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**New World China Land Limited**

**新世界中國地產有限公司**

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

**(Stock Code: 917)**

## **ANNUAL RESULTS ANNOUNCEMENT 2014/2015**

### **RESULTS**

The board of directors of New World China Land Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 June 2015:

#### **Consolidated Income Statement**

**For the year ended 30 June 2015**

	Note	2015 HK\$'000	2014 HK\$'000
<b>Continuing operations</b>			
Revenues	2	<b>17,459,237</b>	21,850,106
Cost of sales		<b>(10,621,455)</b>	(12,770,039)
Gross profit		<b>6,837,782</b>	9,080,067
Other income	3	<b>733,019</b>	1,359,585
Other gains/(losses), net	4	<b>68,973</b>	(111,898)
Changes in fair value of investment properties		<b>899,117</b>	616,122
Selling expenses		<b>(799,553)</b>	(737,786)
Administrative and other operating expenses		<b>(1,400,936)</b>	(1,249,934)
Operating profit before finance costs	5	<b>6,338,402</b>	8,956,156
Finance costs		<b>(302,140)</b>	(311,314)
Share of results of associated company and joint ventures		<b>386,153</b>	462,277
Profit before taxation		<b>6,422,415</b>	9,107,119
Taxation charge	6	<b>(2,918,335)</b>	(4,167,156)
Profit for the year from continuing operations		<b>3,504,080</b>	4,939,963
<b>Discontinued operation</b>			
Loss for the year from discontinued operation	10	<b>(34,033)</b>	(140,698)
<b>Profit for the year</b>		<b>3,470,047</b>	4,799,265

**Consolidated Income Statement (Continued)**  
**For the year ended 30 June 2015**

	Note	2015 HK\$'000	2014 HK\$'000
Profit attributable to:			
Equity holders of the Company			
From continuing operations		<b>3,347,164</b>	4,779,389
From discontinued operation		<b>(34,033)</b>	(140,698)
		<b>3,313,131</b>	4,638,691
Non-controlling interests		<b>156,916</b>	160,574
		<b>3,470,047</b>	4,799,265
<b>Earnings per share</b>			
	7		
Basic			
From continuing operations		<b>38.53 cents</b>	55.11 cents
From discontinued operation		<b>(0.39) cents</b>	(1.62) cents
		<b>38.14 cents</b>	53.49 cents
Diluted			
From continuing operations		<b>38.51 cents</b>	55.07 cents
From discontinued operation		<b>(0.39) cents</b>	(1.62) cents
		<b>38.12 cents</b>	53.45 cents
Dividends	8	<b>260,681</b>	607,713

**Consolidated Statement of Comprehensive Income**  
**For the year ended 30 June 2015**

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Profit for the year	<b>3,470,047</b>	4,799,265
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Translation differences	<b>(61,676)</b>	(564,599)
Share of other comprehensive income of associated company and joint ventures	<b>1,978</b>	(83,077)
Other comprehensive income for the year	<b>(59,698)</b>	(647,676)
<b>Total comprehensive income for the year</b>	<b>3,410,349</b>	4,151,589
Total comprehensive income attributable to:		
Equity holders of the Company	<b>3,258,178</b>	3,999,840
Non-controlling interests	<b>152,171</b>	151,749
	<b>3,410,349</b>	4,151,589
Total comprehensive income attributable to equity holders of the Company arising from:		
Continuing operations	<b>3,293,173</b>	4,140,207
Discontinued operation	<b>(34,995)</b>	(140,367)
	<b>3,258,178</b>	3,999,840

## Consolidated Statement of Financial Position

As at 30 June 2015

	Note	2015 HK\$'000	2014 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,831,924	4,763,887
Investment properties		24,684,353	21,971,592
Land use rights		720,144	703,901
Intangible assets		91,030	1,895,952
Properties held for development		19,741,250	18,182,575
Associated company and joint ventures		15,598,108	14,309,144
Available-for-sale financial assets		735,860	85,147
		<b>67,402,669</b>	61,912,198
<b>Current assets</b>			
Properties under development		17,671,570	21,091,110
Completed properties held for sale		19,885,358	8,977,146
Hotel inventories, at cost		4,102	4,002
Prepayments, debtors and other receivables	9	11,275,453	10,881,917
Amounts due from related companies		301,943	577,025
Cash and bank balances, unrestricted		15,773,665	17,351,595
		<b>64,912,091</b>	58,882,795
Assets of disposal group classified as held for sale	10	2,112,780	—
Non-current assets reclassified as held for sale		—	131,138
		<b>67,024,871</b>	59,013,933
<b>Total assets</b>		<b>134,427,540</b>	120,926,131
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital		868,877	868,335
Reserves		59,652,293	56,623,635
Proposed final dividend		260,681	260,547
		<b>60,781,851</b>	57,752,517
<b>Non-controlling interests</b>		<b>3,836,900</b>	3,566,137
<b>Total equity</b>		<b>64,618,751</b>	61,318,654

## Consolidated Statement of Financial Position (Continued)

As at 30 June 2015

	Note	2015 HK\$'000	2014 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings		34,388,409	25,226,035
Deferred tax liabilities		3,522,327	3,252,232
		<b>37,910,736</b>	<b>28,478,267</b>
<b>Current liabilities</b>			
Creditors and accruals	11	8,890,122	6,950,199
Deposits received on sale of properties		6,045,122	4,716,405
Amounts due to related companies		723,334	507,848
Short term loans		1,001,250	—
Current portion of long term borrowings		9,775,255	14,197,174
Amounts due to non-controlling interests		102,756	102,756
Taxes payable		4,432,361	4,654,828
		<b>30,970,200</b>	<b>31,129,210</b>
Liabilities of disposal group classified as held for sale	10	927,853	—
		<b>31,898,053</b>	<b>31,129,210</b>
<b>Total liabilities</b>		<b>69,808,789</b>	<b>59,607,477</b>
<b>Total equity and liabilities</b>		<b>134,427,540</b>	<b>120,926,131</b>
<b>Net current assets</b>		<b>35,126,818</b>	<b>27,884,723</b>
<b>Total assets less current liabilities</b>		<b>102,529,487</b>	<b>89,796,921</b>

### Notes

#### 1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable requirements of the predecessor Companies Ordinance (Cap. 32). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and available-for-sale financial assets which have been measured at fair value.

