera Garden Phase III (珠海新世界海濱花園三期)	R, C	83,165	100%
<b>Total</b>		<b>148,034</b>	

R: Residential  
C: Commercial  
P: Carpark  
H: Hotel

## Rental operation

The AOP from rental operation recorded HK\$190.1 million during the period under review, up 29% year-on-year. The Group's investment property portfolio has increased by 76,334 sq.m., mainly from the completion of Nanjing New World Centre shopping arcade, Guangzhou Xintang New World Garden shopping mall and the commercial area and car parks at Guangzhou Park Paradise.

Benefited from the continuing improvement in the rentals of Beijing New World Centre shopping arcade, together with the expansion of the rental property portfolio, the Group has achieved a significant increase in AOP from rental operation. The contribution from rental operation was continuously improved with higher occupancy rates and increasing unit rental rate upon renewal of tenancy. The effect was particularly prominent for Shanghai Hong Kong New World Tower, Wuhan New World Trade Tower I and Shanghai Belvedere Apartment.

Investment properties completed in 1st half FY2008	Usage	Total GFA (sq.m.)	NWCL's interest
Nanjing New World Centre Phase II (南京新世界中心二期)	C	41,206	92%
Guangzhou Park Paradise Phase IID2 (廣州嶺南新世界二期D2)	C, P	20,206	60%
Guangzhou Xintang New World Garden Phase IV (廣州新塘新世界花園四期)	C	14,922	63%
<b>Total</b>		<b>76,334</b>	

# Management Discussion and Analysis

## Hotel operation

The Group's hotel portfolio currently comprises 4 hotels providing 1,790 guest rooms. During the period under review, hotel operation registered an AOP of HK\$13.7 million, on the back of improved average room rate and occupancy rate, particularly for New World Mayfair Hotel Shanghai.

Hotel portfolio	Number of rooms
Courtyard by Marriot Beijing (北京萬怡酒店)	293
New World Mayfair Hotel Shanghai (上海巴黎春天大酒店)	860
New World Hotel Shenyang (瀋陽新世界酒店)	261
Courtyard by Marriot Shunde (順德萬怡酒店)	376
<b>Total</b>	<b>1,790</b>

Two hotels in Wuhan and Dalian are under construction during the period under review. Upon completion, these hotels will further enhance the Group's hotel portfolio.

## LIQUIDITY AND CAPITAL RESOURCES

As at 31st December 2007, the Group's cash and bank deposits amounted to HK\$3,875 million (30th June 2007: HK\$6,396 million). The decrease in cash and bank deposits was mainly due to repayment of bank loans due during the period. The Group's consolidated net debt (aggregate of borrowings, net of cash and bank balances) amounted to HK\$7,088 million (30th June 2007: HK\$4,869 million), translating into a gearing ratio of 24.6% (30th June 2007: 17.7%). The gearing ratio is calculated on the basis of net debts over total equity.

The Group's borrowings from banks and fellow subsidiaries and liabilities of convertible bonds as at 31st December 2007 totaled HK\$9,962 million (30th June 2007: HK\$10,417 million) of which 18.2% were secured by way of charges over assets and 81.8% were unsecured.

The maturity profile of the Group's borrowings from banks and fellow subsidiaries and liabilities of convertible bonds is set out as follows:

	<b>As at 31st December 2007 HK\$million</b>	As at 30th June 2007 HK\$million
Repayable:		
Within one year	<b>1,588</b>	1,467
Between one and two years	<b>3,068</b>	2,763
Between two to five years	<b>5,193</b>	6,065
Over five years	<b>113</b>	122
	<b>9,962</b>	10,417

As at 31st December 2007, the Group's committed unutilised bank loan facilities amounted to HK\$4,689 million (30th June 2007: HK\$1,288 million).

## Capital expenditure commitments

The capital expenditure commitments of the Group as at 31st December 2007 were HK\$150,678,000 (30th June 2007: HK\$149,591,000) of which HK\$42,678,000 (30th June 2007: HK\$41,591,000) were contracted but not provided for in the financial statements and HK\$108,000,000 (30th June 2007: HK\$108,000,000) were authorised but not contracted for. The Group did not have any share of capital commitments of jointly controlled entities (30th June 2007: Nil). The source of funding for capital commitments are internally generated resources and bank loan facilities.

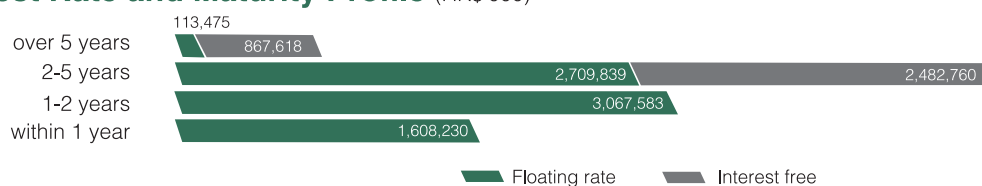
## Foreign currency exposure

The Group conducts its business mainly in Renminbi. Other than certain bank balances and borrowings denominated in Hong Kong dollar and United States dollar, the Group does not have any material direct exposure to foreign exchange fluctuations. During the period under review, the Group has not used any foreign currency derivative product to hedge its exposure to currency risk.

## Source of Borrowings



## Interest Rate and Maturity Profile (HK\$'000)



## Currency Profile of Borrowings



## Nature of Debt





# Management Discussion and Analysis

## CONTINGENT LIABILITIES

As at 31st December 2007, the Group has contingent liabilities of approximately HK\$2,590,326,000 (30th June 2007: HK\$2,535,903,000) relating to corporate guarantees given in respect of bank loan facilities extended to certain associated companies and jointly controlled entities. The slight increase in contingent liabilities was mainly due to increase in Hong Kong dollar equivalent balances of bank loans denominated in Renminbi as a result of appreciation of Renminbi as at 31st December 2007.

As at 31st December 2007, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group amounting to HK\$526,374,000 (30th June 2007: HK\$398,402,000).

## DETAILS OF CHARGES ON GROUP'S ASSETS

As at 31st December 2007, the Group's property, plant and equipment, investment properties, land use rights, completed properties held for sale and bank deposits of HK\$510,981,000 (30th June 2007: HK\$510,541,000), HK\$1,933,620,000 (30th June 2007: HK\$1,853,135,000), HK\$278,325,000 (30th June 2007: HK\$146,646,000), HK\$123,567,000 (30th June 2007: HK\$112,228,000) and HK\$643,697,000 (30th June 2007: HK\$464,303,000) respectively have been pledged as securities for short term and long term loans. As at 30th June 2007, the Group's properties under development of HK\$117,802,000 had been pledged as security for a long term loan. The pledged property under development was completed during the period.

## OUTLOOK

In 2007, China achieved an 11.4% GDP growth which was the fifth consecutive year enjoying double-digit growth. The resilient economic growth and stable increase of average income per capita have cradled the stable growth of real estate market in Mainland China.

The Group focuses on mid-size to large scale quality developments to capture the substantial housing demand from the emerging middle to high income households, and to capitalise on the strong economic growth of major Mainland cities. The Group believes that the middle to high end residential property market still has significant growth potential since demand for such properties will continue to increase as a result of rapid development of the Mainland economy, the corresponding urbanisation, income increase, and the improvement in living standard of the urban population.

The Group believes that its geographical diversification will alleviate the risks of having too much of its operation concentrated in one particular city or region in Mainland China. In 2008, the first phase of our projects located in Chengdu, Changsha and Guiyang will be completed and start contributing to the results of the Group. These three new projects are located in mid-Western China with the rapid development condition under the strong support from the Central Government.

Under the backdrop of strong economic growth, the Central Government is expected to continuously release control measures to regulate the market development, alleviate distorted supply-demand imbalance and curb illicit practices. New World China Land, as a long-term and committed developer, is glad to see the market having a healthy and stable development in the long run.

