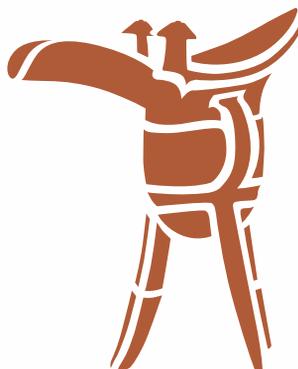
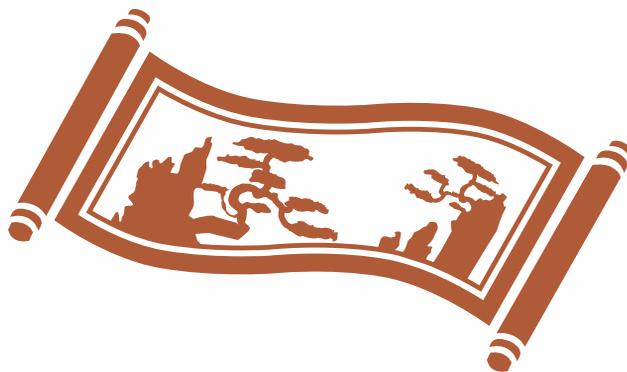
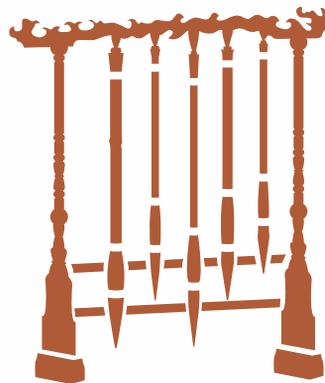




New World China Land Limited

(Stock Code: 00917)



Interim Report 2011/2012

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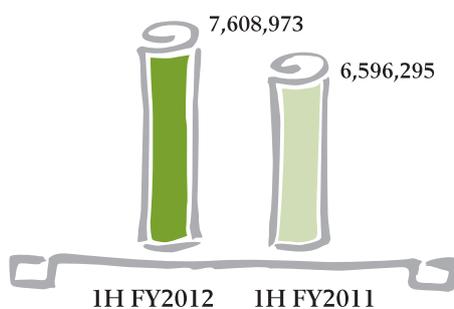
# Financial Highlights

Operating Result (HK\$'000)	6 months ended 31st December	
	2011	2010
<b>Revenues</b>		
Company and subsidiaries	<b>7,090,290</b>	5,927,806
Share of associated companies and jointly controlled entities (note 1)	<b>518,683</b>	668,489
	<b>7,608,973</b>	6,596,295
<b>Representing:</b>		
Sale of properties	<b>5,837,252</b>	5,795,790
Income from land preparatory work	<b>723,795</b>	—
Rental income	<b>494,171</b>	428,026
Income from hotel operation	<b>265,084</b>	273,791
Property management services fee income	<b>92,514</b>	88,112
Hotel management services fee income	<b>196,157</b>	10,576
	<b>7,608,973</b>	6,596,295
<b>Gross Profit</b>		
Company and subsidiaries	<b>3,459,917</b>	2,099,408
Share of associated companies and jointly controlled entities (note 2)	<b>299,622</b>	286,857
	<b>3,759,539</b>	2,386,265
<b>Profit attributable to equity holders of the Company</b>	<b>1,803,722</b>	1,508,400
<b>Earnings per share (HK cents)</b>		
Basic	<b>31.13</b>	25.22
Diluted	<b>30.85</b>	25.08
<b>Interim dividend per share (HK cents)</b>	<b>3.00</b>	3.00
<b>Financial Position (HK\$'million)</b>	<b>As at 31st December 2011</b>	<b>As at 30th June 2011</b>
Cash and bank balances	<b>10,864.3</b>	10,650.7
Total assets	<b>88,293.7</b>	79,534.9
Total liabilities	<b>37,952.2</b>	35,486.1
Capital and reserves attributable to the Company's equity holders	<b>47,689.7</b>	41,694.2
<b>Financial Ratios</b>		
Current ratio (times)	<b>2.14</b>	2.10
Net debt to equity ratio	<b>23.0%</b>	23.3%

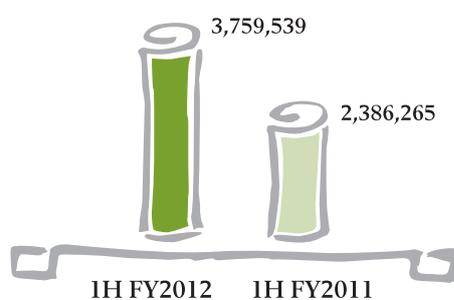
Note 1: It represents attributable share of revenues of associated companies and jointly controlled entities to the Group.

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

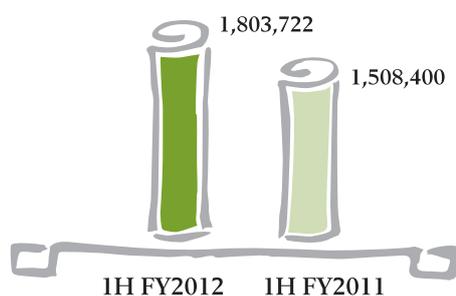
REVENUES (note 1)  
(HK\$'000)



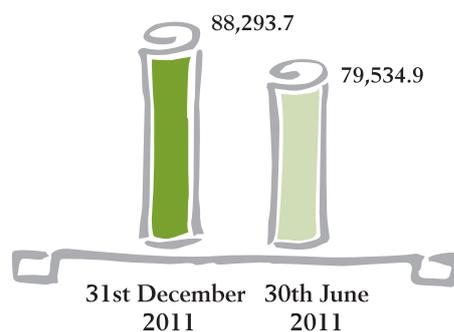
GROSS PROFIT (note 2)  
(HK\$'000)



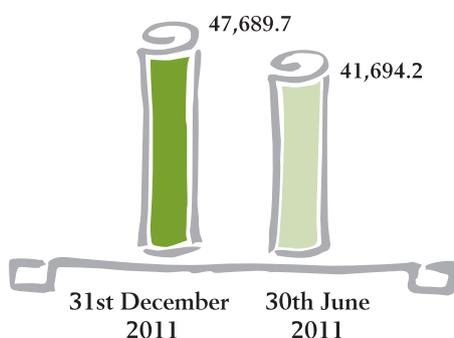
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS  
OF THE COMPANY  
(HK\$'000)



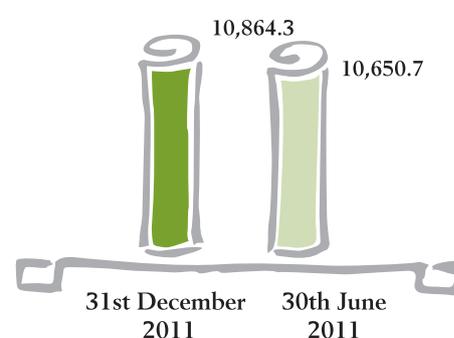
TOTAL ASSETS  
(HK\$'million)



CAPITAL AND RESERVES ATTRIBUTABLE TO  
THE COMPANY'S EQUITY HOLDERS  
(HK\$'million)



CASH AND BANK BALANCES  
(HK\$'million)



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

# Chairman's Statement

To Shareholders,

In 1H FY2012, NWCL recorded a net profit of HK\$1,803.7 million, representing a 20% year-on-year increase. The Group's attributable operating profit from property sales operation rose 49% year-on-year to HK\$2,701.6 million. In addition, continuous improvement in overall property sales gross profit margin had achieved in 1H FY2012, with 20 percentage points growth year-on-year to 57%.

2011 was a challenging year for the global economy. Future outlook will be unpredictable given the combined effect of factors including the lack of growth momentum for developed economies with US playing a leading role, the lingering European sovereign debt issue, gradual slowdown of growth of emerging economies, political and social unrest in the Middle East area and the upcoming presidential elections of leading nations, US and Russia. The World Bank Group warned of the possibility of a global financial crisis being triggered if the European sovereign debt crisis worsens.

Stable economic growth of China has been hindered by a number of internal and external factors, including decreasing export demand as a result of slowdown in global trade, medium to long-term inflationary pressures, tightened liquidity for some small to medium-sized enterprises and difficult production and operating environment ahead, which have posed increasing challenges to maintaining steady economic growth. However, China managed to achieve steady economic growth in 2011 amidst the worsening international financial problems.

In 2011, China's economy grew by 9.2%, annual fixed asset investment grew by 23.8%, retail sales of consumer goods grew by 17.1% and commodity price inflation was controlled at 5.4%. Overall performance was generally in line with anticipated regulation results. The property market is moving towards healthy, orderly and steady development as reflected by the actual growth of 20% in real estate investment (excluding price factor) and growth of 4.9% in saleable area of commodity housing. In addition, speculative housing demand being effectively curbed and inelastic demand and housing demand of the underprivileged being secured have, on one side, proved initial success of austerity measures on the property market and, on the other side, showed that the real estate sector continues to serve as a driving momentum to China's economic development. Overall, China is on the track of steady economic growth with the lowest debt level among the world. According to most economists, although huge efforts are to be made given the current situation, China's economy is poised for a soft landing.

At present, country leaders and professional institutions are working on the current economic problems. The US Federal Reserve continues to keep interest rate low with a view to stimulating economic growth, while the eurozone is considering feasible measures such as tightening policies and sharing the burden of sovereign debt of its countries. Being the world's second largest economy, China will continue to exert its influence. At the recent Central Economic Work Conference, the Central Government has raised the clear objectives of "steady growth, structural adjustment, improvement of people's livelihood and social stability", which will be achieved through fine-tuning of monetary policies at appropriate time and to a moderate degree based on the actual economic situation, strengthening expansion of domestic consumption and consumer demand, actively facilitating trade balance and implementing macroeconomic measures with focus on precautions to potential risks arising in the course of economic development.

In face of the challenges ahead, the Group will "hope for the best but prepare for the worst" in 2012. Keeping an eye on the risks to our operations, the Group will stay vigilant, run our Mainland China operations in a prudently optimistic manner and appropriately adjust our plan on an ongoing basis in a bid to maximise the benefit of stakeholders of the Group.

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

*Chairman and Managing Director*

Hong Kong, 29th February 2012

# Management Discussion and Analysis

## Business Review

In the year of 2011, the global economic overshadowed with complicated effect from the threat of euro-zone sovereign debt crisis worsening, US economy recovery remain slow with political instability in the Middle East and North Africa escalating. Despite the uncertain global economic situation, the Chinese economy performed well in the year 2011 with gross domestic product registered at 9.2% year-on-year increase reaching RMB47.16 trillion. The growth rate was 1.1 percentage point lower than that registered last year. In 2011, the Central Government maintained its prudent macro policies and various tightening measures on property market introduced since April 2010 in an effort to suppress speculative demands and to contain inflation, while at the same time support a balanced economic growth for the country.

While the China economy sustained a growth as a whole, with the continuing enforcement of the tight credit policy and restrictions on home purchases throughout the year, the China property market has inevitably slowed down in the fourth quarter of 2011, particularly in the residential market. Total transacted area of primary residential properties in 20 major cities had witnessed a drop of 6.4% quarter-on-quarter or a significant decline of 45.4% year-on-year in the fourth quarter of 2011. However, sale of the less restricted commercial market was not affected by the home purchase restriction and related mortgage policies.

The Group's secured contracted sales during the six months ended 31st December 2011 dropped by 40% to gross floor area ("GFA") of 309,910 sq. m. and gross sale proceeds decreased by 32% to RMB4.209 billion compared to contracted sales secured in the corresponding period last year. The decrease in sales volume reflected the intermittent slowdown in contracted sales resulted from home purchase restrictions, property price-cap policies and tight home mortgage policy. Included in the remaining contracted sales to be recorded, approximately 280,000 sq. m. GFA with gross sales proceeds of approximately RMB3.3 billion are for those projects scheduled to be completed within the next six months and their corresponding sales revenues shall be recorded in the consolidated income statement of the second half of FY2012.