##### (a) Adoption of revised standards, amendments to standards and interpretation

The Group has adopted the following revised standards, amendments to standards and interpretation which are relevant to the Group’s operations and are mandatory for the financial year ended 30 June 2015:

Amendments to HKAS 19 (Revised 2011)	Employee Benefits: Defined Benefit Plans – Employee Contributions
HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting

HK(IFRIC) – Int 21	Levies
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (Revised 2011)	Investment Entities
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

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

(b) Standards and amendments to standards which are not yet effective

The following new or revised standards and amendments to standards are mandatory for the accounting periods beginning on or after 1 July 2015 or later periods but which the Group has not early adopted:

*Effective for the year ending 30 June 2016:*

HKFRS 14	Regulatory Deferral Accounts
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (Revised 2011)	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Annual Improvements Project	Annual Improvements 2012-2014 Cycle

*Effective for the year ending 30 June 2017 or after:*

HKFRS 9 (2014)	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

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

## 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, revenue from rental and hotel operation, property management services fee income, project management fee income and contracting services income.

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Sale of properties	<b>15,172,392</b>	19,706,194
Rental income	<b>828,864</b>	792,868
Income from hotel operation	<b>388,987</b>	352,538
Property management services fee income	<b>507,799</b>	424,999
Project management fee income	<b>120,607</b>	94,405
Contracting services income	<b>440,588</b>	479,102
	<b>17,459,237</b>	21,850,106

- (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 operations and hotel management services operations. Other operations include contracting services and 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 after taxation charge. This measurement basis excludes the effects of changes in fair value of investment properties, gains and losses from changes in group structure, net foreign exchange gains/(losses), amortisation and impairment of intangible assets acquired from business combinations, income and expenses at corporate office and deferred tax charge on undistributed profits. 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 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 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 consolidated statement of financial position.

During the year ended 30 June 2015, the consolidated results of the hotel management services are presented as discontinued operation in accordance with HKFRS 5 “Non-current Assets Held for Sales and Discontinued Operations”. Prior year comparative segment information has been restated to conform with the current year presentation accordingly.

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.

- (c) For the years ended 30 June 2014 and 30 June 2015, there was no revenue derived from a single external customer exceeding 10% of total revenue.



Year ended 30 June 2015	Continuing operations					Discontinued operation		Total HK\$'000
	Property sales	Rental operation	Hotel operation	Property management services	Other operations	Sub-total	Hotel management services	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Segment revenues								
Company and subsidiaries								
Total revenues	15,429,949	871,109	388,987	637,629	443,046	17,770,720	696,921	18,467,641
Inter-segment revenues	(136,950)	(42,245)	-	(129,830)	(2,458)	(311,483)	(23,741)	(335,224)
External revenues	15,292,999	828,864	388,987	507,799	440,588	17,459,237	673,180	18,132,417
Associated company and joint ventures - attributable to the Group								
	1,167,664	468,954	171,254	105,255	-	1,913,127	-	1,913,127
	16,460,663	1,297,818	560,241	613,054	440,588	19,372,364	673,180	20,045,544
Segment bank and other interest income								
	113,534	12,614	671	1,988	826	129,633	823	130,456
AOP before finance costs and after taxation charge								
Company and subsidiaries	2,653,053	336,965	(130,481)	(113,659)	(8,066)	2,737,812	106,689	2,844,501
Associated company and joint ventures	283,480	222,118	(132,517)	(11,643)	11,151	372,589	-	372,589
	2,936,533	559,083	(262,998)	(125,302)	3,085	3,110,401	106,689	3,217,090
Additions to non-current assets other than financial instruments								
	5,202,434	2,072,906	535,854	6,214	431,049	8,248,457	5,081	8,253,538
Depreciation and amortisation	90,092	5,860	207,193	4,293	1,307	308,745	60,625	369,370
Impairment of intangible assets	-	-	-	-	-	-	56,375	56,375
Share of results of associated company and joint ventures	138,152	401,003	(145,359)	(11,643)	4,000	386,153	-	386,153

As at 30 June 2015	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services HK\$'000	Other operations HK\$'000	Total HK\$'000
Segment assets	79,064,918	26,638,864	3,974,571	333,206	1,493,800	111,505,359
Associated company and joint ventures	6,516,546	9,006,784	156,800	(84,424)	2,402	15,598,108
Available-for-sale financial assets						735,860
Property, plant and equipment at corporate office						8,868
Prepayments, debtors and other receivables at corporate office						13,708
Amounts due from related companies at corporate office						202,793
Cash and bank balances at corporate office						4,250,064
Assets of disposal group classified as held for sale						<u>2,112,780</u>
Total assets						<u>134,427,540</u>
Segment liabilities	14,944,497	298,539	105,387	298,141	91,789	15,738,353
Creditors and accruals at corporate office						212,814
Taxes payable						4,242,528
Borrowings						45,164,914
Deferred tax liabilities						3,522,327
Liabilities of disposal group classified as held for sale						<u>927,853</u>
Total liabilities						<u>69,808,789</u>