<b>Properties to be completed in 2nd half of FY2008</b>	<b>Usage</b>	<b>Total GFA (sq.m.)</b>	<b>NWCL's interest</b>
Beijing Xin Kang Garden Phase III (北京新康家園三期)	R	6,822	70%
Beijing Xin Yi Garden Phase II (北京新怡家園二期)	R, C	50,442	70%
Jinan Sunshine Garden Phase II (濟南陽光花園二期)	R, C, P	158,901	100%
Shenyang New World Garden Phase ID (瀋陽新世界花園一期D)	R, C, P	168,551	90%
Wuhan New World Hotel (武漢新世界酒店)	H	37,432	60%
Wuhan Changqing Garden Phase VIB (武漢常青花園六期B)	R, C, P	169,340	60%
Wuhan Changqing Garden Phase VII (武漢常青花園七期)	R	49,573	60%
Wuhan Xin Hua Garden Phase IV (武漢新華家園四期)	R, C, P	63,843	60%
Chengdu New World Riverside Phase I (成都河畔新世界一期)	R	47,441	30%
Changsha La Ville New World Phase I (長沙新城新世界一期)	R, C	80,684	45%
Guiyang Sunny Town Phase I (貴陽金陽新世界一期)	R, C, P	161,264	50%
<b>Total</b>		<b>994,293</b>	

# Disclosure of Interests

## DIRECTORS' INTERESTS IN SECURITIES

As at 31st December 2007, the interests of the directors and their associates in shares, registered capital and underlying shares of the Company and its associated corporations as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

### (A) Long position in shares

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/registered capital as at 31st December 2007
	Personal interests	Family interests	Corporate interests		
<b>New World China Land Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar-shun, Henry	12,500,000	1,000,000	52,271,200 <i>(note 1)</i>	<b>65,771,200</b>	1.72
Mr. Doo Wai-hoi, William	8,750,000	–	66,190,000 <i>(note 2)</i>	<b>74,940,000</b>	1.96
Mr. Cheng Chi-kong, Adrian	110,400	–	760,000 <i>(note 3)</i>	<b>870,400</b>	0.02
Mr. Leung Chi-kin, Stewart	500,000	–	–	<b>500,000</b>	0.01
Mr. Chow Yu-chun, Alexander	6,550,000	–	–	<b>6,550,000</b>	0.17
Mr. Chow Kwai-cheung	650,126	–	–	<b>650,126</b>	0.02
Mr. Fong Shing-kwong, Michael	1,366,000	–	–	<b>1,366,000</b>	0.04
Ms. Ngan Man-ying, Lynda	100,000	–	–	<b>100,000</b>	0.003
<b>New World Development Company Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	–	300,000	–	<b>300,000</b>	0.01
Mr. Leung Chi-kin, Stewart	32,974	–	–	<b>32,974</b>	0.001
Mr. Chow Kwai-cheung	244,527	–	–	<b>244,527</b>	0.01
Mr. Fong Shing-kwong, Michael	20,000	–	–	<b>20,000</b>	0.001
<b>NWS Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	9,179,199	587,000	8,000,000 <i>(note 1)</i>	<b>17,766,199</b>	0.88
Mr. Doo Wai-hoi, William	2,006,566	–	9,130,000 <i>(note 2)</i>	<b>11,136,566</b>	0.55
Mr. Cheng Kar-shing, Peter	186,722	–	2,756,391 <i>(note 4)</i>	<b>2,943,113</b>	0.15
Mr. Leung Chi-kin, Stewart	3,376,531	–	–	<b>3,376,531</b>	0.17
Mr. Chow Kwai-cheung	207,000	–	–	<b>207,000</b>	0.01
Mr. Chow Yu-chun, Alexander	2,075,286	–	–	<b>2,075,286</b>	0.10
Mr. Fong Shing-kwong, Michael	1,970,707	–	–	<b>1,970,707</b>	0.10
Mr. Cheng Wai-chee, Christopher	720,148	–	–	<b>720,148</b>	0.04
<b>New World Department Store China Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Mr. Cheng Chi-kong, Adrian	–	–	1,107,000 <i>(note 3)</i>	<b>1,107,000</b>	0.07
Mr. Chow Yu-chun, Alexander	268,000	–	–	<b>268,000</b>	0.02
<b>Dragon Fortune Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-shing, Peter	–	–	15,869 <i>(note 5)</i>	<b>15,869</b>	27.41
<b>Faith Yard Property Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr. Doo Wai-hoi, William	–	–	1 <i>(note 2)</i>	<b>1</b>	50.00
<b>Fortune Star Worldwide Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr. Doo Wai-hoi, William	–	–	60 <i>(note 2)</i>	<b>60</b>	60.00
<b>Fung Seng Estate Development (Shanghai) Co., Ltd.</b>					
(Registered capital in US\$)					
Mr. Doo Wai-hoi, William	–	–	3,000,000 <i>(note 6)</i>	<b>3,000,000</b>	30.00

	Number of shares/ amount of registered capital			Total	Percentage to the relevant issued/registered capital as at 31st December 2007
	Personal interests	Family interests	Corporate interests		
<b>Grand Make International Limited</b> (Ordinary shares of US\$1.00 each) Mr. Doo Wai-hoi, William	–	–	20 <i>(note 2)</i>	<b>20</b>	20.00
<b>Guangzhou Ronghe Real Estate Co., Ltd.</b> (Registered capital in RMB) Mr. Fu Sze-shing	–	–	4,666,500 <i>(note 7)</i>	<b>4,666,500</b>	5.00
<b>Master Services Limited</b> (Ordinary shares of US\$0.01 each) Mr. Leung Chi-kin, Stewart Mr. Chow Kwai-cheung Mr. Chow Yu-chun, Alexander	16,335 16,335 16,335	– – –	– – –	<b>16,335</b> <b>16,335</b> <b>16,335</b>	1.63 1.63 1.63
<b>Mega Choice Holdings Limited</b> (Ordinary shares of HK\$1.00 each) Dr. Cheng Kar-shun, Henry	–	–	3,710 <i>(note 1)</i>	<b>3,710</b>	34.61
<b>Ramada Property Ltd.</b> (Ordinary shares of US\$1.00 each) Mr. Doo Wai-hoi, William	–	–	250 <i>(note 2)</i>	<b>250</b>	25.00
<b>Shanghai Juyi Real Estate Development Co., Ltd.</b> (Registered capital in RMB) Mr. Doo Wai-hoi, William	–	–	229,500,000 <i>(note 6)</i>	<b>229,500,000</b>	30.00
<b>Shanghai New World Huai Hai Property Development Co., Ltd.</b> (Registered capital in US\$) Mr. Doo Wai-hoi, William	–	–	1,085,000 <i>(note 2)</i>	<b>1,085,000</b>	1.00
<b>Shanghai Trio Property Development Co. Ltd.</b> (Registered capital in US\$) Mr. Doo Wai-hoi, William	–	–	42,525,000 <i>(note 8)</i>	<b>42,525,000</b>	52.50
<b>Sun City Holdings Limited</b> (Ordinary shares of HK\$1.00 each) Mr. Cheng Kar-shing, Peter	–	80,000	3,570,000 <i>(note 9)</i>	<b>3,650,000</b>	45.63
<b>Sun Legend Investments Limited</b> (Ordinary shares of HK\$1.00 each) Mr. Cheng Kar-shing, Peter	–	–	500 <i>(note 10)</i>	<b>500</b>	50.00
<b>YE Holdings Corporation</b> (Ordinary shares of HK\$1.00 each) Mr. Leung Chi-kin, Stewart	37,500	–	–	<b>37,500</b>	1.50
<b>Zhaoqing New World Property Development Limited</b> (Registered capital in US\$) Mr. Doo Wai-hoi, William	–	–	8,250,000 <i>(note 11)</i>	<b>8,250,000</b>	60.00
<b>Zhaoqing New World Property Management Limited</b> (Registered capital in HK\$) Mr. Doo Wai-hoi, William	–	–	300,000 <i>(note 11)</i>	<b>300,000</b>	60.00

# Disclosure of Interests

## DIRECTORS' INTERESTS IN SECURITIES *(continued)*

### (A) Long position in shares *(continued)*

Notes:

1. These shares are beneficially owned by companies wholly-owned by Dr. Cheng Kar-shun, Henry.
2. These interests are beneficially owned by companies wholly-owned by Mr. Doo Wai-hoi, William.
3. These shares are beneficially owned by a company wholly-owned by Mr. Cheng Chi-kong, Adrian.
4. These shares are beneficially owned by a company wholly-owned by Mr. Cheng Kar-shing, Peter.
5. 4,102 shares are held by a company wholly-owned by Mr. Cheng Kar-shing, Peter and 11,767 shares are held by Sun City Holdings Limited ("Sun City"), of which Mr. Cheng is deemed to be interested in 45.63% of its issued share capital.
6. These represent the participating interests held by a company wholly-owned by Mr. Doo Wai-hoi, William.
7. The interest is beneficially owned by a company of which Mr. Fu Sze-shing has 50% interest.
8. These include 50% direct interest and 2.5% participating interest in the registered capital of Shanghai Trio Property Development Co. Ltd. being held by companies wholly-owned by Mr. Doo Wai-hoi, William.
9. These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns an indirect interest of 49.58%.
10. Mr. Cheng Kar-shing, Peter is deemed to be interested in the shares of Sun Legend Investments Limited by virtue of his interests in Sun City.
11. Mr. Doo Wai-hoi, William is deemed to be interested in the registered capitals of these companies by virtue of his interest in Fortune Star Worldwide Limited, of which Mr. Doo Wai-hoi, William owns an indirect interest of 60%.