For the six months ended 31st December 2011, the Group recorded a profit attributable to shareholders of HK\$1.804 billion which represents a year-on-year increase of 20% from HK\$1.508 billion achieved in the first half of FY2011. The Group's attributable operating profit ("AOP") before finance costs and taxation charges during the first half of FY2012 recorded at HK\$2.831 billion, an increase of 42% from HK\$1.984 billion recorded in the corresponding period last year. The increase in AOP was mainly attributable to the increase in operating results from sale of properties despite a decrease in recorded sale volume due to both decrease in completion of property projects and the adverse impact of austerity measures. The adverse sale volume effect was mitigated by the increase in overall gross profit margin driven by the sale of a high-end property project in Guangzhou and sales of less restricted commercial properties which produced higher gross profit margin.

# Management Discussion and Analysis

## Analysis of Attributable operating profit

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Property sales	2,701,621	1,815,341
Rental operation	202,607	213,820
Hotel operation	(53,757)	(20,590)
Property management services	(20,201)	(7,541)
Hotel management services	(2,255)	(19,875)
Other operations	2,801	3,045
AOP before finance costs and taxation charge	2,830,816	1,984,200
Finance costs — project loans	(110,113)	(93,090)
Corporate income tax and land appreciation tax, net of tax indemnity	(1,376,655)	(601,649)
AOP after finance costs and taxation charge	1,344,048	1,289,461
Net foreign exchange gains	201,280	237,345
Deferred tax credit/(charges) on undistributed profits	22,353	(27,012)
Bank and other interest income — corporate	3,990	3,827
Finance costs — corporate loans	(38,360)	(23,055)
Corporate administrative expenses	(115,614)	(98,364)
AOP after corporate items	1,417,697	1,382,202
Changes in fair value of investment properties, net of deferred taxation	403,477	124,930
Amortisation of intangible assets	(17,452)	—
Gain on repurchase of convertible bonds	—	1,268
	386,025	126,198
Profit attributable to equity holders of the Company	1,803,722	1,508,400

## Property sales

During the six months ended 31st December 2011, the Group's AOP from property sales operation rose 49% from an AOP of HK\$1,815.34 million achieved in the first half of FY2011 to HK\$2,701.62 million. While the AOP from property sales increase, the overall property sales volume of the Group recorded a decrease in GFA of 58% to 262,779 sq. m. with gross sale proceeds registered at approximately RMB4.958 billion. The decrease in property sales volume was mainly due to the decrease in completion of projects from 754,970 sq. m. in the first half of FY2011 to 184,605 sq. m. in the first half of FY2012. Nonetheless, this negative impact was mitigated by the increased in overall gross profit margin during the period under review.

The Group's overall gross profit margin achieved during the period under review had improved further to 57% from a gross profit margin of 37% achieved in the first half of FY2011 mainly due to difference in sale mix of both periods. Included in the property sale revenue for the six months ended 31st December 2011 were sales of a high-end property project in Guangzhou Central Park-view and sales of commercial properties which attracted higher gross profit margin.

In the first half of FY2012, the Group has completed three property development projects in Guangzhou and Zhaoqing with a total GFA of 184,605 sq. m., dropped 76% comparing from that of first half of FY2011.

Development property projects completed in 1H FY2012	Usage	Total GFA (sq. m.)	NWCL's interest
Guangzhou Park Paradise Phase II E (廣州嶺南新世界二期E)	R, C, P	45,390	100%
Guangzhou Central Park-view Phase II (廣州凱旋新世界二期)	R	57,419	91%
Zhaoqing New World Garden Phase III (肇慶新世界花園第三期)	R, C, P	81,796	100%
<b>Total</b>		<b>184,605</b>	

R: Residential

C: Commercial

P: Carpark

In the second half of FY2012, the Group plans to complete eight projects with a total GFA of 819,047 sq. m..

Properties to be completed in 2H FY2012	Usage	Total GFA (sq. m.)	NWCL's interest
Wuhan Guanggu New World Centre Phase I (武漢光谷新世界中心一期)	R	137,434	100%
Wuhan Changqing Garden Phase VII (武漢常青花園七期)	R, C, P	52,591	60%
Wuhan Menghu Garden Phase III (武漢夢湖香郡三期)	R	25,633	100%
Changsha La Ville New World Phase IIB (長沙新城新世界二期B)	R, P	121,563	48%
Chengdu New World Riverside Phase I (成都河畔新世界一期)	R	142,895	30%
Guiyang Jinyang Sunny Town Phase I (貴陽金陽新世界一期)	R, C, P	246,541	50%
Guangzhou Central Park-view Phase II (廣州凱旋新世界二期)	R, P	65,570	91%
Guangzhou Park Paradise Phase IV (廣州嶺南新世界四期)	R, P	26,820	100%
<b>Total</b>		<b>819,047</b>	

# Management Discussion and Analysis

## Rental operation

During the six months ended 31st December 2011, the Group's rental operation recorded an AOP of HK\$202.607 million, representing a 5% decrease compared to the first half of FY2011. The decrease in AOP from rental operation was mainly due to reduced rental contribution from Shanghai Hong Kong New World Tower resulted from closure of shopping arcade for massive renovation during the period and decrease in monthly rental rates of office tower upon renewal of tenancy. The pre-matured operating results of Beijing Baoding Tower shopping mall and the Galleria, Dalian also led to the decrease in AOP from rental operation of the period under review.

## Hotel operation

During the six months ended 31st December 2011, the AOP from hotel operation recorded at a loss of HK\$53.757 million as opposed to a loss of HK\$20.590 million recorded in the corresponding period last year. The decrease in overall AOP from hotel operation was mainly due to decrease in room rate and occupancy rate of New World Shanghai Hotel comparing to the corresponding period last year which was boosted by the unprecedented demand from The Shanghai Expo.

The Group's hotel portfolio currently comprises seven hotels with 2,538 rooms.

Hotel portfolio	Number of rooms
pentahotel Beijing (北京貝爾特酒店)	299
New World Shanghai Hotel (上海巴黎春天新世界酒店)	605
pentahotel Shanghai (上海貝爾特酒店)	259
New World Shenyang Hotel (瀋陽新世界酒店)	258
New World Dalian Hotel (大連新世界酒店)	420
New World Wuhan Hotel (武漢新世界酒店)	327
New World Shunde Hotel (順德新世界酒店)	370
<b>Total</b>	<b>2,538</b>

## Hotel management services

During the six months ended 31st December 2011, the AOP from hotel management services recorded at a loss of HK\$2.255 million as opposed to a loss of HK\$19.875 million in the corresponding period last year. The increase in AOP from hotel management services was attributable to the increase in hotel management services fee income due to acquisition of Rosewood Hotels and Resorts Group during the period and also securing new hotel management contracts and technical service contracts, amongst other, Chancery Court Hotel London, New World Saigon Hotel and 2 MacDonnell Road Hostel during the period.

## Liquidity and Capital Resources

As at 31st December 2011, the Group's cash and bank deposits amounted to HK\$10,864 million (30th June 2011: HK\$10,651 million). During the six months ended 31st December 2011, the Company issued 2,881,306,455 shares of HK\$0.10 each at HK\$1.49 per rights share by way of rights issue on the basis of one rights share for every existing two shares. The net proceed will be used for general working capital of the Group.

The Group's consolidated net debt (aggregate of borrowings, net of cash and bank balances) amounted to HK\$11,595 million (30th June 2011: HK\$10,253 million), translating into a gearing ratio of 23% (30th June 2011: 23%). 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 2011 totalled HK\$20,577 million (30th June 2011: HK\$19,110 million) of which 23% were secured by way of charges over assets and 77% 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 2011 HK\$'million</b>	As at 30th June 2011 HK\$'million
Repayable:		
Within one year	<b>6,473</b>	6,753
Between one and two years	<b>2,768</b>	4,110
Between two and five years	<b>8,929</b>	6,086
Over five years	<b>2,407</b>	2,161
<b>Total</b>	<b>20,577</b>	19,110

As at 31st December 2011, the Group's committed unutilised bank loan facilities amounted to HK\$4,137 million (30th June 2011: HK\$5,821 million).

## Capital expenditure commitments

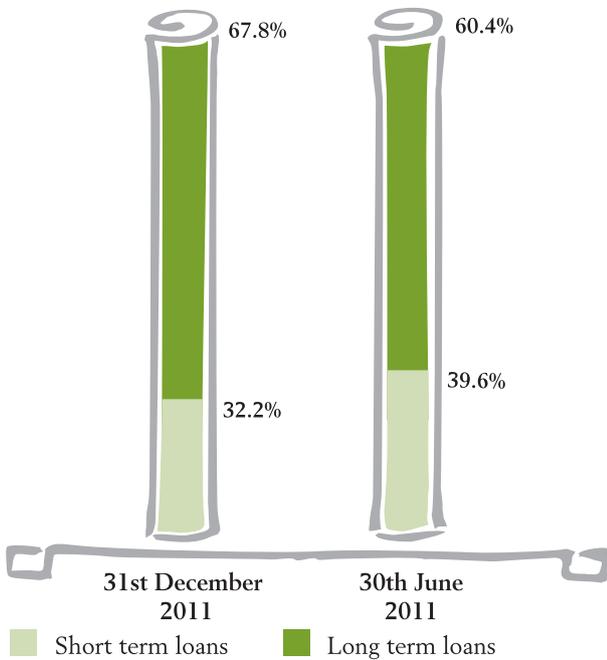
The capital expenditure commitments of the Group as at 31st December 2011 were HK\$1,239,458,000 (30th June 2011: HK\$2,271,422,000) of which HK\$881,650,000 (30th June 2011: HK\$2,163,422,000) were contracted but not provided for in the financial statements and HK\$357,808,000 (30th June 2011: HK\$108,000,000) were authorised but not contracted for. The Group's share of capital expenditure commitments of a jointly controlled entity amounted to HK\$148,833,000 (30th June 2011: HK\$229,597,000). The sources of funding for capital commitments are internally generated resources and bank loan facilities.

## Foreign currency exposure

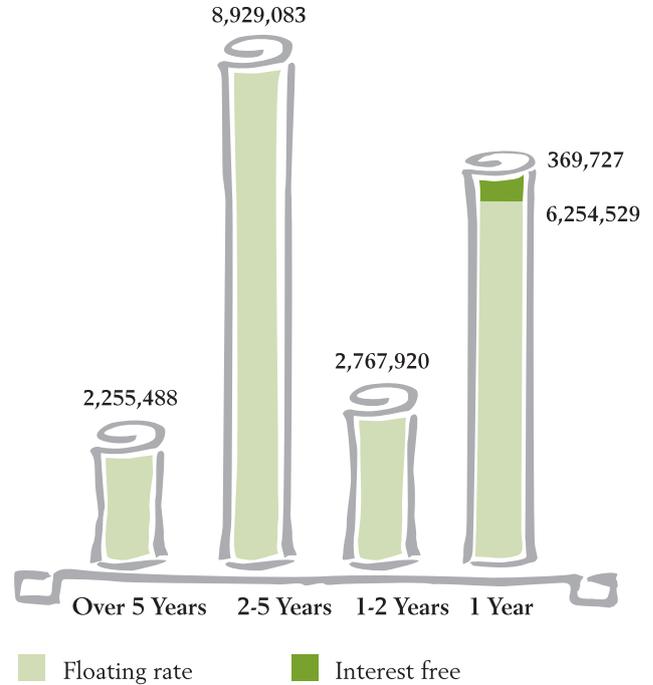
The Group conducts its business mainly in Renminbi. Other than certain bank balances and borrowings denominated in Hong Kong dollar and United States dollar, the Group does not have any material direct exposure to foreign exchange fluctuations. During the period under review, the Group has not used any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