Year ended 30 June 2014	Continuing operations					Discontinued operation		Total HK\$'000
	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services HK\$'000	Other operations HK\$'000	Sub-total HK\$'000	Hotel management services HK\$'000	
Segment revenues								
Company and subsidiaries								
Total revenues	19,800,599	819,576	352,538	546,971	482,409	22,002,093	553,578	22,555,671
Inter-segment revenues	-	(26,708)	-	(121,972)	(3,307)	(151,987)	(23,829)	(175,816)
External revenues	19,800,599	792,868	352,538	424,999	479,102	21,850,106	529,749	22,379,855
Associated company and joint ventures - attributable to the Group	2,216,784	469,967	137,708	99,909	-	2,924,368	-	2,924,368
	22,017,383	1,262,835	490,246	524,908	479,102	24,774,474	529,749	25,304,223
Segment bank and other interest income	100,013	36,263	560	2,213	1,165	140,214	4,138	144,352
AOP before finance costs and after taxation charge								
Company and subsidiaries	4,341,404	351,091	(87,039)	(110,568)	(79,290)	4,415,598	36,280	4,451,878
Associated company and joint ventures	660,859	192,015	(151,291)	(9,749)	8,457	700,291	-	700,291
	5,002,263	543,106	(238,330)	(120,317)	(70,833)	5,115,889	36,280	5,152,169
Additions to non-current assets other than financial instruments								
Depreciation and amortisation	5,079,625	1,236,445	1,008,981	4,612	242,037	7,571,700	144,779	7,716,479
Impairment of intangible assets	62,607	4,613	148,885	3,022	952	220,079	59,781	279,860
Share of results of associated company and joint ventures	-	-	-	-	-	-	125,892	125,892
	232,397	401,612	(162,623)	(9,627)	518	462,277	-	462,277

As at 30 June 2014	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
Segment assets	69,317,012	24,167,715	3,582,728	298,750	2,088,058	1,017,234	100,471,497
Associated company and joint ventures	5,486,368	8,573,634	266,144	(22,170)	2,992	2,176	14,309,144
Available-for-sale financial assets							85,147
Property, plant and equipment at corporate office							5,587
Prepayments, debtors and other receivables at corporate office							124,398
Amounts due from related companies at corporate office							435,172
Cash and bank balances at corporate office							<u>5,495,186</u>
Total assets							<u>120,926,131</u>
Segment liabilities	11,265,371	355,067	108,774	294,371	86,176	170,707	12,280,466
Creditors and accruals at corporate office							227,184
Taxes payable							4,424,386
Borrowings							39,423,209
Deferred tax liabilities							<u>3,252,232</u>
Total liabilities							<u>59,607,477</u>

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

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
<b>(i) Revenues</b>		
Total segment revenues	<b>19,372,364</b>	24,774,474
Less:		
Revenues of associated company and joint ventures, attributable to the Group	<b>(1,913,127)</b>	(2,924,368)
Revenues as presented in consolidated income statement	<b>17,459,237</b>	21,850,106
<b>(ii) Profit before taxation</b>		
Total AOP before finance costs and after taxation charge	<b>3,217,090</b>	5,152,169
AOP from discontinued operation	<b>(106,689)</b>	(36,280)
AOP before finance costs and after taxation charge	<b>3,110,401</b>	5,115,889
Bank and other interest income - corporate	<b>123,910</b>	129,400
Deferred tax charge on undistributed profits	<b>(63,000)</b>	(175,622)
Corporate administrative expenses	<b>(270,276)</b>	(266,263)
Finance costs	<b>(355,017)</b>	(341,584)
AOP after corporate items	<b>2,546,018</b>	4,461,820
Changes in fair value of investment properties, net of deferred taxation	<b>766,555</b>	598,045
Gain on remeasuring previously held equity interests of joint ventures at fair value upon further acquisition as subsidiaries	—	67,257
Loss on disposal of associated companies	—	(2,486)
Net foreign exchange gains/(losses)	<b>34,591</b>	(345,247)
	<b>801,146</b>	317,569
Profit attributable to equity holders of the Company	<b>3,347,164</b>	4,779,389
Taxation charge	<b>2,918,335</b>	4,167,156
Profit attributable to non-controlling interests	<b>156,916</b>	160,574
Profit before taxation	<b>6,422,415</b>	9,107,119

### 3 Other income

	2015 HK\$'000	2014 HK\$'000
Tax indemnity from the ultimate holding company	359,152	1,075,306
Bank and other interest income	295,162	242,432
Interest income from joint ventures, net of withholding tax (note)	78,705	41,847
	<b>733,019</b>	<b>1,359,585</b>

Note:

The property projects of the Group's joint ventures have been partly financed by the Group in the form of equity capital and unsecured shareholder's advances. The interest income from joint ventures is recognised when the payment of interest has been approved by the Group's joint ventures. The Group's attributable share of shareholders' loan interest expenses of joint ventures is included in the share of results of joint ventures as follows:

	2015 HK\$'000	2014 HK\$'000
Share of shareholders' loan interest expenses of joint ventures	(59,200)	(50,129)

### 4 Other gains/(losses), net

	2015 HK\$'000	2014 HK\$'000
Net foreign exchange gains/(losses)	33,745	(281,743)
Loss on disposal of associated companies	—	(2,486)
Gain on remeasuring previously held equity interests of joint ventures at fair value upon further acquisition as subsidiaries	—	67,257
Gain on disposal of investment properties	35,228	105,074
	<b>68,973</b>	<b>(111,898)</b>

### 5 Operating profit before finance costs

	2015 HK\$'000	2014 HK\$'000
Operating profit before finance costs is arrived at after charging:		
Cost of properties sold	8,889,377	11,107,940
Depreciation of property, plant and equipment	284,173	199,926
Amortisation of land use rights	24,572	20,153

## 6 Taxation charge

	2015 HK\$'000	2014 HK\$'000
Current taxation		
PRC corporate income tax and withholding tax	<b>1,010,518</b>	1,383,531
PRC land appreciation tax	<b>1,667,492</b>	2,449,000
Deferred taxation	<b>240,325</b>	334,625
	<b>2,918,335</b>	4,167,156

Share of taxation of associated company and joint ventures for the year ended 30 June 2015 of HK\$379,673,000 (2014: HK\$584,779,000) is included in the consolidated income statement as share of results of associated company and joint ventures.