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

#### (1) The Company

Under the share option scheme of the Company adopted on 26th November 2002, share options were granted to the undermentioned directors of the Company which entitle them to subscribe for shares of the Company and accordingly they are regarded as interested in the underlying shares of the Company. Details of the share options held by them during the period are as follows:

Name of director	Date of grant	Exercisable period	Number of share options			
			Balance as at 1st July 2007	Exercised during the period	Balance as at 31st December 2007	Exercise price per share HK\$
Mr. Cheng Chi-kong Adrian	25th July 2006	26th August 2006 to 25th August 2011 <i>(note 1)</i>	552,400	(110,400) <i>(note 2)</i>	<b>442,000</b>	2.865
Ms. Ngan Man-ying, Lynda	14th July 2005	15th August 2006 to 14th August 2007	100,000	(100,000) <i>(note 3)</i>	–	2.300
<b>Total</b>			<b>652,400</b>	<b>(210,400)</b>	<b>442,000</b>	

Notes:

1. Divided into 5 tranches exercisable from 26th August 2006, 26th August 2007, 26th August 2008, 26th August 2009 and 26th August 2010, respectively to 25th August 2011.
2. The exercise date was 23rd August 2007. On the trading date immediately before the exercise date, the closing price per share was HK\$7.10.
3. The exercise date was 20th July 2007. On the trading date immediately before the exercise date, the closing price per share was HK\$8.10.
4. The cash consideration paid by each of the directors for grant of the share options is HK\$10.

**(2) New World Development Company Limited**

Under the share option scheme of the holding company, New World Development Company Limited ("NWD"), the following directors of the Company have personal interests in share options to subscribe for shares in NWD and are accordingly regarded as interested in the underlying shares of NWD. Details of the share options of NWD held by them during the period are as follows:

Name of director	Date of grant	Exercisable period	Number of share options with exercise price of HK\$17.756 per share		
			Balance as at 1st July 2007	Exercised during the period	Balance as at 31st December 2007
Dr. Cheng Kar-shun, Henry	19th March 2007	(note 1)	36,500,000	–	36,500,000
Mr. Cheng Kar-shing, Peter	19th March 2007	(note 1)	200,000	–	200,000
		(note 2)	1,200,000	–	1,200,000
Mr. Cheng Chi-kong, Adrian	19th March 2007	(note 2)	500,000	–	500,000
Mr. Leung Chi-kin, Stewart	19th March 2007	(note 1)	36,500,000	(500,000)	36,000,000
Mr. Chow Kwai-cheung	19th March 2007	(note 1)	200,000	(200,000)	–
		(note 2)	1,200,000	–	1,200,000
Mr. Chow Yu-chun, Alexander	19th March 2007	(note 2)	1,500,000	–	1,500,000
Mr. Fong Shing-kwong, Michael	19th March 2007	(note 3)	800,000	–	800,000
Mr. Fu Sze-shing	19th March 2007	(note 2)	750,000	–	750,000
Mr. Lee Luen-wai, John	19th March 2007	(note 1)	300,000	–	300,000

*Notes:*

- Exercisable from 19th March 2007 to 18th March 2012.
- Divided into 5 tranches exercisable from 19th March 2007, 19th March 2008, 19th March 2009, 19th March 2010 and 19th March 2011, respectively to 18th March 2012.
- Divided into 4 tranches exercisable from 19th March 2008, 19th March 2009, 19th March 2010 and 19th March 2011, respectively to 18th March 2012.
- The cash consideration paid by each of the directors for grant of the share options is HK\$10.

# Disclosure of Interests

## DIRECTORS' INTERESTS IN SECURITIES *(continued)*

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

#### (3) NWS Holdings Limited

Under the share option scheme of a fellow subsidiary, NWS Holdings Limited (“NWS”), the following directors of the Company have personal interests in share options to subscribe for shares in NWS and are accordingly regarded as interested in the underlying shares of NWS. Details of the share options of NWS held by them during the period are as follows:

Name of director	Date of grant	Exercisable period	Number of share options			Balance as at 31st December 2007	Exercise price per share HK\$
			Balance as at 1st July 2007	Granted during the period	Exercised during the period		
Dr. Cheng Kar-shun, Henry	21st August 2007	(note 1)	–	1,200,000	–	<b>1,200,000</b>	16.200
		(note 2)	–	1,800,000	–	<b>1,800,000</b>	16.200
Mr. Doo Wai-hoi, William	21st August 2007	(note 1)	–	800,000	–	<b>800,000</b>	16.200
		(note 2)	–	1,200,000	–	<b>1,200,000</b>	16.200
Mr. Leung Chi-kin, Stewart	21st July 2003	(note 3)	68,820	–	–	<b>68,820</b>	3.711
Mr. Chow Yu-chun, Alexander	21st July 2003	(note 3)	134,944	–	(134,944)	–	3.711
Mr. Cheng Wai-chee, Christopher	21st August 2007	(note 1)	–	240,000	–	<b>240,000</b>	16.200
		(note 2)	–	360,000	–	<b>360,000</b>	16.200

*Notes:*

1. Exercisable from 21st August 2008 to 20th August 2012.
2. Divided into 3 tranches exercisable from 21st August 2009, 21st August 2010 and 21st August 2011, respectively to 20th August 2012.
3. Divided into 2 tranches exercisable from 21st July 2004 and 21st July 2005, respectively to 20th July 2008.
4. The cash consideration paid by each of the directors for grant of the share options is HK\$10.

**(4) New World Department Store China Limited**

Under the share option scheme of a fellow subsidiary, New World Department Store China Limited ("NWDS"), the following directors of the Company have personal interests in share options to subscribe for shares in NWDS and are accordingly regarded as interested in the underlying shares of NWDS. Details of the share options of NWDS held by them during the period are as follows:

Name of director	Date of grant	Exercisable period	Number of share options with exercise price of HK\$8.660 per share			
			Balance as at 1st July 2007	Granted during the period	Exercised during the period	Balance as at 31st December 2007
Dr. Cheng Kar-shun, Henry	27th November 2007	(note 1)	–	1,000,000	–	1,000,000
Mr. Cheng Chi-kong, Adrian	27th November 2007	(note 1)	–	500,000	–	500,000
Ms. Ngan Man-ying, Lynda	27th November 2007	(note 1)	–	500,000	–	500,000

*Notes:*

1. Divided into 5 tranches exercisable from 27th November 2008, 27th November 2009, 27th November 2010, 27th November 2011 and 27th November 2012, respectively to 26th November 2013.
2. The cash consideration paid by each of the directors for grant of the share options is HK\$1.

Save as disclosed above, as at 31st December 2007, none of the directors, chief executive or any of their associates had or deemed to have any interest or short positions in the shares, registered capital, underlying shares and debentures of the Company or 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 Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.



# Disclosure of Interests

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31st December 2007, the interests or short positions of substantial shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Number of shares			Percentage to the issued share capital as at 31st December 2007
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTF") <i>(note 1)</i>	–	2,714,858,780	<b>2,714,858,780</b>	70.83
Centennial Success Limited ("CSL") <i>(note 1)</i>	–	2,714,858,780	<b>2,714,858,780</b>	70.83
Chow Tai Fook Enterprises Limited ("CTF") <i>(note 2)</i>	–	2,714,858,780	<b>2,714,858,780</b>	70.83
New World Development Company Limited ("NWD") <i>(note 3)</i>	2,537,632,731	177,226,049	<b>2,714,858,780</b>	70.83

*Notes:*

1. CYTF holds 51% interest in CSL which in turn holds the entire interests in CTF. Therefore, CYTF and CSL are deemed to have interests in the shares in which CTF is deemed to be interested by virtue of its interests in NWD as mentioned in note 2 below.
2. CTF and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares in which NWD is interested or deemed to be interested.
3. The number of shares held under the corporate interests of NWD includes 113,351,879 shares held by Easywin Enterprises Corporation Limited, its 100% owned subsidiary, 22,508,064 shares held by Great Worth Holdings Limited, its 59% owned subsidiary, and 41,366,106 shares held by High Earnings Holdings Limited, its 56% owned subsidiary.