# Management Discussion and Analysis

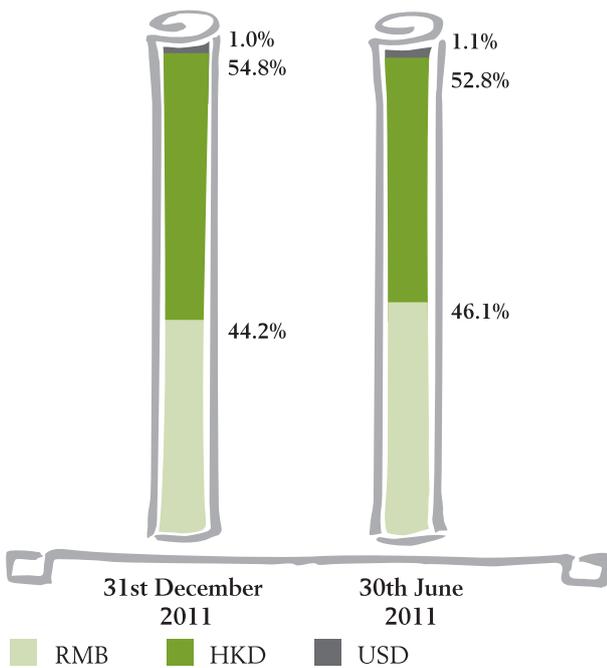
## SOURCE OF BORROWINGS



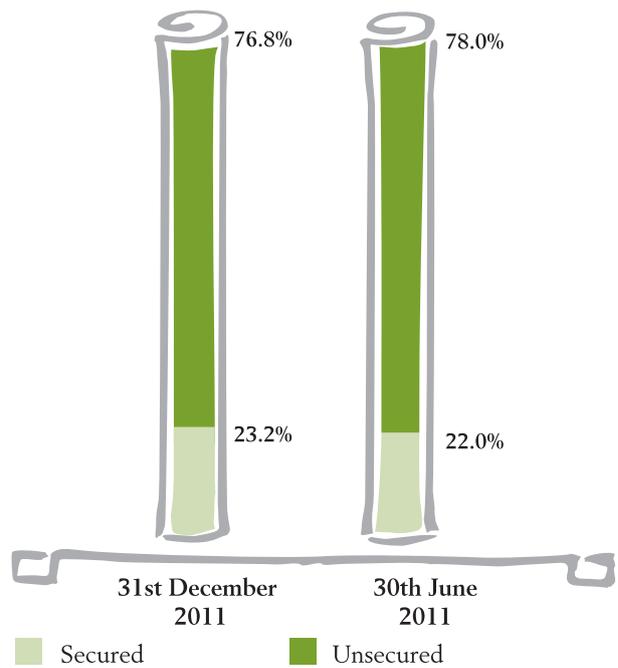
## INTEREST RATE AND MATURITY PROFILE (HK'000)



## CURRENCY PROFILE OF BORROWINGS



## NATURE OF DEBT



## Contingent Liabilities

As at 31st December 2011, the Group has contingent liabilities of approximately HK\$1,917,801,000 (30th June 2011: HK\$2,254,955,000) relating to corporate guarantees given in respect of bank loan facilities extended to certain jointly controlled entities.

As at 31st December 2011, 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 Group's attributable portion of outstanding mortgage loans under these guarantees amounted to HK\$1,308,316,000 (30th June 2011: HK\$1,158,962,000).

## Details of Charges on Group's Assets

As at 31st December 2011, the Group's property, plant and equipment, investment properties, land use rights, properties held for development, properties under development and bank deposits of HK\$447,010,000 (30th June 2011: HK\$461,162,000), HK\$4,837,746,000 (30th June 2011: HK\$4,527,171,000), HK\$239,041,000 (30th June 2011: HK\$239,538,000), HK\$973,226,000 (30th June 2011: HK\$1,067,140,000), HK\$3,474,934,000 (30th June 2011: HK\$2,395,669,000) and HK\$9,946,000 (30th June 2011: HK\$10,355,000) respectively have been pledged as securities for short term and long term bank borrowings.

## Major Acquisition or Disposal

In July 2011, the Group acquired 100% interest in Rosewood Hotels and Resorts, L.L.C. ("Rosewood") and the intellectual property rights of "Carlyle", a hotel brand, for a consideration of HK\$2,049,329,000. The acquisition was completed on 29th July 2011 and Rosewood became a wholly owned subsidiary of the Group.

## Employees and Remuneration Policy

As at 31st December 2011, the Group has 6,260 full-time employees. Total staff related costs incurred during the period under review were HK\$248 million (2010: HK\$173 million), of which retirement benefits were 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.

# Management Discussion and Analysis

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## Outlook

In response to domestic and international market ups and downs, a number of austerity measures have been rolled out by the Central Government in 2011 for tightening market liquidity and curbing speculation and thus alleviating the inflation brought by the possibly overheating economy. In particular, the Central Government sought to achieve the objective of “Housing for All” by furthering austerity measures on property markets in certain cities and continuously investing in the development of public rental housing. Such policies have taken initial effects resulting in effective suppression on speculative housing demand in certain overheated first tier cities. Overall, the property market has shown a healthy, orderly and steady development. The concrete demand of general public and housing demand of the underprivileged are expected to be gradually satisfied.

In regard to the ever-changing environment, the Central Government and local governments are expected to adjust austerity measures from time to time. With a view to ensuring stable market development, local governments are currently reviewing work plans for the year and formulating reasonable growth targets for property prices according to actual situations of their local economies. For the domestic property market, greater development potential were seen in second and third tier cities, where property prices are at relatively healthy level, economic development is rapid, room for population growth is ample and urban redevelopment projects have created strong concrete demand for housing.

Taking its pioneer steps as early as 2006, the Group has diversified its geographic coverage in cities of different tiers in Mainland China. At present, NWCL has total land bank held for property development of approximately 26 million sq. m. spreading across over 20 major hubs in Mainland China, among which over 70% of residential GFA locates in second and third tier cities. These projects, most of which are situated at locations with vast development potential in such cities, are making increasing profit contributions to the Group’s property sales, with satisfactory increase in overall gross profit. Looking forward, the Group will continue to adhere to the notion of diversified property development and continue to launch high-end and quality products suiting the general public. By such dual development, we will be able to satisfy the requirements of home purchasers in the market.

Austerity measures on the property market are anticipated to continue with a view to expediting market consolidation and ensuring long term, healthy and steady development of the market. The Group will closely monitor the overall market trend at home and abroad, and be ready to expand its Mainland China operations in a prudent manner.

By order of the Board

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

*Chairman and Managing Director*

Hong Kong, 29th February 2012

# Independent Auditor's Review Report



羅兵咸永道

**TO THE BOARD OF DIRECTORS OF NEW WORLD CHINA LAND LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

## Introduction

We have reviewed the interim financial information set out on pages 14 to 37, which comprises the condensed consolidated statement of financial position of New World China Land Limited (the "Company") and its subsidiaries (together, the "Group") as at 31st December 2011 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

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

**PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 29th February 2012

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong*  
*T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

# Condensed Consolidated Income Statement

For the six months ended 31st December 2011

	Note	Unaudited 6 months ended 31st December	
		2011 HK\$'000	2010 HK\$'000
Revenues	2	<b>7,090,290</b>	5,927,806
Cost of sales		<b>(3,630,373)</b>	(3,828,398)
Gross profit		<b>3,459,917</b>	2,099,408
Other income	3	<b>420,346</b>	324,848
Other gains, net	4	<b>218,577</b>	248,816
Changes in fair value of investment properties		<b>375,718</b>	255,210
Selling expenses		<b>(202,735)</b>	(114,419)
Administrative expenses		<b>(71,651)</b>	(49,580)
Other operating expenses		<b>(615,114)</b>	(416,981)
Operating profit before finance costs	5	<b>3,585,058</b>	2,347,302
Finance costs		<b>(159,346)</b>	(102,107)
Share of results of			
Associated companies		<b>18,783</b>	17,641
Jointly controlled entities		<b>143,336</b>	71,059
Profit before taxation		<b>3,587,831</b>	2,333,895
Taxation charge	6	<b>(1,655,135)</b>	(771,935)
Profit for the period		<b>1,932,696</b>	1,561,960
Attributable to:			
Equity holders of the Company		<b>1,803,722</b>	1,508,400
Non-controlling interests		<b>128,974</b>	53,560
		<b>1,932,696</b>	1,561,960
Earnings per share	7		
Basic		<b>31.13 cents</b>	25.22 cents
Diluted		<b>30.85 cents</b>	25.08 cents
Interim dividend	8	<b>259,357</b>	172,847
Interim dividend per share	8	<b>3.00 cents</b>	3.00 cents

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31st December 2011

	Unaudited	
	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Profit for the period	<b>1,932,696</b>	1,561,960
Other comprehensive income:		
Changes in fair value of available-for-sale financial assets	—	(36,772)
Translation differences	<b>165,409</b>	147,311
Share of other comprehensive income of jointly controlled entities	<b>36,500</b>	196,465
Share of other comprehensive income of associated companies	<b>(594)</b>	(1,445)
Other comprehensive income for the period	<b>201,315</b>	305,559
Total comprehensive income for the period	<b>2,134,011</b>	1,867,519
Total comprehensive income attributable to:		
Equity holders of the Company	<b>2,001,503</b>	1,810,840
Non-controlling interests	<b>132,508</b>	56,679
	<b>2,134,011</b>	1,867,519

# Condensed Consolidated Statement of Financial Position

As at 31st December 2011

	Note	Unaudited As at 31st December 2011 HK\$'000	Audited As at 30th June 2011 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	1,757,729	1,832,310
Investment properties	9	14,961,647	14,197,823
Land use rights	9	689,521	693,090
Intangible assets	10	1,955,847	23,394
Properties held for development		15,111,164	12,478,678
Associated companies		431,706	413,476
Jointly controlled entities		10,840,434	9,633,728
Available-for-sale financial assets		108,496	58,362
		<b>45,856,544</b>	39,330,861
<b>Current assets</b>			
Properties under development		19,250,898	15,214,997
Completed properties held for sale		2,584,353	2,767,280
Hotel inventories, at cost		4,642	4,653
Prepayments, debtors and other receivables	11	9,200,554	10,976,586
Amounts due from related companies		532,419	589,809
Cash and bank balances, restricted		9,946	10,355
Cash and bank balances, unrestricted		10,854,359	10,640,373
		<b>42,437,171</b>	40,204,053
<b>Total assets</b>		<b>88,293,715</b>	79,534,914
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	12	864,463	576,239
Reserves		46,565,908	40,887,420
Interim dividend		259,357	—
Proposed final dividend		—	230,505
		<b>47,689,728</b>	41,694,164
<b>Non-controlling interests</b>		<b>2,651,828</b>	2,354,690
<b>Total equity</b>		<b>50,341,556</b>	44,048,854

	Note	Unaudited As at 31st December 2011 HK\$'000	Audited As at 30th June 2011 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	13	<b>15,834,753</b>	14,151,021
Deferred tax liabilities		<b>2,245,061</b>	2,185,100
		<b>18,079,814</b>	16,336,121
<b>Current liabilities</b>			
Creditors and accruals	14	<b>4,342,062</b>	3,714,991
Deposits received on sale of properties		<b>4,017,248</b>	4,819,682
Amounts due to related companies		<b>1,529,240</b>	1,337,068
Short term loans		<b>373,381</b>	370,087
Current portion of long term borrowings	13	<b>6,250,875</b>	6,382,934
Amounts due to non-controlling interests	15	<b>93,097</b>	101,512
Taxes payable		<b>3,266,442</b>	2,423,665
		<b>19,872,345</b>	19,149,939
<b>Total liabilities</b>		<b>37,952,159</b>	35,486,060
<b>Total equity and liabilities</b>		<b>88,293,715</b>	79,534,914
<b>Net current assets</b>		<b>22,564,826</b>	21,054,114
<b>Total assets less current liabilities</b>		<b>68,421,370</b>	60,384,975

# Condensed Consolidated Cash Flow Statement

For the six months ended 31st December 2011

	Unaudited	
	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Net cash used in operating activities	<b>(2,145,267)</b>	(1,422,042)
Net cash (used in)/from investing activities	<b>(2,783,755)</b>	550,394
Net cash from financing activities	<b>4,990,974</b>	327,952
Net increase/(decrease) in cash and cash equivalents	<b>61,952</b>	(543,696)
Cash and cash equivalents at beginning of the period	<b>10,640,373</b>	7,965,386
Exchange differences on cash and cash equivalents	<b>152,034</b>	42,170
Cash and cash equivalents at end of the period	<b>10,854,359</b>	7,463,860