No provision for Hong Kong profit tax has been made as the Group has no estimated assessable profits in Hong Kong for the year (2014: Nil). PRC corporate income tax has been provided on the estimated assessable profits of subsidiaries, associated company and joint ventures operating in the PRC at 25% (2014: 25%). PRC land appreciation tax is provided at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

## 7 Earnings per share

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

	2015 HK\$'000	2014 HK\$'000
Profit attributable to equity holders of the Company arising from:		
Continuing operations	<b>3,347,164</b>	4,779,389
Discontinued operation	<b>(34,033)</b>	(140,698)
	<b>3,313,131</b>	4,638,691

	Number of shares	
	2015	2014
Weighted average number of shares for calculating basic earnings per share	<b>8,685,806,399</b>	8,672,612,430
Effect of dilutive potential shares:		
Share options	<b>6,544,197</b>	6,721,368
Weighted average number of shares for calculating diluted earnings per share	<b>8,692,350,596</b>	8,679,333,798

## 8 Dividends

	2015 HK\$'000	2014 HK\$'000
Interim dividend paid of nil (2014: HK\$0.04) per share	—	347,166
Final dividend proposed of HK\$0.03 (2014: HK\$0.03) per share	<b>260,681</b>	260,547
	<b>260,681</b>	607,713

At a meeting held on 23 September 2015, the directors recommended a final dividend of HK\$0.03 per share. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of contributed surplus for the year ending 30 June 2016.

## 9 Prepayments, debtors and other receivables

Prepayments, debtors and other receivables include trade debtors, prepaid land preparatory cost, deposits for purchase of land, prepayment for proposed development projects, prepaid taxes, other prepayments, deposits and receivables. The ageing analysis of trade debtors based on invoice date is as follows:

	As at 30 June 2015 HK\$'000	As at 30 June 2014 HK\$'000
0 to 30 days	<b>723,946</b>	763,495
31 to 60 days	<b>541,948</b>	377,676
61 to 90 days	<b>285,012</b>	351,363
Over 90 days	<b>1,083,423</b>	1,430,984
	<b>2,634,329</b>	2,923,518

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



## 10 Discontinued operation

New World Hotel Management (BVI) Limited, its subsidiaries and joint venture (“the Disposal Group”) are engaged in provision of worldwide hotel management services, which is not the core business of the Group. The Board of Directors of the Company believes that the disposal of New World Hotel Management (BVI) Limited, its subsidiaries and joint venture (“the Disposal”) will enable the Group to realise its investment in non-core business and focus its resources on the operation of its existing core businesses of property development and investment in the PRC. The negotiation for the Disposal was in final stage in June 2015 and the Company announced the Disposal on 3 July 2015. Subject to fulfillment of several conditions precedent, the completion of the Disposal shall take place on or before 31 December 2015.

As at 30 June 2015, the assets and liabilities related to the Disposal Group have been presented as held for sale and the consolidated results of the Disposal Group are presented as discontinued operation in accordance with HKFRS 5 “Non-current Assets Held for Sales and Discontinued Operations”.

The results of the discontinued operation for the year are presented below:

	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
Revenue	<b>673,180</b>	529,749
Cost of sales	<b>(364,431)</b>	(327,583)
Gross profit	<b>308,749</b>	202,166
Other income	<b>822</b>	4,137
Other losses, net	<b>(57,926)</b>	(125,940)
Administrative and other operating expenses	<b>(240,710)</b>	(212,367)
Operating profit/(loss) before finance costs	<b>10,935</b>	(132,004)
Finance costs	<b>(28,104)</b>	(30,611)
Loss before taxation	<b>(17,169)</b>	(162,615)
Taxation charge	<b>(16,864)</b>	21,917
Loss for the year from discontinued operation	<b>(34,033)</b>	(140,698)

The major classes of assets and liabilities of the discontinued operation classified as held for sale are as follows:

	As at 30 June 2015 HK\$'000
<b>Assets</b>	
Property, plant and equipment	13,729
Intangible assets	1,693,855
Prepayments, debtors and other receivables	149,925
Cash and bank balances	165,021
Deferred tax assets	34,000
Other assets	56,250
<b>Assets of disposal group classified as held for sale</b>	<b>2,112,780</b>

	As at 30 June 2015 HK\$'000
<b>Liabilities</b>	
Long term borrowing	818,072
Creditors and accruals	92,846
Taxes payables	16,935
<b>Liabilities of disposal group classified as held for sale</b>	<b>927,853</b>

## 11 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 30 June 2015 HK\$'000	As at 30 June 2014 HK\$'000
0 to 30 days	6,582,749	5,033,097
31 to 60 days	14,445	17,787
61 to 90 days	70,172	78,323
Over 90 days	852,431	366,548
	<b>7,519,797</b>	<b>5,495,755</b>

