



New World China Land Limited

(Stock Code: 00917)



Interim Report  
2015/2016



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# FINANCIAL HIGHLIGHTS

Operating Result (HK\$'000)	6 months ended 31 December	
	2015	2014
<b>Revenues</b>		
<b>From continuing operations</b>		
Company and subsidiaries	7,300,446	8,434,173
Share of associated company and joint ventures (note 1)	615,904	1,197,273
	<b>7,916,350</b>	9,631,446
<b>From discontinued operation</b>		
Company and subsidiaries	317,936	264,620
	<b>8,234,286</b>	9,896,066
<b>Representing:</b>		
<b>From continuing operations</b>		
Sale of properties	6,596,239	8,004,954
Rental income	666,822	666,976
Income from hotel operation	305,897	297,729
Property management services fee income	321,133	320,317
Contracting services income	26,259	341,470
	<b>7,916,350</b>	9,631,446
<b>From discontinued operation</b>		
Hotel management services fee income	317,936	264,620
	<b>8,234,286</b>	9,896,066
<b>Gross Profit</b>		
<b>From continuing operations</b>		
Company and subsidiaries	2,369,024	3,026,553
Share of associated company and joint ventures (note 2)	246,250	623,885
	<b>2,615,274</b>	3,650,438
<b>From discontinued operation</b>		
Company and subsidiaries	130,025	95,597
	<b>2,745,299</b>	3,746,035
<b>Profit attributable to equity holders of the Company</b>		
From continuing operations	(207,084)	1,609,328
From discontinued operation	749,291	(94,103)
	<b>542,207</b>	1,515,225

Operating Result (HK\$'000)	6 months ended 31 December	
	2015	2014
<b>(Loss)/earnings per share (HK cents)</b>		
<b>Basic</b>		
From continuing operations	(2.38)	18.53
From discontinued operation	8.62	(1.08)
	6.24	17.45
<b>Diluted</b>		
From continuing operations	(2.38)	18.51
From discontinued operation	8.61	(1.08)
	6.23	17.43
Financial Position (HK\$'million)	As at 31 December 2015	As at 30 June 2015
<b>Cash and bank balances</b>	18,130.5	15,773.7
<b>Total assets</b>	140,773.3	134,427.5
<b>Total liabilities</b>	77,809.1	69,808.8
<b>Capital and reserves attributable to the Company's equity holders</b>	59,169.7	60,781.9
<b>Financial Ratios</b>		
Current ratio (times)	2.46	2.10
Net debt to equity ratio	48.6%	45.5%

Note 1: It represents attributable share of revenues of associated company and joint ventures to the Group.

Note 2: It represents attributable share of gross profit of associated company and joint ventures to the Group.

# FINANCIAL HIGHLIGHTS

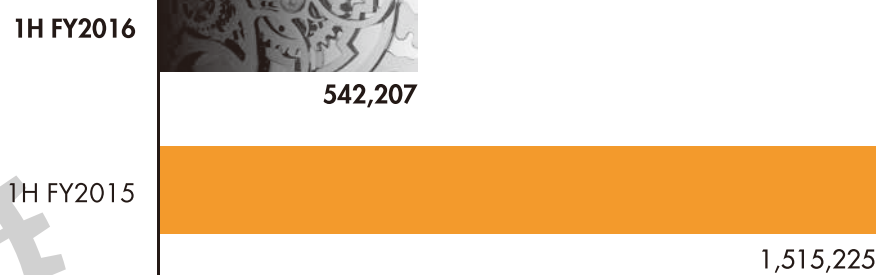
## Revenues (note 1) (HK\$'000)



## Gross profit (note 2) (HK\$'000)



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



Note 1: It represents revenues of the Company and subsidiaries plus share of revenues of associated company and joint ventures 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 company and joint ventures attributable to the Group as tabulated on page 2.