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31st December 2011

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital HK\$'000	Reserves HK\$'000	Shareholders' funds HK\$'000	HK\$'000	HK\$'000
Balance at 1st July 2010	575,725	37,114,352	37,690,077	1,714,322	39,404,399
Translation differences	—	144,192	144,192	3,119	147,311
Share of other comprehensive income of jointly controlled entities	—	196,465	196,465	—	196,465
Share of other comprehensive income of associated companies	—	(1,445)	(1,445)	—	(1,445)
Revaluation of available-for-sale financial assets	—	(36,772)	(36,772)	—	(36,772)
Other comprehensive income for the period	—	302,440	302,440	3,119	305,559
Profit for the period	—	1,508,400	1,508,400	53,560	1,561,960
Total comprehensive income for the period	—	1,810,840	1,810,840	56,679	1,867,519
Transactions with owners					
Contribution by and distribution to owners					
Issue of shares	203	2,982	3,185	—	3,185
Capital contribution from non-controlling interests	—	—	—	96,878	96,878
Repurchase of convertible bonds	—	(1,878)	(1,878)	—	(1,878)
Share-based payments	—	6,610	6,610	—	6,610
Dividend paid	—	(403,121)	(403,121)	—	(403,121)
	203	(395,407)	(395,204)	96,878	(298,326)
Change in ownership interests in a subsidiary					
Acquisition of additional interests in a subsidiary	—	(721)	(721)	(21,442)	(22,163)
Total transactions with owners	203	(396,128)	(395,925)	75,436	(320,489)
Balance at 31st December 2010	575,928	38,529,064	39,104,992	1,846,437	40,951,429
Balance at 1st July 2011	<b>576,239</b>	<b>41,117,925</b>	<b>41,694,164</b>	<b>2,354,690</b>	<b>44,048,854</b>
Translation differences	—	161,875	161,875	3,534	165,409
Share of other comprehensive income of jointly controlled entities	—	36,500	36,500	—	36,500
Share of other comprehensive income of associated companies	—	(594)	(594)	—	(594)
Other comprehensive income for the period	—	197,781	197,781	3,534	201,315
Profit for the period	—	1,803,722	1,803,722	128,974	1,932,696
Total comprehensive income for the period	—	2,001,503	2,001,503	132,508	2,134,011
Transactions with owners					
Contribution by and distribution to owners					
Issue of shares	288,224	3,968,372	4,256,596	—	4,256,596
Capital contribution from non-controlling interests	—	—	—	160,623	160,623
Share-based payments	—	6,530	6,530	—	6,530
Dividend paid	—	(230,505)	(230,505)	—	(230,505)
	288,224	3,744,397	4,032,621	160,623	4,193,244
Change in ownership interests in a subsidiary					
Acquisition of additional interests in a subsidiary	—	(4,007)	(4,007)	4,007	—
Total transactions with owners	288,224	3,740,390	4,028,614	164,630	4,193,244
Others					
Share of reserve of a jointly controlled entity	—	(34,553)	(34,553)	—	(34,553)
	288,224	3,705,837	3,994,061	164,630	4,158,691
Balance at 31st December 2011	<b>864,463</b>	<b>46,825,265</b>	<b>47,689,728</b>	<b>2,651,828</b>	<b>50,341,556</b>

# Notes to the Interim Financial Statements

## 1. Basis of Preparation

These unaudited condensed consolidated interim financial statements (the “interim financial statements”) for the six months ended 31st December 2011 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 “Listing Rules”). The interim financial statements should be read in conjunction with the annual financial statements for the year ended 30th June 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

### (a) Accounting policies

The accounting policies used in the preparation of these interim financial statements are consistent with those set out in the annual financial statements for the year ended 30th June 2011 except for the following.

- (i) The Group has adopted the following revised standard, amendments to standards and interpretation which are mandatory for the financial year ending 30th June 2012:

HKFRSs Amendments	Improvements to HKFRSs 2010
HKFRS 1 Amendment	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 Amendment	Disclosures — Transfers of Financial Assets
HKAS 24 (Revised)	Related Party Disclosures
HK(IFRIC) - Int 14 Amendment	Prepayments of a Minimum Funding Requirement

The adoption of revised standard, amendments to standards and interpretation does not have a significant impact on the Group’s results and financial position.

The following new standards and amendments are mandatory for accounting periods beginning on or after 1st January 2012 or later periods but which the Group has not early adopted:

#### *Effective for the year ending 30th June 2013 or after*

HKAS 1 Amendment	Presentation of Financial Statements
HKFRS 7 Amendment	Disclosures — Offsetting Financial Assets and Financial Liabilities
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosures of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKAS 32 Amendment	Offsetting Financial Assets and Financial Liabilities

The Group has already commenced an assessment of the impact of these new standards and amendments, certain of which may be relevant to the Group’s operation and may give rise to changes in accounting policies, changes in disclosures and remeasurement of certain items in the financial statements.

- (ii) During the six months ended 31st December 2011, the Group acquired the subsidiaries (note 18) and intangible assets were recognised at the date of acquisition. The accounting policies on the intangible assets other than goodwill are as follows:

*(1) Trademarks*

Separately acquired trademarks are shown at historical cost. Trademarks acquired in a business combination are recognised at fair value at the acquisition date. Trademarks with indefinite life are carried at cost less impairment and are not amortised.

*(2) Hotel management contracts*

Separately acquired hotel management contracts are shown at historical cost. Hotel management contracts acquired in a business combination are recognised at fair value at acquisition date. Hotel management contracts have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of hotel management contracts over their estimated useful lives of 20 years.

*(3) Customer relationships*

Customer relationships acquired in a business combination are recognised at fair value at acquisition date. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful lives of 20 years.

*(4) Process, technology and know-how*

Process, technology and know-how acquired in a business combination are recognised at fair value at acquisition date. Process, technology and know-how have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of process, technology and know-how over their estimated useful lives of 10 years.

- (iii) During the six months ended 31st December 2011, the Group recognised income from land preparatory work. Income from land preparatory work is recognised when the services are rendered and the income can be reliably measured and it is probable that future economic benefit will flow to the Group.

## **(b) Critical accounting estimates and judgements**

Estimates and judgements are critically evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The Group's estimates and judgements that have a significant effect on carrying amounts of assets and liabilities are consistent with those set out in the annual financial statements for the year ended 30th June 2011 except for estimates and judgements in the impairment of intangible assets arising from the acquisition of subsidiaries during the current period as explained below.

### *Impairment of intangible assets*

The Group test annually for impairment for those intangible assets that have an indefinite useful life, i.e. goodwill and trademarks. Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of cash-generating units have been determined based on the higher of the fair value less costs to sell and value in use calculations. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

# Notes to the Interim Financial Statements

## 2. Revenues and Segment Information

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

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Sale of properties	5,549,295	5,375,140
Income from land preparatory work	723,795	—
Rental income	315,786	261,800
Income from hotel operation	206,995	217,254
Property management services fee income	65,088	61,176
Project management fee income	33,174	1,860
Hotel management services fee income	196,157	10,576
	<b>7,090,290</b>	5,927,806

- (b) The chief operating decision-maker has been identified as the executive committee. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The committee considers the business from the perspective of the services and products. The management assesses the performance of property sales, rental operation, hotel operation, property management services and hotel management services operations. Other operations include ancillary services in property projects.

The executive committee assesses the performance of the operating segments based on a measure of attributable operating profit ("AOP") before finance costs and taxation charge. This measurement basis excludes the effects of changes in fair value of investment properties, gains and losses from changes in group structure, amortisation of intangible assets, impairment and expenses and income at corporate office. Interest income is included in the result of each operating segment that is reviewed by the executive committee.

Sales between segments are carried out in accordance with terms agreed by the parties involved. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the condensed consolidated income statement.

Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties held for/under development, intangible assets, prepayments, debtors and other receivables, amounts due from related companies and completed properties held for sale. They exclude cash and bank balances, available-for-sale financial assets and prepayment for proposed development projects held and managed at corporate office. These are part of the reconciliation to total assets on the condensed consolidated statement of financial position.

Segment liabilities comprise mainly creditors and accruals, deposits received on sale of properties and amounts due to related companies. They exclude bank and other borrowings, deferred tax liabilities, taxes payable, other creditors and accruals at corporate office. These are part of the reconciliation to total liabilities on the condensed consolidated statement of financial position.

The majority of the assets and operations of the Group are located in the PRC. Revenues are mainly derived from the PRC. Non-current assets other than financial instruments are mainly located in the PRC.

<b>6 months ended 31st December 2011</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>Hotel management services HK\$'000</b>	<b>Other operations HK\$'000</b>	<b>Total HK\$'000</b>
<b>Segment revenues</b>							
Company and subsidiaries							
Total revenues	6,306,264	325,989	222,780	90,169	204,297	—	7,149,499
Inter-segment revenues	—	(10,203)	(15,785)	(25,081)	(8,140)	—	(59,209)
External revenues	6,306,264	315,786	206,995	65,088	196,157	—	7,090,290
Associated companies — attributable to the Group	16,990	10,839	12,523	—	—	—	40,352
Jointly controlled entities — attributable to the Group	237,793	167,546	45,566	27,426	—	—	478,331
	6,561,047	494,171	265,084	92,514	196,157	—	7,608,973
<b>Segment bank and other interest income</b>							
	46,727	10,978	246	148	69	22	58,190
<b>AOP before finance costs and taxation charge</b>							
Company and subsidiaries	2,524,751	116,206	(32,080)	(22,126)	(2,255)	14	2,584,510
Associated companies	9,898	3,587	(2,655)	—	—	—	10,830
Jointly controlled entities	166,972	82,814	(19,022)	1,925	—	2,787	235,476
	2,701,621	202,607	(53,757)	(20,201)	(2,255)	2,801	2,830,816
<b>Additions to non-current assets other than financial instruments</b>							
	2,965,577	85,420	12,177	1,267	1,969,843	5,500	5,039,784
<b>Depreciation and amortisation</b>							
	27,121	8,806	69,754	693	19,341	606	126,321
<b>Share of results of</b>							
Associated companies	12,507	8,931	(2,655)	—	—	—	18,783
Jointly controlled entities	(46,651)	215,123	(23,313)	1,087	—	(2,910)	143,336
<b>As at 31st December 2011</b>							
Segment assets	52,006,666	15,600,450	2,075,275	98,033	2,117,016	8,381	71,905,821
Associated companies and jointly controlled entities	3,233,988	7,463,962	551,170	10,102	5,184	7,734	11,272,140
Available-for-sale financial assets							108,496
Property, plant and equipment at corporate office							4,694
Prepayments, debtors, and other receivables at corporate office							110,730
Amounts due from related companies at corporate office							524,728
Cash and bank balances at corporate office							4,367,106
Total assets							88,293,715
Segment liabilities	9,668,815	271,933	99,236	136,637	71,707	1,592	10,249,920
Creditors and accruals at corporate office							41,984
Taxes payable							2,956,185
Borrowings							22,459,009
Deferred tax liabilities							2,245,061
Total liabilities							37,952,159

# Notes to the Interim Financial Statements

## 2. Revenues and Segment Information (Continued)

6 months ended 31st December 2010	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services HK\$'000	Hotel management services HK\$'000	Other operations HK\$'000	Total HK\$'000
<b>Segment revenues</b>							
Company and subsidiaries							
Total revenues	5,377,000	276,638	217,254	110,942	20,803	—	6,002,637
Inter-segment revenues	—	(14,838)	—	(49,766)	(10,227)	—	(74,831)
External revenues	5,377,000	261,800	217,254	61,176	10,576	—	5,927,806
Associated companies — attributable to the Group							
Jointly controlled entities — attributable to the Group	57,395	10,031	11,404	—	—	—	78,830
	361,395	156,195	45,133	26,936	—	—	589,659
	5,795,790	428,026	273,791	88,112	10,576	—	6,596,295
<b>Segment bank and other interest income</b>							
	85,911	18,355	193	106	9	28	104,602
<b>AOP before finance costs and taxation charge</b>							
Company and subsidiaries							
Associated companies	1,601,672	113,692	(3,831)	(10,516)	(19,875)	176	1,681,318
Jointly controlled entities	15,192	4,347	(3,093)	—	—	—	16,446
	198,477	95,781	(13,666)	2,975	—	2,869	286,436
	1,815,341	213,820	(20,590)	(7,541)	(19,875)	3,045	1,984,200
<b>Additions to non-current assets other than financial instruments</b>							
Depreciation and amortisation	1,825,071	637,064	3,908	917	471	960	2,468,391
Share of results of	20,573	8,942	63,919	527	411	818	95,190
Associated companies	13,778	6,956	(3,093)	—	—	—	17,641
Jointly controlled entities	(8,496)	90,837	(16,596)	2,554	—	2,760	71,059
<b>As at 30th June 2011</b>							
Segment assets							
Associated companies and jointly controlled entities	49,983,526	14,694,057	1,983,805	113,237	192,837	7,403	66,974,865
Available-for-sale financial assets	2,206,986	7,233,642	582,208	9,756	4,194	10,418	10,047,204
Property, plant and equipment at corporate office							58,362
Prepayments, debtors and other receivables at corporate office							4,310
Amounts due from related companies at corporate office							109,404
Cash and bank balances at corporate office							568,092
Total assets							1,772,677
							79,534,914
<b>Segment liabilities</b>							
Creditors and accruals at corporate office							
Taxes payable	9,890,605	285,487	76,723	67,429	16,280	1,023	10,337,547
Borrowings							53,951
Deferred tax liabilities							2,005,420
Total liabilities							20,904,042
							2,185,100
							35,486,060