All the interests stated above represent long position. 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 31st December 2007.

## SHARE OPTION SCHEME

On 26th November 2002, the Company adopted a share option scheme ("Share Option Scheme") pursuant to which employees, including directors of the Group, were given opportunity to obtain equity holdings in the Company. During the six months ended 31st December 2007, movement of share options granted to the directors and employees of the Group under the Share Option Scheme was as follows:

(A) Movement of share options to directors was disclosed under the heading "Directors' interests in securities" above.

(B) Movement of share options to employees under the Share Option Scheme was as follows:

Date of grant	Number of share options (note 1)				Outstanding as at 31st December 2007	Exercise price per share HK\$
	Balance as at 1st July 2007	Granted during the period (note 3)	Exercised during the period (note 4)	Lapsed during the period		
3rd January 2003 to 30th January 2003	124,200	–	–	–	124,200	1.212
12th May 2003 to 6th June 2003	1,351,300	–	(1,140,400)	–	210,900	0.912
28th October 2003 to 22nd November 2003	69,000	–	(69,000)	–	–	1.650
25th March 2004 to 21st April 2004	1,161,000	–	(96,800)	–	1,064,200	2.252
18th June 2004 to 15th July 2004	209,600	–	(104,800)	–	104,800	1.650
4th November 2004 to 1st December 2004	171,200	–	–	–	171,200	2.484
22nd December 2004 to 18th January 2005	99,400	–	–	–	99,400	2.689
13th July 2005 to 9th August 2005	448,800	–	(16,000)	(164,400)	268,400	2.300
13th July 2005 to 9th August 2005 (note 2)	600,000	–	(600,000)	–	–	2.300
7th November 2005 to 2nd December 2005	29,600	–	(9,600)	–	20,000	2.620
28th March 2006 to 24th April 2006	2,885,200	–	(292,000)	–	2,593,200	3.915
28th June 2006 to 26th July 2006	153,200	–	–	(83,200)	70,000	2.865
17th October 2006 to 13th November 2006	530,400	–	(16,000)	–	514,400	3.340
28th December 2006 to 24th January 2007	1,063,600	–	(23,200)	–	1,040,400	4.712
19th March 2007 to 13th April 2007	744,800	–	(9,600)	–	735,200	4.500
14th June 2007 to 11th July 2007	1,408,400	564,000	(50,000)	–	1,922,400	6.710
17th October 2007 to 13th November 2007	–	1,709,200	–	–	1,709,200	8.070
<b>Total</b>	<b>11,049,700</b>	<b>2,273,200</b>	<b>(2,427,400)</b>	<b>(247,600)</b>	<b>10,647,900</b>	

### Notes:

- The share options are exercisable within five years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years, except otherwise specified in note 2.
- The share options are exercisable within two years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each year is 50% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary year.
- The closing price per share immediately before 14th June 2007 and 17th October 2007, the dates of offer to grant, was HK\$6.680 and HK\$8.150, respectively.
- The weighted average closing price of the shares immediately before the dates on which share options were exercised under the Share Option Scheme was HK\$7.365.

## Disclosure of Interests

### SHARE OPTION SCHEME *(continued)*

The fair values of the share options granted during the period with exercise prices per share of HK\$6.710 and HK\$8.070 are estimated at HK\$2.413 and HK\$2.92 respectively using the Binomial pricing model. Values are estimated based on the risk-free rate ranging from 4.061% to 4.67% per annum with reference to the rate prevailing on the Exchange Fund Notes, a five-year period historical volatility of ranging from 0.43 to 0.44, assuming dividend yield ranging from 1.2% to 1.33% and an expected option life of 5 years.

The Binomial pricing model required input of subjective assumptions such as the expected stock price volatility. Change in the subjective input may materially affect the fair value estimates.



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# Consolidated Income Statement

For the six months ended 31st December 2007

	Note	Unaudited	
		2007	2006
		HK\$'000	HK\$'000
Revenue	2	<b>1,261,423</b>	1,065,183
Cost of sales		<b>(783,512)</b>	(692,682)
Gross profit		<b>477,911</b>	372,501
Other gains, net	3	<b>1,035,133</b>	223,233
Changes in fair value of investment properties		<b>3,543</b>	72,729
Selling expenses		<b>(77,387)</b>	(36,633)
Administrative expenses		<b>(36,958)</b>	(28,576)
Other operating expenses		<b>(306,541)</b>	(210,017)
Operating profit before finance costs	4	<b>1,095,701</b>	393,237
Finance costs		<b>(166,925)</b>	(98,373)
Share of results of			
Associated companies		<b>65,421</b>	44,381
Jointly controlled entities		<b>21,346</b>	210,257
Profit before taxation		<b>1,015,543</b>	549,502
Taxation charge	5	<b>(135,683)</b>	(155,220)
Profit for the period		<b>879,860</b>	394,282
Attributable to:			
Equity holders of the Company		<b>919,588</b>	406,473
Minority interests		<b>(39,728)</b>	(12,191)
		<b>879,860</b>	394,282
Interim dividend	6	<b>153,342</b>	76,577
Interim dividend per share	6	<b>4.00 cents</b>	2.00 cents
Earnings per share	7		
Basic		<b>23.99 cents</b>	10.62 cents
Diluted		<b>22.90 cents</b>	10.62 cents

# Consolidated Balance Sheet

As at 31st December 2007

	<i>Note</i>	<b>Unaudited As at 31st December 2007 HK\$'000</b>	Audited As at 30th June 2007 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>949,827</b>	919,864
Investment properties		<b>6,788,373</b>	5,871,951
Land use rights		<b>465,336</b>	332,521
Goodwill		<b>113,538</b>	48,095
Properties held for development		<b>8,043,493</b>	7,852,456
Associated companies		<b>1,965,964</b>	1,746,047
Jointly controlled entities		<b>10,859,533</b>	10,484,071
Available-for-sale financial assets		<b>363,089</b>	71,427
Cash and bank balances, restricted		<b>38,298</b>	–
		<b>29,587,451</b>	27,326,432
<b>Current assets</b>			
Hotel inventories, at cost		<b>1,047</b>	833
Debtors, deposits and other receivables	9	<b>5,317,194</b>	3,870,289
Amounts due from group companies		<b>307,043</b>	146,544
Properties under development		<b>5,153,007</b>	4,133,351
Completed properties held for sale		<b>925,408</b>	1,240,554
Cash and bank balances, restricted		<b>605,399</b>	464,303
Cash and bank balances, unrestricted		<b>3,231,431</b>	5,931,761
		<b>15,540,529</b>	15,787,635
<b>Total assets</b>		<b>45,127,980</b>	43,114,067
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	10	<b>383,300</b>	383,036
Reserves		<b>27,025,013</b>	25,616,877
Interim dividend		<b>153,342</b>	–
Proposed final dividend		–	229,975
		<b>27,561,655</b>	26,229,888
<b>Minority interests</b>		<b>1,229,752</b>	1,241,695
<b>Total equity</b>		<b>28,791,407</b>	27,471,583

# Consolidated Balance Sheet

As at 31st December 2007

	<i>Note</i>	<b>Unaudited As at 31st December 2007 HK\$'000</b>	Audited As at 30th June 2007 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	11	<b>9,375,270</b>	9,797,465
Deferred tax liabilities		<b>532,578</b>	502,076
		<b>9,907,848</b>	10,299,541
<b>Current liabilities</b>			
Creditors and accruals	13	<b>2,157,254</b>	1,630,188
Deposits received on sale of properties		<b>1,702,409</b>	1,052,050
Amounts due to group companies		<b>281,118</b>	483,117
Short term bank loans		<b>422,340</b>	486,735
Current portion of long term borrowings	11	<b>1,165,890</b>	980,615
Current portion of long term payable	12	–	132,898
Amounts due to minority shareholders	14	<b>327,406</b>	302,284
Taxes payable		<b>372,308</b>	275,056
		<b>6,428,725</b>	5,342,943
<b>Total liabilities</b>		<b>16,336,573</b>	15,642,484
<b>Total equity and liabilities</b>		<b>45,127,980</b>	43,114,067
<b>Net current assets</b>		<b>9,111,804</b>	10,444,692
<b>Total assets less current liabilities</b>		<b>38,699,255</b>	37,771,124