## BUSINESS REVIEW

During the year under review, the Mainland China property market saw a gradual improvement amid positive developments on the regulatory policy which aimed at reinforcing healthy long-term development of the property market and stimulating the slowing macro-economy at large. In the third quarter of 2014, progressive easing of austerity measures was introduced by various local governments including terminating or relaxing the purchase restriction policy, loosening mortgage restrictions by easing qualification for first-time homebuyers and relaxing loan terms for existing homebuyers. On 30 March 2015, The People's Bank of China ("PBOC"), the Ministry of Housing and Urban-Rural Development and the China Banking Regulatory Commission jointly issued the "Notice of Issues Concerning the Policies for Individual Housing Loans" (關於個人住房貸款政策有關問題的通知) and Ministry of Finance and State Administration of Taxation jointly issued the "Notice Concerning the Policy on Business Tax of Transfer of Residential Properties by Individual" (關於調整個人住房轉讓營業稅政策的通知) to support reasonable housing demand for improvement-type home purchases. Under these two directives, the minimum mortgage down payment requirement was lowered to 40% from the previous 60%-70% for the purchase of self-occupied ordinary residential units for the improvement of living conditions and business tax was exempted upon transfer for properties owned for more than two years. In addition, the PBOC had cut the benchmark lending interest rates four times and reduced reserve ratio requirement for commercial banks three times during the year under review, further easing the country's monetary policy amid the pressure of descending macro-economy. On 26 August 2015, the PBOC announced a further cut of benchmark lending rates and deposits rate by 25 basis points to a record low of 4.6% since 2011, and reduction of reserve ratio requirement for financial institutions by 50 basis points.

According to the data announced by National Bureau of Statistics, the overall sales of commodity housing for the first six months to June 2015 had increased by 3.9% in gross floor area ("GFA") and increased by 10.0% in sales revenue amount compared to the corresponding period in 2014. Benefiting from the easing measures and loosening credit policies which helped to reinforce the underlying strength of the PRC property market and stimulate overall housing demand, the Group successfully accomplished its contracted sales target for FY2015 of RMB12.5 billion. During the year under review, the Group achieved contracted sales of approximately RMB15,426 million with contracted GFA sold of 1,090,891 sq m, representing a year-on-year increase of 4.3% and 7% in gross sales value and sales volume respectively. Included in the remaining contracted sales secured and to be recorded, approximately 582,648 sq m GFA with gross sales proceeds of approximately RMB5,334 million are for those projects scheduled to be completed within the next 12 months and their corresponding sales revenues shall be recorded in the consolidated income statement of FY2016.

For the year ended 30 June 2015, the Group's core profit before revaluation, exchange difference, amortisation and impairment of intangible assets reported at HK\$2,624.60 million, representing a decrease of 41.3% from HK\$4,467.49 million recorded last year. The decrease in core profit was largely attributable to overall decrease in attributable operating profit ("AOP") from property sales resulted from cyclical effect of recording sales arising from decrease in completion of GFA by 30% and decrease in gross profit margin of property sales by approximately 2.7 percentage points compared to last financial year. The Group's profit

attributable to shareholders posted at HK\$3,313.13 million, representing a decrease of 28.6% compared to FY2014. The decrease in profit attributable to shareholders was mainly due to aforementioned decrease in core profit which effect was mitigated by an increase in changes in fair value of investment properties compared to last year.

## Analysis of Attributable operating profit

	FY 2015 HK\$'000	FY 2014 HK\$'000
Property sales	2,936,533	5,002,263
Rental operation	559,083	543,106
Hotel operation	(262,998)	(238,330)
Property management services	(125,302)	(120,317)
Hotel management services	106,689	36,280
Other operations	3,085	(70,833)
AOP before finance costs and after taxation charge	3,217,090	5,152,169
Bank and other interest income – corporate	123,910	129,400
Deferred tax charge on undistributed profits	(63,000)	(175,622)
Corporate administrative expenses	(270,276)	(266,263)
Finance costs	(383,121)	(372,195)
AOP after corporate items	2,624,603	4,467,489
Changes in fair value of investment properties, net of deferred taxation	766,555	598,045
Gain on remeasuring previously held equity interests of joint ventures at fair value upon further acquisition as subsidiaries	—	67,257
Loss on disposal of associated companies	—	(2,486)
Amortisation of intangible assets	(54,692)	(54,427)
Impairment of intangible assets, net of deferred taxation	(56,375)	(91,892)
Net foreign exchange gains/(losses)	33,040	(345,295)
	688,528	171,202
Profit attributable to equity holders of the Company	3,313,131	4,638,691

## Property sales

During the year under review, the Group's AOP from property sales operation recorded at HK\$2,936.53 million, representing a 41.3% decrease as compared to AOP from property sales of HK\$5,002.26 million achieved in FY2014. The overall recorded property sales volume of the Group for the year under review decreased by 39.5% comparing to the corresponding period last year to 855,414 sq m with recorded gross sale proceeds of approximately RMB13,068.30 million. The decrease in AOP from property sales was mainly resulted from decrease in volume of completed projects by 30% from last year's completion of 1,553,567 sq m to 1,089,163 sq m

completed during the year under review and planned deferral in launching the sale of high-end villas in Shenzhen New World Signature Hill and high-rise residential units in Shenzhen New World Yi Shan Garden until after completion instead of pre-selling at construction stage in order to maximise their returns and benefits from tapping the rising trend of property prices in the region and executing pricing strategy with more flexibility for sales of completed units.

The Group's overall gross profit margin of 41.6% was 2.7% lower than gross profit margin recorded in FY2014. The decrease in overall gross profit margin was mainly due to difference in recorded sales mix of both years. The recorded property sales for the year under review was mainly from Tianjin Glorious Palace, Foshan Canton First Estate, Langfang New World Centre and Dalian New World Tower, which had relatively lower gross profit margin than property projects sold in last year which mainly included Guangzhou Park Paradise, Shenyang New World Garden, Beijing Xin Yi Garden office units, Guangzhou New World Oriental Garden and Guangzhou Covent Garden. Despite the decrease in overall gross profit margin, the Group's average selling price during the year under review recorded an increase of RMB3,252 per sq m to RMB16,937 per sq m, representing a 23.8% increase as compared to the average selling price achieved in the last financial year. The increase in average selling price was attributable to different product mix in recorded sales mix of both years among which the recorded sales for the year under review comprised villas from Shenzhen New World Signature Hill and Beijing New World Yuzhuang and high-end residential units from Guangzhou Central Park-view and Guangzhou Park Paradise.