Reconciliations of reportable segment revenues to revenues of the Group and reportable AOP before finance costs and taxation charge to profit before taxation:

		<b>6 months ended 31st December</b>	
		<b>2011</b>	2010
		<b>HK\$'000</b>	HK\$'000
(i)	Revenues		
	Total segment revenues	<b>7,608,973</b>	6,596,295
	Less:		
	Revenues of associated companies and jointly controlled entities, attributable to the Group	<b>(518,683)</b>	(668,489)
	Revenues as presented in condensed consolidated income statement	<b>7,090,290</b>	5,927,806
(ii)	Profit before taxation		
	AOP before finance costs and taxation charge	<b>2,830,816</b>	1,984,200
	Finance costs — project loans	<b>(110,113)</b>	(93,090)
	Corporate income tax and land appreciation tax, net of tax indemnity	<b>(1,376,655)</b>	(601,649)
	AOP after finance costs and taxation charge	<b>1,344,048</b>	1,289,461
	Net foreign exchange gains	<b>201,280</b>	237,345
	Deferred tax credit/(charges) on undistributed profits	<b>22,353</b>	(27,012)
	Bank and other interest income — corporate	<b>3,990</b>	3,827
	Finance costs — corporate loans	<b>(38,360)</b>	(23,055)
	Corporate administrative expenses	<b>(115,614)</b>	(98,364)
	AOP after corporate items	<b>1,417,697</b>	1,382,202
	Changes in fair value of investment properties, net of deferred taxation	<b>403,477</b>	124,930
	Amortisation of intangible assets	<b>(17,452)</b>	—
	Gain on repurchase of convertible bonds	<b>—</b>	1,268
		<b>386,025</b>	126,198
	Profit attributable to equity holders of the Company	<b>1,803,722</b>	1,508,400
	Taxation charge	<b>1,655,135</b>	771,935
	Profit attributable to non-controlling interests	<b>128,974</b>	53,560
	Profit before taxation	<b>3,587,831</b>	2,333,895

# Notes to the Interim Financial Statements

## 3. Other Income

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Tax indemnity from the ultimate holding company (note 6)	224,137	178,054
Trademark fee income from jointly controlled entities	79,100	39,567
Bank and other interest income	73,933	58,198
Interest income from jointly controlled entities, net of withholding tax (note)	43,176	48,869
Dividend income from available-for-sale financial assets	—	160
	<b>420,346</b>	324,848

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 shareholders' loan interest expenses of jointly controlled entities is included in the share of results of jointly controlled entities as follows:

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Share of shareholders' loan interest expenses of jointly controlled entities	(34,216)	(39,104)

## 4. Other Gains, Net

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Net foreign exchange gains	209,157	244,190
Gain on disposal of investment properties	9,420	3,358
Gain on repurchase of convertible bonds	—	1,268
	<b>218,577</b>	248,816

## 5. Operating Profit before Finance Costs

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Operating profit before finance costs is arrived at after crediting:		
Gross rental income from investment properties	307,062	253,085
and after charging:		
Cost of properties sold	2,445,848	3,499,203
Cost of land preparatory work	673,076	—
Staff costs	247,698	173,416
Outgoings in respect of investment properties	142,730	112,485
Depreciation of property, plant and equipment	97,101	86,256
Rental for leased premises	14,961	15,383
Amortisation of land use rights	11,768	8,934
Amortisation of intangible assets	17,452	—
Loss on disposal/write off of property, plant and equipment	13,952	310

## 6. Taxation Charge

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Current taxation		
PRC corporate income tax	475,003	347,269
PRC land appreciation tax	1,140,518	345,686
Deferred taxation	39,614	78,980
	1,655,135	771,935

Share of taxation of associated companies and jointly controlled entities for the six months ended 31st December 2011 of HK\$3,935,000 (2010: HK\$1,017,000) and HK\$127,273,000 (2010: HK\$95,949,000) respectively are included in the condensed consolidated income statement as share of results of associated companies and jointly controlled entities.

No provision for Hong Kong profits tax has been made as the Group has no assessable profits in Hong Kong for the period (2010: Nil). PRC corporate income tax ("CIT") has been provided on the estimated assessable profits of subsidiaries, associated companies and jointly controlled entities operating in the PRC at 25% (2010: 25%). PRC land appreciation tax ("LAT") 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.

In July 1999, a deed of tax indemnity was entered into between New World Development Company Limited, the ultimate holding company, and the Company whereby the ultimate holding company undertakes to indemnify the Group in respect of, inter alia, certain PRC CIT and 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\$224,137,000 (2010: HK\$178,054,000) was effected (note 3).

# Notes to the Interim Financial Statements

## 7. Earnings per Share

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

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Profit attributable to equity holders of the Company	<b>1,803,722</b>	1,508,400
Interest expense on convertible bonds	—	7,422
Less: gain on repurchase of convertible bonds	—	(1,268)
Profit used to determine diluted earnings per share	<b>1,803,722</b>	1,514,554

	Number of shares 6 months ended 31st December	
	2011	2010
Weighted average number of shares for calculating basic earnings per share	<b>5,794,073,016</b>	5,983,446,636
Effect of dilutive potential shares:		
Share options	<b>3,809,000</b>	8,194,558
Convertible bonds	<b>49,373,873</b>	48,662,597
Weighted average number of shares for calculating diluted earnings per share	<b>5,847,255,889</b>	6,040,303,791

The earnings per share for the six months ended 31st December 2010 have been adjusted to reflect the effect of rights issue during the period.

## 8. Interim Dividend

	6 months ended 31st December	
	2011 HK\$'000	2010 HK\$'000
Interim dividend of HK\$0.03 (2010: HK\$ 0.03) per share	<b>259,357</b>	172,847

The directors have declared an interim dividend of HK\$0.03 per share. It will be payable on or about Wednesday, 16th May 2012 to shareholders whose names appear on the Register of Members of the Company on Monday, 16th April 2012.

## 9. Capital Expenditure

For the six months ended 31st December 2011, the Group's additions to property, plant and equipment, investment properties and land use rights amounted to HK\$128,858,000 (2010: HK\$718,980,000).

## 10. Intangible Assets

	Goodwill HK\$'000	Trademarks HK\$'000	Hotel management contracts HK\$'000	Process, technology and know- how HK\$'000	Customer relationships HK\$'000	Total HK\$'000
At 1st July 2011						
Cost	235,983	—	—	—	—	235,983
Accumulated impairment	(212,589)	—	—	—	—	(212,589)
Net book value	23,394	—	—	—	—	23,394
Period ended						
31st December 2011						
Acquisition of subsidiaries (note 18)	323,244	614,865	428,063	38,916	544,817	1,949,905
Amortisation	—	—	(9,142)	(1,662)	(6,648)	(17,452)
Net book value	323,244	614,865	418,921	37,254	538,169	1,932,453
At 31st December 2011						
Cost	559,227	614,865	428,063	38,916	544,817	2,185,888
Accumulated amortisation	—	—	(9,142)	(1,662)	(6,648)	(17,452)
Accumulated impairment	(212,589)	—	—	—	—	(212,589)
Net book value	346,638	614,865	418,921	37,254	538,169	1,955,847
At 1st July 2010 and 30th June 2011						
Cost	235,983	—	—	—	—	235,983
Accumulated impairment	(212,589)	—	—	—	—	(212,589)
Net book value	23,394	—	—	—	—	23,394

# Notes to the Interim Financial Statements

## 11. Prepayments, Debtors and Other Receivables

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
Trade debtors (note)	853,271	1,483,435
Prepaid land preparatory cost	2,723,926	2,959,500
Prepayment for purchase of land	3,628,208	4,517,529
Prepayment for proposed development projects	185,244	184,217
Prepaid taxes	924,466	931,789
Other prepayments, deposits and receivables	885,439	900,116
	<b>9,200,554</b>	<b>10,976,586</b>

Note: Trade debtors mainly include sales proceed receivables, rental receivables and property management fee receivables. 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. The ageing analysis of trade debtors based on invoice date is as follows:

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
0 to 30 days	220,599	1,158,412
31 to 60 days	61,886	32,553
61 to 90 days	310,895	73,326
Over 90 days	259,891	219,144
	<b>853,271</b>	<b>1,483,435</b>

## 12. Share Capital

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
Authorised:		
Shares of HK\$0.10 each		
At the beginning of the period	800,000	800,000
Increase in authorised share capital (note (i))	2,200,000	—
At the end of the period	3,000,000	800,000
Issued and fully paid:		
8,644,629,245 (30th June 2011: 5,762,392,911) shares of HK\$0.10 each	864,463	576,239

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

	Number of shares of HK\$0.10 each	HK\$'000
At 30th June 2010	5,757,248,468	575,725
Exercise of share options (note (iii))	5,144,443	514
At 30th June 2011	5,762,392,911	576,239
Rights issue (note (ii))	2,881,306,455	288,131
Exercise of share options (note (iii))	929,879	93
At 31st December 2011	8,644,629,245	864,463

- (i) Pursuant to an ordinary resolution passed on 22nd November 2011, the authorised share capital of the Company was increased from HK\$800,000,000 to HK\$3,000,000,000 by the creation of additional 22,000,000,000 shares of HK\$0.10 each.
- (ii) During the period, 2,881,306,455 shares of HK\$0.10 each were issued at HK\$1.49 per rights share by way of rights issue on the basis of one rights share for every existing two shares ("Rights issue").

# Notes to the Interim Financial Statements

## 12. Share Capital (Continued)

- (iii) Pursuant to the share option scheme adopted on 26th November 2002, the Company may grant options to executive directors and employees of the Company or its subsidiaries to subscribe for shares in the Company. Adjustments were made to the exercise prices of and the number of shares that can be subscribed for under the outstanding share options on 23rd December 2011 ("Date of Adjustment") as a result of the Rights issue which became unconditional on 22nd December 2011. The movements in the number of share options granted during the period and the balance outstanding at 31st December 2011 are as follows:

Date of offer to grant	Exercise price per share before the Date of Adjustment HK\$	Exercise price per share after the Date of Adjustment HK\$	Number of share options						Number of share options exercisable	
			At 1st July 2011	Granted during the period	Exercised from 1st July 2011 up to the Date of Adjustment	Adjusted on the Date of Adjustment (note 3)	Exercised from the Date of Adjustment up to 31st December 2011	Lapsed during the period	At 31st December 2011	At 31st December 2011
28th June 2006	2.559 <sup>(1)</sup>	N/A	64,925	—	(64,000)	—	—	(925)	—	—
17th October 2006	2.984 <sup>(1)</sup>	N/A	111,492	—	—	—	—	(111,492)	—	—
28th December 2006	4.209 <sup>(1)</sup>	4.051	759,850	—	—	29,604	—	—	789,454	789,454
19th March 2007	4.020 <sup>(1)</sup>	3.869	822,985	—	—	32,064	—	—	855,049	855,049
14th June 2007	5.994 <sup>(1)</sup>	5.769	1,669,701	—	—	43,386	—	(556,119)	1,156,968	1,156,968
17th October 2007	7.209 <sup>(1)</sup>	6.939	1,635,223	—	—	36,600	—	(695,821)	976,002	976,002
28th December 2007	6.228 <sup>(1)</sup>	5.994	826,119	—	—	32,186	—	—	858,305	686,647
22nd April 2008	4.699 <sup>(1)</sup>	4.523	647,910	—	—	18,020	—	(185,373)	480,557	384,446
31st July 2008	3.271 <sup>(1)</sup>	3.148	260,597	—	—	8,338	—	(46,566)	222,369	176,684
12th November 2008	1.503 <sup>(1)</sup>	1.447	693,206	—	—	27,008	—	—	720,214	485,286
2nd December 2008	1.340 <sup>(2)</sup>	1.290	12,106,731	—	(187,934)	464,368	(623,945)	(50,882)	11,708,338	7,708,139
2nd December 2008	1.340 <sup>(1)</sup>	1.290	1,894,704	—	—	73,819	—	—	1,968,523	914,923
3rd February 2009	1.769 <sup>(1)</sup>	1.703	685,528	—	(54,000)	24,604	—	—	656,132	221,261
26th June 2009	4.065 <sup>(1)</sup>	3.913	3,013,208	—	—	117,397	—	—	3,130,605	1,878,363
19th November 2009	3.068 <sup>(1)</sup>	2.953	2,970,000	—	—	86,493	—	(750,000)	2,306,493	922,597
12th January 2010	2.990 <sup>(1)</sup>	2.878	4,561,600	—	—	154,488	—	(596,400)	4,119,688	1,647,875
18th May 2010	2.350 <sup>(1)</sup>	2.262	1,144,000	—	—	33,818	—	(276,000)	901,818	299,637
31st May 2010	2.440 <sup>(1)</sup>	2.349	888,000	—	—	34,597	—	—	922,597	299,221
10th November 2010	3.130 <sup>(1)</sup>	3.013	4,350,400	—	—	152,290	—	(441,600)	4,061,090	1,624,434
18th January 2011	3.154 <sup>(1)</sup>	3.036	14,019,400	—	—	546,210	—	—	14,565,610	2,913,122
3rd May 2011	2.860 <sup>(1)</sup>	2.753	1,348,400	—	—	52,535	—	—	1,400,935	280,187
26th July 2011	2.810 <sup>(1)</sup>	2.705	—	1,572,400	—	61,262	—	—	1,633,662	326,733
			54,473,979	1,572,400	(305,934)	2,029,087	(623,945)	(3,711,178)	53,434,409	24,547,028

### Notes:

- (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 4 tranches and exercisable within a period of 4 years commencing on the expiry of one month after the dates on which the options were accepted.
- (3) Adjustments were made to the exercise price and the number of outstanding share options in accordance with the 2002 Share Option Scheme on 23rd December 2011 as a result of the Rights issue as announced by the Company on 18th October 2011 which became unconditional on 22nd December 2011.
- (4) The weighted average share price at the time of exercise in 2011 was HK\$2.87 per share (2010: HK\$2.94 per share).

## 13. Long Term Borrowings

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
Bank loans (note (i))		
Secured	4,655,901	4,214,108
Unsecured	12,561,792	11,536,335
Loans from fellow subsidiaries (note (ii))	2,615,945	2,612,658
Loans from non-controlling interests (note (iii))	37,794	37,183
Advances from participating interest (note (iv))	1,844,469	1,756,491
Convertible bonds (note (v))	369,727	377,180
	<b>22,085,628</b>	20,533,955
Current portion included in current liabilities	<b>(6,250,875)</b>	(6,382,934)
	<b>15,834,753</b>	14,151,021

Notes:

(i) The bank loans are repayable as follows:

	Secured		Unsecured		Total	
	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
Within one year	1,087,783	891,153	4,793,364	5,114,601	5,881,147	6,005,754
Between one and two years	946,898	709,639	1,821,022	3,399,888	2,767,920	4,109,527
Between two and five years	726,098	728,376	5,587,040	2,745,340	6,313,138	3,473,716
After five years	1,895,122	1,884,940	360,366	276,506	2,255,488	2,161,446
	<b>4,655,901</b>	4,214,108	<b>12,561,792</b>	11,536,335	<b>17,217,693</b>	15,750,443

(ii) The loans from fellow subsidiaries are repayable between two and five years. The loans from fellow subsidiaries are unsecured and bear interest at three months Hong Kong Interbank Offered Rate ("HIBOR") (30th June 2011: three months HIBOR) per annum.

(iii) The loans from non-controlling interests are unsecured, bear interest at 5% (30th June 2011: 5%) per annum and have repayment terms as specified in the joint venture contracts.

(iv) The advances from participating interest 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\$0.10 each of the Company. As at 31st December 2011, the outstanding principal amount, after certain repurchase and redemption, was RMB313,200,000 (30th June 2011: RMB313,200,000).

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 require the issuer 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.

# Notes to the Interim Financial Statements

## 14. 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:

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
0 to 30 days	2,157,321	2,565,894
31 to 60 days	404,564	42,531
61 to 90 days	27,215	60,061
Over 90 days	623,122	290,714
	<b>3,212,222</b>	2,959,200

## 15. Amounts Due to Non-Controlling Interests

The amounts due to non-controlling interests are unsecured, interest free and repayable on demand.

## 16. Guarantees

### (i) Corporate guarantees for banking facilities

The Group has corporate guarantees of approximately HK\$1,917,801,000 (30th June 2011: HK\$2,254,955,000) given in respect of bank loan facilities extended to certain jointly controlled entities. As at 31st December 2011, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the jointly controlled entities was approximately HK\$1,288,647,000 (30th June 2011: HK\$1,492,080,000).

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

As at 31st December 2011, 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 Group's attributable portion of outstanding mortgage loans under these guarantees amounted to HK\$1,308,316,000 (30th June 2011: HK\$1,158,962,000). 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.

## 17. Commitments

### Capital expenditure commitments

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

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
Authorised but not contracted for		
Purchase consideration for proposed development projects	108,000	108,000
Property, plant and equipment	249,808	—
	<b>357,808</b>	108,000
Contracted but not provided for		
Property, plant and equipment	24,527	33,506
Investment properties	857,123	204,132
Purchase consideration for proposed development projects	—	14,004
Purchase consideration for acquisition of subsidiaries	—	1,911,780
	<b>881,650</b>	2,163,422
	<b>1,239,458</b>	2,271,422

(b) The Group's share of capital expenditure commitment of jointly controlled entities not included above is as follows:

	As at 31st December 2011 HK\$'000	As at 30th June 2011 HK\$'000
Authorised but not contracted for		
Investment properties	—	165,165
Contracted but not provided for		
Investment properties	148,833	64,432
	<b>148,833</b>	229,597

# Notes to the Interim Financial Statements

## 18. Business Combination

In July 2011, the Group acquired 100% interest in Rosewood Hotels and Resorts, L.L.C. (“Rosewood”) and the intellectual property rights of “Carlyle”, a hotel brand, for a consideration of HK\$2,049,329,000. The acquisition was completed on 29th July 2011 and Rosewood became a wholly owned subsidiary of the Group.

	HK\$'000
Purchase consideration — cash paid	2,049,329
Fair value of net assets acquired — shown as below	(1,726,085)
Goodwill	323,244

The recognised amounts of identifiable assets acquired and liabilities assumed as at the date of acquisition are as follows:

	HK\$'000
Intangible assets	
Trademarks	614,865
Hotel management contracts	428,063
Process, technology and know-how	38,916
Customer relationships	544,817
Property, plant and equipment	10,652
Prepayments, debtors and other receivables	76,114
Available-for-sale financial assets	23,350
Cash and bank balances, unrestricted	99,095
Creditors and accruals	(109,787)
Net assets acquired	1,726,085

Since the date of acquisition, Rosewood contributed revenues of approximately HK\$151,577,000 and incurred loss of approximately HK\$15,442,000. If the acquisition had occurred on 1st July 2011, the Group’s revenues and profit for the period would have increased by HK\$21,045,000 and decreased by HK\$5,464,000 respectively.

The goodwill of HK\$323,244,000 arising from the acquisition is attributable to the future profitability of the acquired business.

## 19. 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	
	2011 HK\$'000	2010 HK\$'000
Interest expense on loans from fellow subsidiaries	3,286	2,998
Rental expense for leased premises to fellow subsidiaries	8,382	8,036
Property agency fee paid to fellow subsidiaries	4,332	5,042
Purchase of goods from fellow subsidiaries	4,290	1,498
Interest income from jointly controlled entities	48,883	55,876
Property management services fee income from fellow subsidiaries and a jointly controlled entity	181	423
Rental income from fellow subsidiaries and a jointly controlled entity	57,456	44,736
Hotel management services fee income from fellow subsidiaries, jointly controlled entities, an associated company and related companies	44,537	6,654
Trademark fee income from jointly controlled entities	79,100	39,567

These related party transactions were in accordance with the terms as disclosed in the 2011 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 and related companies for the period amounted to HK\$93,469,000 (2010: HK\$523,246,000). 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 CIT and 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\$224,137,000 (2010: HK\$178,054,000) was effected (note 6).
- (iv) During the period ended 31st December 2010, the Group entered into a framework agreement with Shenyang New World Department Store Ltd. ("NWDS"), a fellow subsidiary of the Group, pursuant to which the Group agreed to sell a commercial property to be developed (the "Property") to NWDS at a consideration of RMB456,534,000 (equivalent to HK\$556,749,000), subject to adjustment for any changes in the floor area as stipulated in the agreement and the building ownership certificate at the unit price of RMB18,000 per square meter. The estimated buildable floor area of the Property shall be approximately 25,363 square meters.

The delivery of the Property is estimated to be occurred on or before 31st August 2012 and it is estimated that the Group will record a net gain of approximately RMB122.7 million (equivalent to HK\$149.6 million), being the differences between the consideration and the expected cost of the Property, including all relevant taxes.

# Other Information

## Directors' Interests in Securities

As at 31st December 2011, the interests of the directors and their associates in shares, underlying shares and debentures 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				Percentage to the relevant issued share capital as at 31st December 2011
	Personal interests	Family interests	Corporate interests	Total	
<b>New World China Land Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar-shun, Henry	28,125,000	4,387,500	117,610,200 <sup>(1)</sup>	<b>150,122,700</b>	1.74
Mr. Doo Wai-hoi, William	19,687,500	—	67,395,600 <sup>(2)</sup>	<b>87,083,100</b>	1.01
Mr. Cheng Chi-kong, Adrian	371,194	—	—	<b>371,194</b>	0.00
Miss Cheng Chi-man, Sonia	168,400	—	—	<b>168,400</b>	0.00
Mr. Leung Chi-kin, Stewart	875,934	—	—	<b>875,934</b>	0.01
Mr. Chow Kwai-cheung	126	—	—	<b>126</b>	0.00
Mr. Chow Yu-chun, Alexander	12,825,000	—	—	<b>12,825,000</b>	0.15
Mr. Fong Shing-kwong, Michael	2,187,250	—	—	<b>2,187,250</b>	0.03
Ms. Ngan Man-ying, Lynda	600,000	—	—	<b>600,000</b>	0.01
Dr. Cheng Wai-chee, Christopher	299,400	—	—	<b>299,400</b>	0.00
Mr. Tien Pei-chun, James	299,400	—	—	<b>299,400</b>	0.00
Mr. Lee Luen-wai, John	299,400	—	—	<b>299,400</b>	0.00
<b>New World Development Company Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	—	450,000	—	<b>450,000</b>	0.01
Mr. Doo Wai-hoi, William	—	—	1,500,000 <sup>(2)</sup>	<b>1,500,000</b>	0.02
Mr. Leung Chi-kin, Stewart	201,807	—	—	<b>201,807</b>	0.00
Mr. Chow Kwai-cheung	90,057	—	—	<b>90,057</b>	0.00
Mr. Fong Shing-kwong, Michael	313,182	—	—	<b>313,182</b>	0.01
<b>NWS Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	13,768,798	—	12,000,000 <sup>(1)</sup>	<b>25,768,798</b>	0.74
Mr. Doo Wai-hoi, William	3,009,849	—	8,830,782 <sup>(2)</sup>	<b>11,840,631</b>	0.34
Mr. Cheng Kar-shing, Peter	343,750	—	5,074,520 <sup>(3)</sup>	<b>5,418,270</b>	0.16
Mr. Leung Chi-kin, Stewart	2,500,000	—	—	<b>2,500,000</b>	0.07
Mr. Chow Kwai-cheung	14,480	—	—	<b>14,480</b>	0.00
Mr. Fong Shing-kwong, Michael	2,431,060	—	—	<b>2,431,060</b>	0.07
Dr. Cheng Wai-chee, Christopher	1,342,521	—	—	<b>1,342,521</b>	0.04

	Number of shares			Total	Percentage to the relevant issued share capital as at 31st December 2011
	Personal interests	Family interests	Corporate interests		
<b>New World Department Store China Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Miss Cheng Chi-man, Sonia	92,000	—	—	<b>92,000</b>	0.01
<b>Dragon Fortune Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	—	15,869 <sup>(4)</sup>	<b>15,869</b>	27.41
<b>Mega Choice Holdings Limited (in liquidation)</b>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	—	—	420,585,070 <sup>(1)</sup>	<b>420,585,070</b>	34.61
<b>Sun City Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	80,000	3,570,000 <sup>(5)</sup>	<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 <sup>(6)</sup>	<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

Notes:

1. These shares are beneficially owned by companies wholly-owned by Dr. Cheng Kar-shun, Henry.
2. These shares 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 Kar-shing, Peter.
4. 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.
5. These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns an indirect interest of 49.58%.
6. Mr. Cheng Kar-shing, Peter is deemed to be interested in these shares by virtue of his interests in Sun City.