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**Total assets** (HK\$'000)

31 December 2015



140,773,258

30 June 2015



134,427,540

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**Capital and reserves attributable  
to the Company's equity holders** (HK\$'000)

31 December 2015



59,169,685

30 June 2015



60,781,851

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**Cash and bank balances** (HK\$'000)

31 December 2015



18,130,524

30 June 2015



15,773,665



## CHAIRMAN'S STATEMENT

To Our Shareholders,

In the first half of FY2016, NWCL recorded a profit attributable to equity holders of the Company of HK\$542.21 million, representing a year-on-year decrease of 64.2%. Gross floor area ("GFA") sold through its property sales reached 443,016 sq m with gross sales proceeds registered at approximately RMB5,782.70 million. Overall gross profit margin for property sales decreased by 6.3 percentage points to 34.1%.

During the period under review, the Eurozone benefited from low oil price and monetary easing policies, recording a moderate economic growth of 1.6% in 2015. In the United States, as both the employment market and consumption expenditure gradually improved, interest rates increased for the first time in the past 10 years at the end of 2015. As a result of the US interest rate hike, the rapid depreciation of Renminbi against the US dollar and the protracted decline in oil price, the global financial markets became highly volatile in January 2016, which cloud the prospects of the global economy in 2016.

Domestically, Mainland China's economy is encountering a complicated international landscape and a constantly increasing downward economic pressure. In 2015, the GDP was RMB67.67 trillion, growing 6.9% year-on-year. Although the growth rate is the lowest in the past 25 years, it was in line with the Central Government's preset economic growth target of around 7%.

As real estate developers adopted more aggressive sales strategies in 2015, the property market began to warm up in the second half of the year. Meanwhile, the People's Bank of China ("PBOC") has also lowered the interest rates and the reserve requirement ratio five times in 2015. Thanks to the constantly relaxing policy and the PBOC's announcement made on 2 February 2016, which reduced the minimum down-payment ratio requirement for both first-time home buyers and those home buyers purchasing their second residential flat — in cities where purchase restriction measures were not implemented — to not lower than 20% and 30% respectively, demand for home-buying will be further released. In 2015, a total of 1,284.95 million sq m of commodity housing was sold in the country, representing a year-on-year growth of 6.5%. In terms of GFA, residential sales increased 6.9%, while office grew 16.2% and commercial recorded an increment of 1.9%. Overall, performance of the property market in Mainland China remained broadly segmented in 2015. Property prices in first- and popular second-tier cities increased steadily, whilst the same in third- and fourth-tier cities continued to be pressured by high inventories.

Since the real estate industry has an important propelling impact on the economic development in Mainland China, five economic priorities were laid out for 2016 at the Central Economic Work Conference convened in December under downward economic pressures, altering the way of handling real estate policies in low profile in the past few years. The five priorities are, namely, "clear overcapacity, slash inventories, deleverage, cut costs and shore up weak growth areas". The Central Government has expressly remarked its determination to resolve overcapacity in the





industrial sector, to digest real estate inventories, to take precautions against financial risks, to reduce corporate costs and to expand effective supply. The market anticipates that the Central Government will study the feasibility of allowing non-household population to become registered households in their working locations, such that a major demand to digest future property inventories can be created. On the other hand, the Central Government also intends to encourage the development of residential rental market, which will support real estate developers to lease out their property inventory to the society and encourage the development of residential rental information platform. Not to rule out as another alternative, local governments can acquire some of the inventories and turn them into low-rent housing to resolve the housing problems of low-income residents and migrants. Looking into 2016, under a moderately loose monetary policy, real estate developers are likely to maintain a stable capital position, whilst the relatively relaxed housing credit policy can raise the intention and ability of residents in home purchases. The overall turnover of the property market can hopefully remain stable.

During the period under review, the respective boards of directors of New World Development and NWCL jointly announced the sale of a list of projects located in Wuhan, Huiyang, Haikou, Guiyang and Chengdu respectively. This move can accelerate the release of investment value from these projects and lower the investment amount of New World Development Group and NWCL in those projects located in second- and third-tier cities in Mainland China with relatively low profit margins. Resources can then be concentrated on first- and 1.5-tier cities and on developing medium-sized real estate projects. In addition, the net amount acquired from sold projects will be appropriately used to fulfil the needs of working capital and investment of both New World Development Group and NWCL.