In FY2015, the Group has completed 14 property development projects for sale in Beijing, Langfang, Tangshan, Dalian, Tianjin, Chengdu, Changsha, Guangzhou, Foshan, Shenzhen, Zhaoqing and Haikou with a total GFA of 1,089,163 sq m, comprising 1,015,223 sq m of residential, 18,242 sq m of commercial properties, 25,609 sq m of office space and 30,089 sq m of resident car park space.

<b>Development property projects for sale completed in FY2015</b>	<b>Usage</b>	<b>Total GFA (sq m)</b>	<b>NWCL's interest</b>
Beijing New World Yuzhuang (北京新世界•麗樽)	R, C, O	63,416	75%
Langfang New World Centre District B (廊坊新世界中心 B 區)	R, C	20,802	100%
Tangshan New World Centre Phase I (唐山新世界中心一期)	R, C	69,231	100%
Dalian New World Tower (大連新世界大廈)	R	76,230	100%
Tianjin Glorious Palace (天津新匯華庭)	R, P	105,201	100%
Chengdu New World Riverside Phase II (成都河畔新世界二期)	R	84,873	30%
Changsha La Ville New World Phase III C (長沙新城新世界三期 C)	C, O, P	39,939	48%
Guangzhou Park Paradise Area 6 (廣州嶺南新世界六區)	R, C	146,762	100%
Guangzhou Xintang New World Garden Phase V C (廣州新塘新世界花園五期 C)	R	85,114	63%
Canton First Estate Phase I (廣佛新世界莊園一期)	R	178,717	85%
Shenzhen New World Signature Hill (深圳新世界名鑄)	R	58,692	100%
Shenzhen New World Yi Shan Garden Phase III (深圳新世界倚山花園三期)	R	95,594	100%
Zhaoqing New World Garden Phase III (肇慶新世界花園三期)	R, P	36,307	100%
Haikou New World•Meilisha Phase I (#2) (海口新世界•美麗沙一期 (#2))	R, P	28,285	100%
<b>Total</b>		<b>1,089,163</b>	

*R: Residential*

*C: Commercial*

*O: Office*

*P: Car park*

## **Rental operation**

During the year under review, the Group's AOP from rental operation recorded a moderate increase of 2.9% to HK\$559.08 million as compared to the last financial year. The increase in AOP from rental operation was mainly attributable to increase in AOP contributions from Shanghai Hong Kong New World Tower K11 Art Mall resulting from increase in occupancy rate and Wuhan New World International Trade Tower as a result of increase in average rental rate upon renewal of tenancy contract.

During the year under review, a total GFA of 155,221 sq m was added to the Group's investment properties portfolio with the completion of 67,111 sq m of commercial properties, 11,039 sq m of service apartment and 77,071 sq m of resident car park space from investment projects located in Tianjin, Guiyang, Foshan, Langfang, Guangzhou, Shenzhen and Zhaoqing.

## Hotel operation

During the year under review, the AOP from hotel operation recorded at a loss of HK\$263.00 million as opposed to a loss of HK\$238.33 million recorded in the corresponding period last year. The decrease in overall AOP from hotel operation was mainly due to the opening of New World Guiyang Hotel in September 2014 and which is still operating at initial stage and incurred pre-operating expenses, and decrease in AOP from New World Dalian Hotel resulting from decrease in occupancy rate and average room rate. The overall occupancy rate of the other six hotels of the Group had improved during the year under review comparing to the same period last year. The Central Government's continuing anti-corruption initiatives remained a great challenge to the Group's hotel operation.

The Group's hotel portfolio currently comprises eight hotels with 2,855 rooms.

<b>Hotel portfolio</b>	<b>Number of rooms</b>
pentahotel Beijing (北京貝爾特酒店)	307
New World Beijing Hotel (北京新世界酒店)	309
New World Shanghai Hotel (上海巴黎春天新世界酒店)	558
pentahotel Shanghai (上海貝爾特酒店)	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
New World Guiyang Hotel (貴陽新世界酒店)	306
<b>Total</b>	<b>2,855</b>

## OUTLOOK

As downward pressure continues to drag down the economy of Mainland China, local governments began to relax curbing policies towards the real estate market since the third quarter of 2014. Currently, only first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen are still strictly imposing home purchase restrictions. In March 2015, Premier Li Keqiang had no longer mentioned of the adjustment and control of the property market in his government work report. The words changed from last year's "curbing speculative investment demand" to "support people's demand for housing for personal use and of improvement nature, and promote the stable and sound development of the real estate market". In addition, the report also raised that in the scope of housing support, physical housing and housing subsidies will be implemented side by side, and a portion of stockpiles will be transformed to public rental housing and resettlement housing.

Since the beginning of 2015, the PBOC continues to implement a prudent yet appropriately loose monetary policy, exercising flexibility in a number of monetary policy tools to maintain sufficient liquidity and performing timely pre-tuning and fine-tuning at appropriate levels. As policies to support growth in the property market were gradually implemented, home buyers' wait-and-see sentiments slowly turned to optimistic, with many speeding up their purchase decisions. In addition, home improvement demands and investment demands that have both been suppressed for a long time have now been released. Although from the second quarter of 2015 onwards, certain economic indicators such as home sales and social financing scale have returned to the upward path, downward pressure still exists in the mainland's economy. In particular, the growth in fixed asset investments may continue to slow down. Amidst the downward pressure to the economy, the external landscape is still not optimistic. With the volatility in the mainland's stock market in the past few months, the Central Government may maintain a relatively loose monetary policy in the near future. However, the room for further monetary easing in the mainland will be subject to inflation trend, performance of the capital markets and changes in the monetary policies of the Federal Reserve Board of the United States in the future. In the short run, relatively loose monetary policy will, to a certain extent, drive and support the real estate market and fixed asset investments.