# Condensed Consolidated Cash Flow Statement

For the six months ended 31st December 2007

	Unaudited	
	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Net cash used in operating activities	<b>(1,373,502)</b>	(3,079,230)
Net cash used in investing activities	<b>(221,943)</b>	(195,474)
Net cash (used in)/generated from financing activities	<b>(1,127,704)</b>	3,356,269
Net (decrease)/increase in cash and cash equivalents	<b>(2,723,149)</b>	81,565
Cash and cash equivalents at beginning of the period	<b>5,931,761</b>	2,362,227
Exchange differences on cash and cash equivalents	<b>22,819</b>	–
Cash and cash equivalents at end of the period	<b>3,231,431</b>	2,443,792



# Consolidated Statement of Changes in Equity

For the six months ended 31st December 2007

	Attributable to the equity holders of the Company			Minority interests	Total equity
	Share capital HK\$'000	Reserves HK\$'000	Shareholders' funds HK\$'000	HK\$'000	HK\$'000
Balance at 1st July 2007	383,036	25,846,852	26,229,888	1,241,695	27,471,583
Translation differences	-	609,189	609,189	(2,146)	607,043
Revaluation of available-for-sale financial assets, net of tax	-	65,782	65,782	-	65,782
Net income recognised directly in equity	-	674,971	674,971	(2,146)	672,825
Profit for the period	-	919,588	919,588	(39,728)	879,860
Total recognised income and expense for the period	-	1,594,559	1,594,559	(41,874)	1,552,685
Issue of shares	264	4,953	5,217	-	5,217
Acquisition of additional interest in subsidiaries	-	-	-	(14,596)	(14,596)
Disposal of subsidiaries	-	(41,538)	(41,538)	(47,711)	(89,249)
Capital contribution from minority interests	-	-	-	92,238	92,238
Share-based payments	-	3,504	3,504	-	3,504
Dividend paid	-	(229,975)	(229,975)	-	(229,975)
	264	1,331,503	1,331,767	(11,943)	1,319,824
<b>Balance at 31st December 2007</b>	<b>383,300</b>	<b>27,178,355</b>	<b>27,561,655</b>	<b>1,229,752</b>	<b>28,791,407</b>
Balance at 1st July 2006	382,578	23,652,437	24,035,015	176,681	24,211,696
Translation differences	-	422,568	422,568	2,185	424,753
Net income recognised directly in equity	-	422,568	422,568	2,185	424,753
Profit for the period	-	406,473	406,473	(12,191)	394,282
Total recognised income and expense for the period	-	829,041	829,041	(10,006)	819,035
Issue of shares	258	5,383	5,641	-	5,641
Acquisition of subsidiaries	-	-	-	2,632	2,632
Capital contribution from minority interests	-	-	-	850,993	850,993
Share-based payments	-	1,583	1,583	-	1,583
Dividend paid	-	(153,116)	(153,116)	-	(153,116)
	258	682,891	683,149	843,619	1,526,768
Balance at 31st December 2006	382,836	24,335,328	24,718,164	1,020,300	25,738,464

# Notes to the Interim Financial Statements

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated 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 and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed interim financial statements should be read in conjunction with the 2007 annual financial statements.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the 2007 annual financial statements.

For the six months ended 31st December 2007, the Group has adopted the following new standard, amendment to standards and interpretations which are relevant to the Group's operations and are mandatory for the financial year ending 30th June 2008:

HKAS 1 Amendment	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) - Int 11	HKFRS 2 — Group and Treasury Share Transactions

The adoption of these new standard, amendment and interpretations does not have any significant impact on the results and financial position or changes in the accounting policies of the Group. However, the adoption of HKAS 1 Amendment and HKFRS 7 requires additional disclosures in the annual financial statements.

The following new or revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1st January 2008 or later periods but which the Group has not early adopted:

Effective for the year ending 30th June 2009

HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Effective for the year ending 30th June 2010

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments

The Group has already commenced an assessment of the impact of these new or revised standards and interpretations and expects that they will not have a significant impact on its results of operations and financial position.

## Notes to the Interim Financial Statements

### 2. REVENUE AND SEGMENT INFORMATION

- (a) The Group is principally engaged in investment and development of property projects in the People's Republic of China ("PRC"). Revenue comprises turnover which includes gross proceeds from sale of properties, revenue from rental and hotel operation, property management services fee income and project management fee income.

	<b>6 months ended 31st December</b>	
	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Sale of properties	<b>902,306</b>	780,704
Rental income	<b>169,809</b>	140,361
Income from hotel operation	<b>135,805</b>	114,918
Property management services fee income	<b>27,187</b>	28,911
Project management fee income	<b>26,316</b>	289
	<b>1,261,423</b>	1,065,183

- (b) The Group is organised into four main business segments, comprising property sales, rental operation, hotel operation and property management services. There is no other significant identifiable separate business segment. Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties held for/under development, debtors, deposits and other receivables, and completed properties held for sale. They exclude cash and bank balances held at corporate office and prepayment for proposed development projects. Segment liabilities comprise mainly creditors and accruals, and other payable. They exclude bank and other borrowings, taxes payable, other creditors and accruals at corporate office.

No geographical segment analysis is presented as the majority of the assets and operations of the Group are located in the PRC, which is considered as one geographical location in an economic environment with similar risks and returns.

<b>6 months ended 31st December 2007</b>	<b>Property sales HK\$'000</b>	<b>Rental operation HK\$'000</b>	<b>Hotel operation HK\$'000</b>	<b>Property management services HK\$'000</b>	<b>Other operations HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue	928,622	170,444	135,805	26,552	-	1,261,423
Segment results	885,684	39,401	20,790	4,903	(40,526)	910,252
Bank and other interest income						45,296
Corporate expenses						(66,367)
Net foreign exchange gains						206,520
Operating profit before finance costs						1,095,701
Finance costs						(166,925)
Share of results of						
Associated companies	(1,964)	68,486	(721)	(380)	-	65,421
Jointly controlled entities	(121,964)	146,720	(3,636)	130	96	21,346
Profit before taxation						1,015,543
Taxation charge						(135,683)
Profit for the period						879,860
Capital expenditure	46,051	80,178	130,048	599	972	257,848
Depreciation and amortisation	15,636	19,924	36,013	412	1,130	73,115
<b>As at 31st December 2007</b>						
Segment assets	22,677,401	7,339,341	1,379,503	84,182	6,506	31,486,933
Associated companies and jointly controlled entities	5,643,178	6,822,752	317,540	(5,414)	47,441	12,825,497
Unallocated assets						815,550
Total assets						45,127,980
Segment liabilities	3,814,081	275,836	419,863	38,455	2,258	4,550,493
Unallocated liabilities						11,786,080
Total liabilities						16,336,573

## Notes to the Interim Financial Statements

### 2. REVENUE AND SEGMENT INFORMATION *(continued)*

6 months ended 31st December 2006	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services HK\$'000	Other operations HK\$'000	Total HK\$'000
Segment revenue	781,175	152,701	115,197	16,110	–	1,065,183
Segment results	177,972	113,088	20,073	2,378	(8,257)	305,254
Bank and other interest income						22,858
Corporate expenses						(68,781)
Net foreign exchange gains						133,906
Operating profit before finance costs						393,237
Finance costs						(98,373)
Share of results of						
Associated companies	(497)	44,546	566	(234)	–	44,381
Jointly controlled entities	58,809	153,625	(975)	159	(1,361)	210,257
Profit before taxation						549,502
Taxation charge						(155,220)
Profit for the period						394,282
Capital expenditure	15,308	129,250	8,190	1,132	2,095	155,975
Depreciation and amortisation	14,487	18,415	33,886	338	760	67,886
Provision for/(write back of provision for) amounts due from jointly controlled entities	2,533	(1,411)	–	–	–	1,122
Impairment of goodwill	–	–	–	–	7,096	7,096
As at 30th June 2007						
Segment assets	19,229,817	6,794,820	925,356	72,092	12,913	27,034,998
Associated companies and jointly controlled entities	5,361,878	6,489,933	339,561	(6,374)	45,120	12,230,118
Unallocated assets						3,848,951
Total assets						43,114,067
Segment liabilities	3,132,430	259,550	171,431	31,188	9,767	3,604,366
Unallocated liabilities						12,038,118
Total liabilities						15,642,484