# Other Information

## Directors' Interests in Securities (Continued)

### (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 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 were as follows:

Name of director	Date of grant	Exercisable period (note)	Number of share options			Balance as at 31st December 2011	Exercise price per share (before adjustment) (note 8) HK\$	Exercise price per share (after adjustment) (note 8) HK\$
			Balance as at 1st July 2011	Adjusted during the period (note 8)	Exercised during the period			
Dr. Cheng Kar-shun, Henry	29th December 2008	(1)	1,791,045	69,781	—	<b>1,860,826</b>	1.340	1.290
	18th January 2011	(2)	2,000,000	77,922	—	<b>2,077,922</b>	3.154	3.036
Mr. Doo Wai-hoi, William	29th December 2008	(1)	727,612	28,349	—	<b>755,961</b>	1.340	1.290
	18th January 2011	(2)	800,000	31,169	—	<b>831,169</b>	3.154	3.036
Mr. Cheng Kar-shing, Peter	29th December 2008	(1)	727,612	28,349	—	<b>755,961</b>	1.340	1.290
	18th January 2011	(2)	800,000	31,169	—	<b>831,169</b>	3.154	3.036
Mr. Cheng Chi-kong, Adrian	29th December 2008	(3)	337,284	13,141	—	<b>350,425</b>	1.340	1.290
	18th January 2011	(2)	1,500,000	58,442	—	<b>1,558,442</b>	3.154	3.036
Miss Cheng Chi-man, Sonia	29th December 2008	(4)	755,821	29,448	—	<b>785,269</b>	1.340	1.290
Mr. Leung Chi-kin, Stewart	29th December 2008	(1)	127,910	1,635	(85,934) <sup>(6)</sup>	<b>43,611</b>	1.340	1.290
	18th January 2011	(2)	200,000	7,792	—	<b>207,792</b>	3.154	3.036
Mr. Chow Kwai-cheung	29th December 2008	(1)	167,910	6,542	—	<b>174,452</b>	1.340	1.290
	18th January 2011	(2)	200,000	7,792	—	<b>207,792</b>	3.154	3.036
Mr. Chow Yu-chun, Alexander	29th December 2008	(1)	559,701	21,807	—	<b>581,508</b>	1.340	1.290
	18th January 2011	(2)	500,000	19,481	—	<b>519,481</b>	3.154	3.036
Mr. Fong Shing-kwong, Michael	29th December 2008	(3)	43,933	1,712	—	<b>45,645</b>	1.340	1.290
	18th January 2011	(2)	500,000	19,481	—	<b>519,481</b>	3.154	3.036
Ms. Ngan Man-ying, Lynda	29th December 2008	(5)	507,463	19,771	—	<b>527,234</b>	1.340	1.290
	18th January 2011	(2)	1,000,000	38,961	—	<b>1,038,961</b>	3.154	3.036
Dr. Cheng Wai-chee, Christopher	29th December 2008	(1)	252,221	9,827	(174,000) <sup>(7)</sup>	<b>88,048</b>	1.340	1.290
	18th January 2011	(2)	300,000	11,688	—	<b>311,688</b>	3.154	3.036
Mr. Tien Pei-chun, James	29th December 2008	(1)	252,221	9,827	(174,000) <sup>(7)</sup>	<b>88,048</b>	1.340	1.290
	18th January 2011	(2)	300,000	11,688	—	<b>311,688</b>	3.154	3.036
Mr. Lee Luen-wai, John	29th December 2008	(1)	252,221	9,827	(174,000) <sup>(7)</sup>	<b>88,048</b>	1.340	1.290
	18th January 2011	(2)	300,000	11,688	—	<b>311,688</b>	3.154	3.036
Total			14,902,954	577,289	(607,934)	<b>14,872,309</b>		

Notes:

1. *Divided into 4 tranches, exercisable from 30th January 2009, 30th January 2010, 30th January 2011 and 30th January 2012, respectively to 29th January 2013.*
2. *Divided into 5 tranches, exercisable from 19th February 2011, 19th February 2012, 19th February 2013, 19th February 2014 and 19th February 2015, respectively to 18th February 2016.*
3. *Divided into 2 tranches, exercisable from 30th January 2011 and 30th January 2012, respectively to 29th January 2013.*
4. *Divided into 5 tranches, exercisable from 30th January 2009, 30th January 2010, 30th January 2011, 30th January 2012 and 30th January 2013, respectively to 29th January 2014.*
5. *Divided into 3 tranches, exercisable from 30th January 2010, 30th January 2011 and 30th January 2012, respectively to 29th January 2013.*
6. *The exercise date was 8th December 2011. On the trading date immediately before the exercise date, the closing price per share was HK\$1.650.*
7. *The exercise date was 29th December 2011. On the trading date immediately before the exercise date, the closing price per share was HK\$1.580.*
8. *Pursuant to the share option scheme of the Company, the number of share options and exercise prices are subject to adjustment in case of alteration in the Company's capital structure. Accordingly, the rights issue as announced by the Company on 18th October 2011 which became unconditional on 22nd December 2011 constituted an event giving rise to adjustments to the number of outstanding share options and the exercise prices in accordance with the share option scheme on 23rd December 2011.*
9. *The cash consideration paid by each of the directors for grant of the share options is HK\$10.*

# Other Information

## Directors' Interests in Securities (Continued)

### (B) Long position in underlying shares — share options (Continued)

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

Under the share option scheme of the holding company, New World Development Company Limited ("NWD"), the following directors 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 were as follows:

Name of director	Date of grant	Exercisable period (note)	Number of share options			Balance as at 31st December 2011	Exercise price per share (note 4) HK\$
			Balance as at 1st July 2011	Adjusted during the period (note 4)	Exercised during the period		
Dr. Cheng Kar-shun, Henry	19th March 2007	(1)	36,714,392	3,784,390	—	40,498,782	16.003
Mr. Cheng Kar-shing, Peter	19th March 2007	(1)	201,172	20,735	—	221,907	16.003
		(2)	1,207,047	124,417	—	1,331,464	16.003
Mr. Cheng Chi-kong, Adrian	19th March 2007	(2)	502,935	51,840	—	554,775	16.003
Mr. Leung Chi-kin, Stewart	19th March 2007	(1)	35,708,517	3,680,708	—	39,389,225	16.003
Mr. Chow Kwai-cheung	19th March 2007	(2)	1,207,047	124,417	—	1,331,464	16.003
Mr. Chow Yu-chun, Alexander	19th March 2007	(2)	1,508,809	155,522	—	1,664,331	16.003
Mr. Fong Shing-kwong, Michael	19th March 2007	(3)	603,522	62,208	—	665,730	16.003
Mr. Lee Luen-wai, John	19th March 2007	(1)	301,760	31,103	—	332,863	16.003
Total			77,955,201	8,035,340	—	85,990,541	

Notes:

1. Exercisable from 19th March 2007 to 18th March 2012.
2. 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.
3. Divided into 3 tranches, exercisable from 19th March 2009, 19th March 2010 and 19th March 2011, respectively to 18th March 2012.
4. NWD declared final dividend for the year ended 30th June 2011 in scrip form (with cash option) during the period and announced rights issue on 18th October 2011 which became unconditional on 25th November 2011. 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\$17.652 to HK\$16.004 on 28th November 2011, and further to HK\$16.003 on 30th December 2011.
5. The cash consideration paid by each of the directors for grant of the share options is HK\$10.

### (3) NWS Holdings Limited

Under the share option scheme of a fellow subsidiary, NWS Holdings Limited (“NWS”), the following directors 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 were as follows:

Name of director	Date of grant	Exercisable period (note)	Balance as at 1st July 2011	Number of share options		Balance as at 31st December 2011	Exercise price per share (note 3) HK\$
				Adjusted during the period (note 3)	Exercised during the period		
Dr. Cheng Kar-shun, Henry	21st August 2007	(1)	1,821,548	3,643	—	1,825,191	10.650
		(2)	2,732,323	5,464	—	2,737,787	10.650
Mr. Doo Wai-hoi, William	21st August 2007	(1)	1,214,363	2,428	—	1,216,791	10.650
		(2)	1,821,551	3,643	—	1,825,194	10.650
Dr. Cheng Wai-chee, Christopher	21st August 2007	(1)	364,307	728	—	365,035	10.650
		(2)	546,464	1,093	—	547,557	10.650
Total			8,500,556	16,999	—	8,517,555	

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. NWS declared final dividend for the year ended 30th June 2011 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\$10.672 to HK\$10.650 on 29th December 2011.
4. The cash consideration paid by each of the directors for grant of the share options is HK\$10.

## Other Information

### Directors' Interests in Securities (Continued)

#### (B) Long position in underlying shares — share options (Continued)

##### (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 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 were as follows:

Name of director	Date of grant	Exercisable period (note)	Number of share options			Exercise price per share HK\$
			Balance as at 1st July 2011	Exercised during the period	Balance as at 31st December 2011	
Dr. Cheng Kar-shun, Henry	27th November 2007	(1)	1,000,000	—	1,000,000	8.660
Mr. Cheng Chi-kong, Adrian	27th November 2007	(1)	500,000	—	500,000	8.660
Ms. Ngan Man-ying, Lynda	27th November 2007	(1)	500,000	—	500,000	8.660
Total			2,000,000	—	2,000,000	

Notes:

- 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, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- The cash consideration paid by each of the directors for grant of the share options is HK\$1.

#### (C) Long position in debentures

The following director of the Company has interest in the debentures issued by Fita International Limited ("Fita"), a wholly-owned subsidiary of NWD. Details of the debentures of Fita held by him as at 31st December 2011 were as follows:

Name of director	Amount of debentures in USD issued by Fita			Percentage to the total debentures in issue as at 31 December 2011
	Personal interest	Family interest	Total	
Mr. Lee Luen-wai, John	1,000,000	1,000,000	2,000,000	0.27

Save as disclosed above, as at 31st December 2011, none of the directors, chief executives or any of their associates had or deemed to have any interest or short position in the shares, 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.

## Substantial Shareholders' Interests in Securities

As at 31st December 2011, 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:

### Long position of substantial shareholders in the shares of the Company

Name	Number of shares			Percentage to the issued share capital as at 31st December 2011
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTF") (note 1)	—	6,080,297,173	<b>6,080,297,173</b>	70.34
Cheng Yu Tung Family (Holdings II) Limited ("CYTF II") (note 1)	—	6,080,297,173	<b>6,080,297,173</b>	70.34
Chow Tai Fook Capital Limited ("CTFC") (note 1)	—	6,080,297,173	<b>6,080,297,173</b>	70.34
Chow Tai Fook (Holding) Limited ("CTFH") (formerly known as Centennial Success Limited) (note 1)	—	6,080,297,173	<b>6,080,297,173</b>	70.34
Chow Tai Fook Enterprises Limited ("CTF") (note 2)	—	6,080,297,173	<b>6,080,297,173</b>	70.34
New World Development Company Limited ("NWD") (note 3)	5,709,673,644	370,623,529	<b>6,080,297,173</b>	70.34

#### Notes:

1. CYTF and CYTF II hold 48.98% and 40.23% interests in CTFC, respectively. CTFC in turn owns 74.07% interest in CTFH which holds the entire interests in CTF. Therefore, CYTF, CYTF II, CTFC and CTFH 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 accordingly CTF is 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 255,041,727 shares held by Easywin Enterprises Corporation Limited, its wholly-owned subsidiary, 22,508,064 shares held by Great Worth Holdings Limited, its 59% owned subsidiary, and 93,073,738 shares held by High Earnings Holdings Limited, its 59.77% owned subsidiary.