Looking ahead, the property markets of first-tier and some core second-tier cities are noticeably and certainly warming up. However, the stockpile pressure in some third- and fourth-tier cities remains high. Supply and demand will continue to be imbalanced. As such, it is believed that the Central Government will continue to uphold its principles of "classification guidance, localisation implementation". Based on the actual circumstances of various cities, the Central Government will roll out targeted and differentiated adjustment and control policies for the property market to actively promote its healthy development.

At the Fifth Plenary Session of the Central Committee of the Communist Party of China to be convened in the second half of 2015, the planning of the "13th Five-year Plan" will be discussed. This key roadmap, regarded as a symbol that the mainland is emerging as a super power, will be the utmost important economic matter in the mainland for the second half of the year. At present, there are large gaps in terms of the levels of economic development across various regions of the country. Long-term issues such as overcapacity and environmental pollution are



yet to be resolved. Some analysts have pointed out that “rebalancing” the mode of economic development will be the keyword for the planning of the “13th Five-year Plan”. Under the principles of “rebalancing”, “One Belt, One Road” and “innovation-driven” will become two core strategies in the 13th Five-year Plan. “One Belt, One Road” focuses on the late comers of development in western China. It strives to drive the development in the middle and western parts of the country by opening up to Eurasia, which in turn, can complete the objectives of industrial transfer and transformation. “Innovation-driven”, on the other hand, is the exit for Mainland China’s economic development in the future. The next five years will witness a large number of innovative and novel industries, and it will be an explosive period for emerging economic models. Therefore, while the mainland’s economy is still encountering many challenges in the short run, prospects in the medium and long term remain optimistic.

Currently, the Group has landbank of over 22.99 million sq m, covering over 20 first-, second- and third-tier cities in Mainland China, of which approximately 79% of residential floor area is located in first- and second-tier cities. Leveraging on the low-cost quality land bank and combining the Group’s sound financial position and brand advantage, it is believed that the future gross profit margin will maintain at optimal levels. Over the past few years, the Group has been actively focusing on a number of tasks. These include optimising its regional centralised procurement systems, product standardisation process, cost control as well as improving its asset turnover. A certain level of accomplishments has been made. In the future, the Group will continue to accelerate these kinds of work and actively address the “new norm” of the stable but fast economic growth in the mainland. Our direction will also be aligned with the constantly emerging new middle class of the mainland, offering them with excellent products, masterful designs and meticulously personalised services and bringing them the best lifestyle experience.

In FY2016, the Group plans to complete 12 property projects for sale with a total GFA of 1,254,982 sq m, comprising 1,047,432 sq m of residential, 80,261 sq m of commercial and 127,289 sq m of office space for sale. With increasing proportion of property projects to be completed in the next one or two years being located at second- and third-tier cities, the Group expects that the achievable overall gross profit margin from property sales will be maintained at the level of over 35%. It is anticipated that the contracted sales of FY2016 shall be in the region of RMB16.5 billion accordingly.

<b>Properties for sale to be completed in FY2016</b>	<b>Usage</b>	<b>Total GFA (sq m)</b>	<b>NWCL's interest</b>
Tangshan New World Centre Phase II (唐山新世界中心二期)	R, O	71,971	100%
Langfang New World Centre District A and C (廊坊新世界中心 A 區及 C 區)	R, C, O	238,800	100%
Langfang New World Garden District 3 (廊坊新世界花園三區)	R	101,319	100%
Shenyang New World Garden Phase I West District A (瀋陽新世界花園一期西區 A)	C, O	43,906	100%
Anshan New World Garden Phase III A (鞍山新世界花園三期 A)	R	84,087	100%
Wuhan Menghu Garden Phase III C (武漢夢湖香郡三期 C)	R, C	30,008	100%
Chengdu New World Riverside Phase II 1A (成都河畔新世界二期 1A)	R	134,783	30%
Yiyang New World Scenic Heights Phase I A and C (益陽新世界梓山湖畔一期 A 及 C)	R, C	21,225	100%
Guangzhou Covent Garden Phase III (廣州逸彩庭園三期)	R, C	94,992	100%
Guiyang Sunny Town Phase II C (貴陽金陽新世界二期 C)	R	325,758	50%
Guiyang Sunny Town Phase III A (貴陽金陽新世界三期 A)	R, C	29,748	50%
Zhaoqing New World Garden Phase III (肇慶新世界花園三期)	R, C	78,385	100%
<b>Total</b>		<b>1,254,982</b>	

## LIQUIDITY AND CAPITAL RESOURCES

As at 30 June 2015, the Group's cash and bank deposits amounted to HK\$15,773.67 million (30 June 2014: HK\$17,351.60 million).

During the year under review, the Company issued US\$900 million notes (equivalent to approximately HK\$6,993 million) and HK\$1,071 million notes at fixed rates ranging from 4.75% to 5.375% due in 2019 and 2022 respectively.

The Group's consolidated net debt (aggregate of borrowings, net of cash and bank balances) amounted to HK\$29,391.25 million (30 June 2014: HK\$22,071.61 million), translating into a gearing ratio of 45.5% (30 June 2014: 36.0%). The gearing ratio is calculated on the basis of net debts over total equity.

The Group's borrowings from banks and fellow subsidiaries, liabilities of bonds and notes payable as at 30 June 2015 totalled HK\$43,029.32 million (30 June 2014: HK\$37,207.80 million) of which 19.9% were secured by way of charges over assets and 80.1% were unsecured.