### 3. OTHER GAINS, NET

	6 months ended 31st December	
	2007 HK\$'000	2006 HK\$'000
Interest income from jointly controlled entities, net of withholding tax ( <i>note</i> )	361,883	13,345
Tax indemnity from the ultimate holding company ( <i>note 5</i> )	254,259	64,357
Net foreign exchange gains	213,725	119,497
Bank interest income	87,196	32,359
Gain on disposal of subsidiaries	85,986	–
Excess of fair value of net assets acquired over cost of acquisition of additional interest in a subsidiary	19,584	1,893
Dividend income from unlisted investments	12,500	–
Provision for amounts due from jointly controlled entities	–	(1,122)
Impairment of goodwill	–	(7,096)
	<b>1,035,133</b>	223,233

*Note:* The property projects of the Group's jointly controlled entities have been partly financed by the Group in the form of equity capital and unsecured shareholder's advances, majority of which are interest bearing. The Group's attributable share of interest expenses of jointly controlled entities is included in the share of results of jointly controlled entities as follows:

	6 months ended 31st December	
	2007 HK\$'000	2006 HK\$'000
Share of interest expenses of jointly controlled entities	(264,385)	(9,876)

### 4. OPERATING PROFIT BEFORE FINANCE COSTS

	6 months ended 31st December	
	2007 HK\$'000	2006 HK\$'000
Operating profit before finance costs is arrived at after crediting:		
Gross rental income from investment properties	108,832	80,661
and after charging:		
Cost of properties sold	595,991	549,281
Staff costs	109,650	93,007
Outgoings in respect of investment properties	53,668	35,288
Depreciation of property, plant and equipment	66,227	62,253
Rental for leased premises	27,962	21,705
Amortisation of land use rights	6,888	5,633
Loss on disposal of property, plant and equipment	3,263	5,850

# Notes to the Interim Financial Statements

## 5. TAXATION CHARGE

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Current taxation		
PRC enterprise income tax	42,392	2,439
PRC land appreciation tax	53,980	71,113
Deferred taxation	39,311	81,668
	<b>135,683</b>	155,220

Share of taxation of associated companies and jointly controlled entities for the six months ended 31st December 2007 are HK\$6,825,000 (2006: HK\$17,754,000) and HK\$302,958,000 (2006: HK\$60,796,000) respectively and are included in the consolidated income statement as share of results of associated companies and jointly controlled entities.

No provision for Hong Kong profits tax has been made within the Group as the Group has no assessable profits in Hong Kong for the period (2006: Nil). PRC income tax has been provided on the estimated assessable profits of subsidiaries, associated companies and jointly controlled entities operating in the PRC at 33% (2006: 33%). PRC land appreciation tax is provided at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

On 16th March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC, pursuant to which the corporate income tax rates for domestic and foreign enterprises are unified at 25% effective from 1st January 2008. As a result, the enterprise income tax rate of the subsidiaries, associated companies and jointly controlled entities operating in the PRC will be changed from 33% to 25% with effect from 1st January 2008. Deferred taxation for the six months ended 31st December 2007 and 2006 has been accounted for by applying the tax rates enacted or substantively enacted by the respective balance sheet dates.

In July 1999, a deed of tax indemnity was entered into between New World Development Company Limited ("NWD"), the ultimate holding company and the Company whereby the ultimate holding company undertakes to indemnify the Group in respect of, inter alia, certain PRC income tax ("IT") and land appreciation tax ("LAT") payable in consequence of the disposal of certain properties held by the Group as at 31st March 1999. During the period, tax indemnity amounting to HK\$254,259,000 (2006: HK\$64,357,000) was effected.

## 6. INTERIM DIVIDEND

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Interim dividend of HK\$0.04 (2006: HK\$0.02) per share	153,342	76,577

The directors have declared an interim dividend of HK\$0.04 per share. It will be payable on 9th May 2008 to shareholders whose names appear on the Register of Members of the Company on 18th April 2008.

## 7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share for the period is based on the following:

	<b>6 months ended 31st December</b>	
	<b>2007</b>	2006
	<b>HK\$'000</b>	HK\$'000
Profit attributable to equity holders of the Company used to determine basic earnings per share	<b>919,588</b>	406,473
Interest expense on convertible bonds	<b>39,664</b>	–
Profit used to determine diluted earnings per share	<b>959,252</b>	406,473

	<b>Number of shares</b>	
	<b>6 months ended 31st December</b>	
	<b>2007</b>	2006
Weighted average number of shares for calculating basic earnings per share	<b>3,832,614,694</b>	3,827,470,253
Effect of dilutive potential shares:		
Share options	<b>2,212,297</b>	1,480,872
Convertible bonds	<b>353,458,093</b>	–
Weighted average number of shares for calculating diluted earnings per share	<b>4,188,285,084</b>	3,828,951,125

## 8. CAPITAL EXPENDITURE

For the six months ended 31st December 2007, the Group acquired property, plant and equipment, investment properties and land use rights of HK\$257,848,000 (2006: HK\$155,975,000).

## 9. DEBTORS, DEPOSITS AND OTHER RECEIVABLES

Debtors, deposits and other receivables include trade debtors, utility and other deposits, interest and other receivables and prepayments for land cost and proposed development projects.

The ageing analysis of trade debtors is as follows:

	<b>As at</b>	As at
	<b>31st December</b>	30th June
	<b>2007</b>	2007
	<b>HK\$'000</b>	HK\$'000
0 to 30 days	<b>142,090</b>	185,800
31 to 60 days	<b>24,706</b>	77,494
61 to 90 days	<b>3,147</b>	4,423
Over 90 days	<b>108,664</b>	104,868
	<b>278,607</b>	372,585



# Notes to the Interim Financial Statements

## 9. DEBTORS, DEPOSITS AND OTHER RECEIVABLES *(continued)*

Sales proceed receivables in respect of sale of properties are settled in accordance with the instalment schedules as stipulated in the sale and purchase agreements. Monthly rental in respect of rental properties are payable in advance by tenants in accordance with the lease agreements. Monthly property management fees are payable in advance in accordance with the agreements.

## 10. SHARE CAPITAL

	<b>As at 31st December 2007 HK\$'000</b>	As at 30th June 2007 HK\$'000
Authorised:		
8,000,000,000 shares of HK\$0.1 each	<b>800,000</b>	800,000
Issued and fully paid:		
3,833,003,432 shares of HK\$0.1 each (30th June 2007: 3,830,365,632 shares of HK\$0.1 each)	<b>383,300</b>	383,036

Details of the movement in the issued share capital of the Company are summarised as follows:

	<b>Number of shares of HK\$0.1 each</b>	HK\$'000
At 1st July 2006	3,825,783,832	382,578
Exercise of share options	4,581,800	458
At 30th June 2007	3,830,365,632	383,036
Exercise of share options <i>(note(i))</i>	2,637,800	264
<b>At 31st December 2007</b>	<b>3,833,003,432</b>	<b>383,300</b>

- (i) Pursuant to the share option scheme adopted on 26th November 2002, the Company may grant options to executive directors and employees of the Company to subscribe for shares in the Company. The movements in the number of share options granted during the period and the balance outstanding at 31st December 2007 are as follows:

Date of offer to grant	Exercise price per share HK\$	Number of share options				At 31st December 2007
		At 1st July 2007	Granted during the period	Exercised during the period	Lapsed during the period	
3rd January 2003	1.212 <sup>(1)</sup>	124,200	–	–	–	124,200
12th May 2003	0.912 <sup>(1)</sup>	1,351,300	–	(1,140,400)	–	210,900
28th October 2003	1.650 <sup>(1)</sup>	69,000	–	(69,000)	–	–
25th March 2004	2.252 <sup>(1)</sup>	1,161,000	–	(96,800)	–	1,064,200
18th June 2004	1.650 <sup>(1)</sup>	209,600	–	(104,800)	–	104,800
4th November 2004	2.484 <sup>(1)</sup>	171,200	–	–	–	171,200
22nd December 2004	2.689 <sup>(1)</sup>	99,400	–	–	–	99,400
13th July 2005	2.300 <sup>(1)</sup>	448,800	–	(16,000)	(164,400)	268,400
13th July 2005	2.300 <sup>(2)</sup>	700,000	–	(700,000)	–	–
7th November 2005	2.620 <sup>(1)</sup>	29,600	–	(9,600)	–	20,000
28th March 2006	3.915 <sup>(1)</sup>	2,885,200	–	(292,000)	–	2,593,200
28th June 2006	2.865 <sup>(1)</sup>	705,600	–	(110,400)	(83,200)	512,000
17th October 2006	3.340 <sup>(1)</sup>	530,400	–	(16,000)	–	514,400
28th December 2006	4.712 <sup>(1)</sup>	1,063,600	–	(23,200)	–	1,040,400
19h March 2007	4.500 <sup>(1)</sup>	744,800	–	(9,600)	–	735,200
14th June 2007	6.710 <sup>(1)</sup>	1,408,400	564,000	(50,000)	–	1,922,400
17th October 2007	8.070 <sup>(1)</sup>	–	1,709,200	–	–	1,709,200
		11,702,100	2,273,200	(2,637,800)	(247,600)	11,089,900

Exercisable period:

- (1) On dates of grant, the share options are divided into 5 tranches and exercisable within a period of 5 years commencing on the expiry of one month after the dates on which the options were accepted.
- (2) On dates of grant, the share options are divided into 2 tranches and exercisable within a period of 2 years commencing on the expiry of one month after the dates on which the options were accepted.

## 11. LONG TERM BORROWINGS

	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000
Bank loans ( <i>note (i)</i> )		
Secured	1,496,654	1,547,906
Unsecured	2,716,226	3,113,524
Loans from fellow subsidiaries ( <i>note (ii)</i> )	2,843,907	2,834,846
Loans from minority shareholders ( <i>note (iii)</i> )	133,996	142,957
Advances from participating interest ( <i>note (iv)</i> )	867,617	704,610
Convertible bonds ( <i>note (v)</i> )	2,482,760	2,434,237
	<b>10,541,160</b>	10,778,080
Current portion included in current liabilities	<b>(1,165,890)</b>	(980,615)
	<b>9,375,270</b>	9,797,465

# Notes to the Interim Financial Statements

## 11. LONG TERM BORROWINGS *(continued)*

Notes:

- (i) The bank loans are repayable as follows:

	Secured		Unsecured		Total	
	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000
Within one year	317,923	239,814	393,617	265,306	711,540	505,120
Between one and two years	433,809	265,433	747,447	632,653	1,181,256	898,086
Between two and five years	631,447	920,210	1,575,162	2,215,565	2,206,609	3,135,775
After five years	113,475	122,449	–	–	113,475	122,449
	<b>1,496,654</b>	1,547,906	<b>2,716,226</b>	3,113,524	<b>4,212,880</b>	4,661,430

Included in bank loans of the Group is an amount of HK\$255,319,000 (30th June 2007: HK\$258,503,000) which is repayable by instalments up to December 2016 and has been on-lent to an associated company on the same terms of the bank loan.

- (ii) The loans from fellow subsidiaries are repayable as follows:

	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000
Within one year	454,350	475,494
Between one and two years	1,886,327	1,864,867
Between two and five years	503,230	494,485
	<b>2,843,907</b>	2,834,846

The loans from fellow subsidiaries are unsecured and bear interest at rates ranging from three months Hong Kong Interbank Offered Rate ("HIBOR") to 1.35% above London Interbank Offered Rate ("LIBOR") (30th June 2007: three months HIBOR to 1.35% above LIBOR) per annum.

- (iii) The loans from minority shareholders are unsecured, bear interest at 5% to 5.76% (30th June 2007: 5% to 5.85%) per annum and have repayment terms as specified in the joint venture contracts.
- (iv) The advances from participating interest, which is a fellow subsidiary, of certain property projects are unsecured, interest free and repayable in accordance with the terms as specified in the agreements entered into between the Group and the participating interest.
- (v) In June 2007, a subsidiary of the Company issued USD settled zero coupon guaranteed convertible bonds in the aggregate amount of RMB2,800,000,000, which are convertible into fully paid shares with par value of HK\$0.1 each of the Company.

The bonds, guaranteed by the Company, are convertible into shares of the Company at a conversion price of HK\$8.044 per share at any time on and after 26th June 2007 up to 26th May 2012, with the Renminbi principal amount of the bond translated into Hong Kong dollar at a fixed rate of HK\$1=RMB0.9848, subject to adjustments according to the terms governing the convertible bonds. The bonds are redeemable by the issuer at any time on or after 11th June 2010 at the option of the issuer, subject to the terms governing the convertible bonds. Moreover, the bondholders have the option to redeem all or some of the bonds held by them on 11th June 2010 at 102.27% of the principal amount. Unless previously redeemed, converted or purchased and cancelled, the bonds will be redeemed on the maturity date on 11th June 2012 at 103.81% of the principal amount.

Up to 31st December 2007, there was no conversion or redemption of the convertible bonds (30th June 2007: Nil).

## 12. LONG TERM PAYABLE

Long term payable is repayable as follows:

	<b>As at 31st December 2007 HK\$'000</b>	As at 30th June 2007 HK\$'000
Within one year	–	132,898

## 13. CREDITORS AND ACCRUALS

Creditors and accruals include trade creditors, retention payables of construction costs, other payables and various accruals. The ageing analysis of trade creditors is as follows:

	<b>As at 31st December 2007 HK\$'000</b>	As at 30th June 2007 HK\$'000
0 to 30 days	<b>159,301</b>	89,988
31 to 60 days	<b>112</b>	9,655
61 to 90 days	–	4,463
Over 90 days	<b>1,088,301</b>	826,165
	<b>1,247,714</b>	930,271

## 14. AMOUNTS DUE TO MINORITY SHAREHOLDERS

The amounts due to minority shareholders are unsecured, interest free and repayable on demand.

## 15. GUARANTEES

### (i) Corporate guarantees for banking facilities

The Group has corporate guarantees of approximately HK\$2,590,326,000 (30th June 2007: HK\$2,535,903,000) given in respect of bank loan facilities extended to certain associated companies and jointly controlled entities. As at 31st December 2007, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the associated companies and jointly controlled entities was approximately HK\$1,898,438,000 (30th June 2007: HK\$1,869,522,000).

### (ii) Guarantees in respect of mortgage facilities

As at 31st December 2007, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group and the outstanding mortgage loans under these guarantees amounted to HK\$526,374,000 (30th June 2007: HK\$398,402,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

# Notes to the Interim Financial Statements

## 16. COMMITMENTS

### Capital expenditure commitments

(a) The capital expenditure commitments of the Group are as follows:

	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000
Authorised but not contracted for		
Purchase consideration for a proposed development project	108,000	108,000
Contracted but not provided for		
Property, plant and equipment	5,125	5,775
Purchase consideration for proposed development projects	37,553	35,816
	<b>42,678</b>	41,591
	<b>150,678</b>	149,591

(b) The Group did not have any share of capital commitments of the jointly controlled entities (30th June 2007: Nil).

## 17. RELATED PARTY TRANSACTIONS

(i) Transactions with related parties

The following is a summary of significant related party transactions carried out by the Group during the period in the normal course of its business:

	6 months ended 31st December 2007 HK\$'000	2006 HK\$'000
Interest expense on loans from fellow subsidiaries	55,804	50,872
Rental expense for leased premises to fellow subsidiaries	3,334	2,116
Rental expense for leased premises to associated companies	16,949	15,196
Property agency fee paid to a fellow subsidiary	4,228	2,388
Interest income from jointly controlled entities	402,066	15,520
Estate management fee income from fellow subsidiaries and jointly controlled entities	28,596	15,001
Rental income from fellow subsidiaries	39,606	30,164
Rental income from an associated company	3,125	3,137

These related party transactions were in accordance with the terms as disclosed in the 2007 annual financial statements.

(ii) Total fees for the provision of project management, construction and engineering consultancy services in respect of certain of the Group's property projects and payable to certain fellow subsidiaries amounted to HK\$184,533,000 for the period (2006: HK\$47,990,000). Such fees are charged at fixed amounts in accordance with the terms of the respective contracts.