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 2011.

# Other Information

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## Share Option Scheme

On 26th November 2002, the Company adopted a share option scheme ("2002 Share Option Scheme") pursuant to which employees, including directors, of the Group were given opportunity to obtain equity holdings in the Company. In anticipation of its expiry in 2012, the Company has adopted a new share option scheme ("2011 Share Option Scheme") at the annual general meeting of the Company held on 22nd November 2011 and terminated the operation of the 2002 Share Option Scheme. Any share options which were granted under the 2002 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the terms of the 2002 Share Option Scheme. No share option has been granted under the 2011 Share Option Scheme since its adoption.

Pursuant to the 2002 Share Option Scheme, the number of share options and exercise prices are subject to adjustment in case of alteration in the Company's capital structure. Accordingly, the rights issue as announced by the Company on 18th October 2011 which became unconditional on 22nd December 2011 constituted an event giving rise to an adjustment to the number of outstanding share options and the exercise prices on 23rd December 2011 in accordance with the 2002 Share Option Scheme.

During the six months ended 31st December 2011, movement of share options granted to the directors and employees of the Group under the 2002 Share Option Scheme was as follows:

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

(B) Movement of share options granted to employees was as follows:

Date of grant	Number of share options (note 1)						Outstanding as at 31st December 2011	Exercise price per share (before adjustment) (note 4) HK\$	Exercise price per share (after adjustment) (note 4) HK\$
	Balance as at 1st July 2011	Granted during the period (note 3)	Exercised during the period (before adjustment) (note 5)	Adjusted during the period (note 4)	Exercised during the period (after adjustment) (note 5)	Lapsed during the period			
28th June to 26th July 2006	64,925	—	(64,000)	—	—	(925)	—	2.559	N/A
17th October to 13th November 2006	111,492	—	—	—	—	(111,492)	—	2.984	N/A
28th December 2006 to 24th January 2007	759,850	—	—	29,604	—	—	789,454	4.209	4.051
19th March to 13th April 2007	822,985	—	—	32,064	—	—	855,049	4.020	3.869
14th June to 11th July 2007	1,669,701	—	—	43,386	—	(556,119)	1,156,968	5.994	5.769
17th October to 13th November 2007	1,635,223	—	—	36,600	—	(695,821)	976,002	7.209	6.939
28th December 2007 to 24th January 2008	826,119	—	—	32,186	—	—	858,305	6.228	5.994
22nd April to 19th May 2008	647,910	—	—	18,020	—	(185,373)	480,557	4.699	4.523
31st July to 27th August 2008	260,597	—	—	8,338	—	(46,566)	222,369	3.271	3.148
12th November to 9th December 2008	693,206	—	—	27,008	—	—	720,214	1.503	1.447
2nd December to 29th December 2008	6,359,598 <sup>(2)</sup>	—	(102,000)	243,800	(101,945)	(50,882)	6,348,571	1.340	1.290
2nd December to 29th December 2008	1,138,883	—	—	44,371	—	—	1,183,254	1.340	1.290
3rd February to 2nd March 2009	685,528	—	(54,000)	24,604	—	—	656,132	1.769	1.703
26th June to 23rd July 2009	3,013,208	—	—	117,397	—	—	3,130,605	4.065	3.913
19th November to 16th December 2009	2,970,000	—	—	86,493	—	(750,000)	2,306,493	3.068	2.953
12th January to 2nd February 2010	4,561,600	—	—	154,488	—	(596,400)	4,119,688	2.990	2.878
18th May to 14th June 2010	1,144,000	—	—	33,818	—	(276,000)	901,818	2.350	2.262
31st May to 25th June 2010	888,000	—	—	34,597	—	—	922,597	2.440	2.349
10th November to 7th December 2010	4,350,400	—	—	152,290	—	(441,600)	4,061,090	3.130	3.013
18th January to 14th February 2011	5,619,400	—	—	218,937	—	—	5,838,337	3.154	3.036
3rd May to 30th May 2011	1,348,400	—	—	52,535	—	—	1,400,935	2.860	2.753
26th July to 22nd August 2011	—	1,572,400	—	61,262	—	—	1,633,662	2.810	2.705
Total	39,571,025	1,572,400	(220,000)	1,451,798	(101,945)	(3,711,178)	38,562,100		

Notes:

1. 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.
2. The share options are exercisable within four 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 25% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years.
3. The closing price per share immediately before 26th July 2011, the date of offer to grant, was HK\$2.790.
4. Adjustments were made to the exercise prices and the number of outstanding share options in accordance with the 2002 Share Option Scheme on 23rd December 2011 as a result of the rights issue as announced by the Company on 18th October 2011 which became unconditional on 22nd December 2011.
5. The weighted average closing price of the shares immediately before the dates on which share options were exercised (both before and after the date of adjustment) under the 2002 Share Option Scheme was HK\$2.070.

# Other Information

## Share Option Scheme *(Continued)*

The fair value of the share options granted during the period with exercise price per share of HK\$2.810 (adjusted to HK\$2.705) is estimated at HK\$1.07 using the Binomial pricing model. Value is estimated based on the risk-free rate at 1.23% per annum with reference to the rate prevailing on the Exchange Fund Notes, a one-year period historical volatility of 52.49%, assuming dividend yield of 1.91% 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.

## Continuing Obligations under Chapter 13 of the Listing Rules

### 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 13th June 2006, the Company was granted a 3-year term loan facility of up to HK\$300,000,000 to fund the general corporate funding requirement of the Company and its subsidiaries, including refinancing the Company's existing loan. The said facility had been renewed for further 3 years up to 12th June 2012. On 28th May 2010, the Company obtained a 5-year term loan facility of up to HK\$1,000,000,000 and was further granted term loan facilities of up to an aggregate principal amount of HK\$1,000,000,000 on 23rd May 2011, comprising a 5-year term loan facility of up to a principal amount of HK\$500,000,000 and a 3-year term loan facility of up to a principal amount of HK\$500,000,000 which are available in RMB, to finance the general working capital of the Company.

On 28th December 2007, Superb Wealthy Group Limited ("Superb Wealthy"), a wholly-owned subsidiary, was granted 5-year term/revolving loan facilities of HK\$700,000,000. On 30th September 2008 and 16th October 2008, Superb Wealthy was also granted loan facilities of HK\$700,000,000 and HK\$400,000,000 for 3 years, which were renewed for further 5 and 3 years, respectively. It was further granted loan facilities of HK\$250,000,000, HK\$150,000,000, HK\$100,000,000, HK\$500,000,000, HK\$700,000,000 and HK\$100,000,000 for a term of 2 to 5 years on 29th October 2009, 6th November 2009, 19th April 2010, 28th May 2010, 5th July 2010 and 21st October 2011, respectively.

On 30th October 2007, New World China Finance (BVI) Limited ("NWCF"), a wholly-owned subsidiary, was granted a 5-year term loan facility of HK\$2,700,000,000. It was further granted a loan facility of HK\$200,000,000 for a term of 3 years on 11th April 2011. New World Development (China) Limited ("NWDC"), a wholly-owned subsidiary, was also granted a 3-year term loan facility of HK\$250,000,000 on 31st December 2009. The facilities obtained by NWCF, Superb Wealthy and NWDC will be utilised to finance the investment in property projects, repay borrowings and fund the general working capital requirement of the Company and its subsidiaries. On 25th July 2011, New World Hotel Management (BVI) Limited, a wholly-owned subsidiary, was granted a 5-year term loan facility of HK\$1,000,000,000 to finance part of the consideration for acquiring a hotel management group.

Upon the granting of the above loan facilities, the Company undertook to the lenders that NWD 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.

## Update on Directors' Information

Pursuant to rule 13.51B(1) of the Listing Rules, the changes in information of the directors of the Company since the date of the 2011 Annual Report are set out below:

1. Dr. Cheng Kar-shun, Henry was appointed as the Chairman and Executive Director of Chow Tai Fook Jewellery Group Limited, a listed company in Hong Kong, on 26th July 2011. He also acts as a Director of Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited, both became substantial shareholders of the Company during the period.
2. Mr. Cheng Kar-shing, Peter acts as a Director of Cheng Yu Tung Family (Holdings II) Limited and Chow Tai Fook Capital Limited, both became substantial shareholders of the Company during the period. He was also appointed as the Chairman of Chow Tai Fook Charity Foundation and was admitted as an Arbitrator of Huizhou Arbitration Commission.
3. Mr. Cheng Chi-kong, Adrian was appointed as an Executive Director of Chow Tai Fook Jewellery Group Limited, a listed company in Hong Kong, on 26th July 2011. He was also appointed as the Vice-Chairman of the Youth Federation of the Central State-owned Enterprises in August 2011.
4. Mr. Leung Chi-kin, Stewart resigned as a Non-Executive Director of the Company as well as a Non-Executive Director and the Principal Adviser of New World Development Company Limited, a listed public company in Hong Kong and a substantial shareholder of the Company, on 1st January 2012.
5. Mr. Lee Luen-wai, John was appointed as a member of the Appeal Boards Panel (Education) on 1st January 2012. Mr. Lee resigned as a Non-Executive Director of Export & Industry Bank, Inc., a listed company in the Republic of Philippines, on 13th December 2011.
6. Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter and Mr. Cheng Chi-kong, Adrian were Directors of Centennial Success Limited (a substantial shareholder of the Company) which changed its name to Chow Tai Fook (Holding) Limited with effect from 17th August 2011.

# Other Information

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## Interim Dividend

The directors have declared an interim dividend of HK\$0.03 per share (2010: HK\$0.03) for the year ending 30th June 2012. It will be payable on or about Wednesday, 16th May 2012 to shareholders whose names appear on the Register of Members as at Monday, 16th April 2012.

## Closure of Register of Members

The Register of Members will be closed from Friday, 13th April 2012 to Monday, 16th April 2012 (both days inclusive). In order to establish entitlements to the declared interim dividend, all transfers accompanied 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 Thursday, 12th April 2012.

## 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 for the six months ended 31st December 2011 and discussed the financial related matters with management and external auditors. The unaudited interim financial statements of the Group for the six months ended 31st December 2011 have been reviewed by the Group's external auditors, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity" 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 to the Listing Rules during the six months ended 31st December 2011, except for the following deviation:

### 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 Managing 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.

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## **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 to 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.

## **Purchase, Sale or Redemption of the Company’s Listed Securities**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the period.

# Corporate Information

## Board Of Directors

### Executive Directors

Dr. Cheng Kar-shun, Henry  
*(Chairman and Managing Director)*  
Mr. Cheng Kar-shing, Peter  
Mr. Cheng Chi-kong, Adrian  
Miss Cheng Chi-man, Sonia  
Mr. Cheng Chi-him, Conrad  
Mr. Fong Shing-kwong, Michael  
Ms. Ngan Man-ying, Lynda

### Non-Executive Directors

Mr. Doo Wai-hoi, William *(Vice-chairman)*  
Mr. Chow Kwai-cheung\*  
Mr. Chow Yu-chun, Alexander

### Independent Non-Executive Directors

Dr. Cheng Wai-chee, Christopher  
Mr. Tien Pei-chun, James  
Mr. Lee Luen-wai, John

## Company Secretary

Ms. Ngan Man-ying, Lynda

## Auditor

PricewaterhouseCoopers

## Principal Bankers

Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd.  
The Bank of East Asia, Limited  
China Merchant Bank Co., Limited  
CITIC Bank International Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Sumitomo Mitsui Banking Corporation  
Industrial and Commercial Bank of China (Asia) Limited

## Website

[www.nwcl.com.hk](http://www.nwcl.com.hk)

## Registered Office

P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

## Head Office and Principal Place of Business in Hong Kong

9/F., New World Tower 1  
18 Queen's Road Central  
Hong Kong

## Principal Share Registrar and Transfer Office

Butterfield Fulcrum Group (Cayman) Limited  
Butterfield House  
68 Fort Street  
P.O. Box 609  
Grand Cayman KY1-1107  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

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

## Stock Code

Hong Kong Stock Exchange 00917

## Investor Information

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](mailto:enquiry@nwcl.com.hk)

\* will resign with effect from 1st March 2012



## New World China Land Limited

(incorporated in the Cayman Islands with limited liability)

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