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

	As at 30 June 2015 HK\$'million	As at 30 June 2014 HK\$'million
Repayable:		
Within one year	10,776.50	14,197.17
Between one and two years	5,738.10	11,045.35
Between two and five years	24,177.16	10,388.42
After five years	2,337.56	1,576.86
<b>Total</b>	<b>43,029.32</b>	<b>37,207.80</b>

As at 30 June 2015, the Group's committed unutilised bank loan facilities amounted to HK\$8,161.75 million (30 June 2014: HK\$3,002.13 million).

### Capital expenditure commitments

The capital expenditure commitments of the Group as at 30 June 2015 were HK\$4,718,499,000 (30 June 2014: HK\$3,459,794,000) of which HK\$4,611,133,000 (30 June 2014: HK\$3,200,856,000) were contracted but not provided for in the financial statements and HK\$107,366,000 (30 June 2014: HK\$258,938,000) were authorised but not contracted for. 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 year under review, the Group has not used any foreign currency derivative product to hedge its exposure to currency risk.

## **CONTINGENT LIABILITIES**

As at 30 June 2015, the Group has contingent liabilities of approximately HK\$3,202,816,000 (30 June 2014: HK\$2,734,066,000) relating to corporate guarantees given in respect of bank loan facilities extended to certain joint ventures.

As at 30 June 2015, the Group has 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\$2,239,958,000 (30 June 2014: HK\$2,034,561,000).

## **DETAILS OF CHARGES ON GROUP'S ASSETS**

As at 30 June 2015, the Group's property, plant and equipment, investment properties, land use rights, properties held for development and properties under development of HK\$1,316,473,000 (30 June 2014: HK\$1,382,166,000), HK\$5,425,703,000 (30 June 2014: HK\$5,448,689,000), HK\$248,728,000 (30 June 2014: HK\$256,165,000), HK\$1,051,715,000 (30 June 2014: HK\$923,335,000) and HK\$6,234,373,000 (30 June 2014: HK\$4,377,720,000) respectively have been pledged as securities for long term bank borrowings and short term borrowings.

## **MAJOR ACQUISITION OR DISPOSAL**

No major acquisition or disposal undertaken by the Group during the year under review.

## **EVENT AFTER THE REPORTING DATE**

On 3 July 2015, the New World Development (China) Limited ("NWDC"), a wholly owned subsidiary of the Group, entered into the Sales and Purchase Agreement with Chow Tai Fook Enterprises Limited to sell its entire equity interest in New World Hotel Management (BVI) Limited ("NWHM") together with related outstanding shareholder's loan and accrued interest due and owing by NWHM to NWDC for an aggregate cash consideration of HK\$1,963,000,000.

Subject to fulfillment of several conditions precedent, the disposal is expected to be completed on or before 31 December 2015 at a gain of approximately HK\$844,000,000.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2015, the Group has 10,742 full-time employees. Total staff related costs incurred during the year under review were HK\$710.69 million (2014: HK\$638.57 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.

## **AUDIT COMMITTEE**

Audit committee was established in accordance with requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“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 four independent non-executive directors of the Company. The audit committee has reviewed the audited financial statements for the year ended 30 June 2015 and discussed the financial related matters with management and external auditor.

## **CORPORATE GOVERNANCE CODE**

The Company has complied with Corporate Governance Code contained in Appendix 14 to the Listing Rules during the year ended 30 June 2015, 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.

## **Code provision E.1.2**

The code provision E.1.2 provides (among other things) that the chairman of the independent board committee should be available to answer question at any general meeting to approve any transaction that requires independent shareholder's approval.

Dr Cheng Wai-chee, Christopher, the chairman of the Independent Board Committee, was not able to attend the extraordinary general meeting of the Company held on 30 June 2015 owing to other commitment. The other members of the board who attended the said meeting had answered the questions raised by the attending shareholders at the meeting.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 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 year under review.

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

The RMB4,300 million 8.5% bonds due 2015, which were issued by the Company and listed on the Stock Exchange of Hong Kong Limited, matured on 13 April 2015. Such bonds were fully redeemed by the Company at their principal amount on the said maturity date and there was no outstanding balance of such bonds at 30 June 2015.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

## **DIVIDEND**

The Directors have resolved to recommend the payment of a final dividend of HK\$0.03 per share in respect of the year ended 30 June 2015. The proposed final dividend, if approved at the forthcoming Annual General Meeting, will be paid on or about Monday, 28 December 2015 to the shareholders on the Register of Members as at Wednesday, 25 November 2015.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the Annual General Meeting to be held on 18 November 2015, the Register of Members will be closed from Monday, 16 November 2015 to Wednesday, 18 November 2015 (both days inclusive), during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30pm on Friday, 13 November 2015.

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting. For determining the entitlement to the proposed final dividend, the Register of Members will be closed for one day on Wednesday, 25 November 2015, during which period no transfer of shares will be effected. To qualify for the proposed final dividend, all share transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30pm on Tuesday, 24 November 2015.

**Dr Cheng Kar-shun, Henry**

*Chairman and Managing Director*

Hong Kong, 23 September 2015

*As at the date of this announcement, the executive directors are Dr Cheng Kar-shun, Henry, Mr Cheng Kar-shing, Peter, Dr Cheng Chi-kong, Adrian, Ms Cheng Chi-man, Sonia, Mr Cheng Chi-him, Conrad, Mr Fong Shing-kwong, Michael and Ms Ngan Man-ying, Lynda; and independent non-executive directors are Dr Cheng Wai-chee, Christopher, Hon Tien Pei-chun, James, Mr Lee Luen-wai, John and Mr Ip Yuk-keung, Albert.*