(iii) A deed of tax indemnity was entered into between the ultimate holding company and the Company whereby the ultimate holding company undertakes to indemnify the Group in respect of IT and LAT payable in consequence of the disposal of certain properties. During the period, tax indemnity amounting to HK\$254,259,000 (2006: HK\$64,357,000) was effected.

## CONTINUING OBLIGATIONS UNDER CHAPTER 13 OF THE LISTING RULES

### (A) Advances and guarantees to entities

In accordance with the requirements under rule 13.20 of the Listing Rules, the directors of the Company reported that none of the entities of which the Group made advances and guarantees individually exceeded 8% of the Company's total asset value as at 31st December 2007.

### (B) Financial assistance and guarantees to affiliated companies

As at 31st December 2007, the Group had made loans and advances totalling HK\$8,796,971,000 to affiliated companies, guaranteed bank loans and other borrowing facilities for the benefit of affiliated companies in the amount of HK\$2,590,326,000. These amounts in aggregate exceed 8% of the Company's total asset value as at 31st December 2007. In accordance with the requirement under rule 13.22 of the Listing Rules, a proforma combined balance sheet of those affiliated companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31st December 2007 are presented below:

	<b>Proforma combined balance sheet</b> HK\$'000	<b>Group's attributable interests</b> HK\$'000
Non-current assets	15,207,047	9,068,659
Current assets	18,815,501	15,531,981
Current liabilities	(9,731,963)	(6,252,708)
Non-current liabilities	(6,285,134)	(3,945,835)
Shareholders' loans and advances	(9,419,759)	(8,796,971)
	8,585,692	5,605,126

### (C) Banking facilities with covenants relating to specific performance of the controlling shareholder

In accordance with the requirements under rule 13.21 of the Listing Rules, the directors of the Company reported below details of loan facilities, which exist at any time during the period and include conditions relating to specific performance of the controlling shareholder of the Company.

On 8th June 2006, New World China Land Investments Company Limited, a wholly-owned subsidiary, was granted a 3-year term loan facility of RMB300,000,000 to finance the capital investment in its property projects in the PRC. On 30th October 2007 and 28th December 2007, New World China Finance (BVI) Limited and Superb Wealthy Group Limited, wholly-owned subsidiaries, were granted 5-year term/revolving loan facilities of HK\$2,700,000,000 and HK\$300,000,000, respectively to finance the general working capital requirement of the Company and its subsidiaries.

On 3rd April 2006, 12th June 2006 and 13th June 2006, the Company was granted loan facilities of up to HK\$300,000,000, HK\$800,000,000 and HK\$300,000,000, respectively for a term of 3 to 4 years, to fund the general corporate funding requirement of the Company and its subsidiaries, including refinancing the Company's existing loans.

Upon the granting of the above loan facilities, the Company undertook to the lenders that New World Development Company Limited would retain an interest of at least 51% in the issued share capital of the Company, or would maintain 51% of the voting rights attached to the issued share capital of the Company throughout the terms of the facilities. Failure to perform the undertaking will constitute an event of default. If the event of default continues and has not been waived by the lenders, the outstanding liability under the loan facilities will become immediately due and payable and the loan facilities will be terminated.

As at 31st December 2007, the loans drawn under the loan facility granted to the Company on 3rd April 2006 amounting to HK\$300,000,000 were fully repaid.

## INTERIM DIVIDEND

The directors have declared an interim dividend of HK\$0.04 per share (2006: HK\$0.02 per share) for the six months ended 31st December 2007. It will be payable on 9th May 2008 to shareholders whose names appear on the Register of Members of the Company on 18th April 2008.

## CLOSURE OF REGISTER OF MEMBERS

The register of members will be closed from Wednesday, 16th April 2008 to Friday, 18th April 2008 (both days inclusive). In order to establish entitlements to the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 15th April 2008.

## AUDIT COMMITTEE

Audit committee was established in accordance with requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee consists of three independent non-executive directors of the Company. The audit committee has reviewed the unaudited interim financial statements and discussed the financial related matters with management. At the request of directors, the Group's external auditors have carried out a review of the interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

## CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code of Corporate Governance Practices contained in Appendix 14 of the Listing Rules during the six months ended 31st December 2007, except for the following derivations:

### Code provision A.2.1

The code provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. Cheng Kar-shun, Henry acts as the Chairman and Management Director of the Company. He is responsible for effective running of the board and formulating business strategies. He also provides leadership for effective running of the Company's business and implementing the policies devised by the board. The board believes that Dr. Cheng Kar Shun, Henry, in his dual capacity as the Chairman and Managing Director of the Company, will provide strong and consistent leadership for the development of the Group.

### Code provision A.5.4

The code provision A.5.4 provides that there should be written guidelines on no less exacting terms than the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules for relevant employees in respect of their dealing in the securities of the issuer.

The Company has not established guideline for employees as required under the code provision, instead, the relevant provisions for insider dealing as set out in the Securities and Futures Ordinance have been included in the in-house "Human Resources & Administration Manual" so that the employees are reminded of their obligation under the Ordinance.

### Code provision E.1.2

The code provision E.1.2 provides (among other things) that the chairman of the board should attend the annual general meeting.

Dr. Cheng Kar-shun, Henry, the Chairman of the Board, did not attend the annual general meeting of the Company held on 27th November 2007 (the "Meeting") as he had another business engagement. Mr. Cheng Chi-kong, Adrian, who took the chair of the Meeting, together with other members of the Board and the Audit and Remuneration Committees who attended the Meeting, were of sufficient calibre and number for answering questions at the Meeting.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) in Appendix 10 of the Listing Rules as the code of conduct regarding directors’ securities transactions. The Company has confirmed with the directors that they have complied with the standard set out in the Model Code during the period under review.

## EMPLOYEES AND REMUNERATION POLICY

As at 31st December 2007, the Group has 3,732 full-time employees. Total staff related costs incurred during the period under review were HK\$109.6 million (2006: HK\$93.0 million), of which retirement benefits was included. Remuneration of employees is reviewed annually based on assessment of individual performance. Discretionary year-end bonus was paid to employees based on individual performance.

## MAJOR ACQUISITION OR DISPOSAL

There was no major acquisition or disposal undertaken by the Group during the period under review.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed shares.

On behalf of the Board

**Dr. Cheng Kar-shun, Henry**

*Chairman and Managing Director*

Hong Kong, 18th March 2008



# Corporate Information

<b>Chairman and Managing Director</b>	Dr. Cheng Kar-shun, Henry
<b>Vice-chairman</b>	Mr. Doo Wai-hoi, William
<b>Executive Directors</b>	Mr. Cheng Kar-shing, Peter Mr. Cheng Chi-kong, Adrian Mr. Leung Chi-kin, Stewart Mr. Chow Kwai-cheung Mr. Chow Yu-chun, Alexander Mr. Fong Shing-kwong, Michael Ms. Ngan Man-ying, Lynda
<b>Non-executive Director</b>	Mr. Fu Sze-shing
<b>Independent Non-executive Directors</b>	Mr. Cheng Wai-chee, Christopher Mr. Tien Pei-chun, James Mr. Lee Luen-wai, John
<b>Company Secretary</b>	Ms. Ngan Man-ying, Lynda
<b>Qualified Accountant</b>	Ms. Ngan Man-ying, Lynda
<b>Auditors</b>	PricewaterhouseCoopers
<b>Principal Bankers</b>	Hang Seng Bank Limited Bank of China (Hong Kong) Limited The Bank of East Asia, Limited Industrial and Commercial Bank of China (Asia) Limited China Merchants Bank Co., Ltd.
<b>Share Registrar and Transfer Office</b>	Tricor Standard Limited 26/F., Tesbury Centre 28 Queen's Road East Hong Kong
<b>Head Office</b>	9/F., New World Tower 1 18 Queen's Road Central Hong Kong
<b>Stock Code</b>	Hong Kong Stock Exchange 00917
<b>Investor Information</b>	For more information about the Group, please contact the Corporate Communications Department at: New World China Land Limited 9/F., New World Tower 1 18 Queen's Road Central Hong Kong Tel: (852) 2131 0201 Fax: (852) 2131 0216 Email: enquiry@nwcl.com.hk
<b>Website</b>	www.nwcl.com.hk



## **New World China Land Limited**

(incorporated in the Cayman Islands with limited liability)

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