In recent years, the Group has been striving to accelerate asset turnover and actively optimise the corporate structure in order to create shareholder value. Although the economy of Mainland China is facing downward pressure at the moment, occasional fluctuations happening in the economic cycle are normal and it is not necessary to be overly anxious. As one of the earliest Hong Kong enterprises to have invested in Mainland China, the Group has always attached much importance to its long-term investment strategy. In the future, we will continue to augment our investment in Mainland China. The Group believes that the Central Government is persistent with its reform and opening up. With the vast geography and abundant resources, the Chinese market has unbounded potentials. As always, the Group is fully confident with the prospects of Mainland China's future development.

**Dr Cheng Kar-shun, Henry**

*Chairman and Managing Director*

Hong Kong, 23 February 2016



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

During the period under review, the Mainland China property market continued its steady progress to improvement with positive developments on the regulatory policy and supportive policies to reinforce healthy long-term development of the property market and reviving the sluggish property market and slowing economy. Home-prices continued to rise at a moderate pace with polarized performance in different tier cities. The PBOC had cut the benchmark lending interest rates five times and reduced reserve ratio requirement for commercial banks four times during the year 2015 bringing the one-year benchmark lending interest rate to 4.35% per annum. In October 2015, the Central Government announced another supportive measure to lower the minimum down payment for first-time home-buyer from 30% to 25% in cities that do not have purchase restrictions. On 2 February 2016, the PBOC announced a further 5% cut in the minimum down payment for first-time home-buyer to 20%. These moves are in line with the Central Government goal to accelerate the sell-down process of unsold inventory of new home in lower tier cities.

According to the data announced by National Bureau of Statistics, the overall sales of commodity housing for the 12 months to December 2015 had increased by 6.5% in GFA and increased by 14.4% in sales revenue amount compared to the corresponding period in 2014. Benefiting from the easing measures and loosening credit policies, the Group successfully accomplished to exceed its contracted sales planned target for first half of FY2016 and achieved RMB12.3 billion contracted sales proceeds and 734,426 sq m in GFA, represents a year-on-year increase of 71% and 46% in contracted sales proceeds and GFA respectively.

For the period ended 31 December 2015, the Group's core profit before revaluation, exchange difference, amortisation and impairment of intangible assets reported at HK\$1,383.00 million, representing an increase of 23.5% from HK\$1,119.45 million recorded in the same period last year. The increase in core profit was largely attributable to disposal gain on Rosewood Hotel Group of approximately HK\$769 million recorded during the period under review. Such increase was off-set by the decrease in attributable operating profit ("AOP") from property sales resulted from cyclical effect of decrease in recorded sales arising from decrease in completion of GFA by 54.6% and combined effect of decrease in gross profit margin and average selling price of property sales by approximately 6.3% and 9.5% respectively compared to the corresponding period last year. The Group's profit attributable to shareholders posted at HK\$542.21 million, representing a decrease of 64.2% compared to the corresponding period last year. The decrease in profit attributable to shareholders was mainly due to recorded exchange loss of HK\$1,246.6 million arising from devaluation of Renminbi by 4.4% since June 2015.

## Analysis of attributable operating profit

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Property sales	801,912	1,297,352
Rental operation	283,807	305,671
Hotel operation	(117,135)	(124,386)
Property management services	(68,281)	(61,206)
Hotel management services	762,622	5,617
Other operations	(7,358)	(4,526)
AOP before finance costs and after taxation charge	1,655,567	1,418,522
Bank and other interest income – corporate	81,758	61,570
Deferred tax charge on undistributed profits	(35,754)	(10,280)
Corporate administrative expenses	(153,051)	(141,598)
Finance costs	(165,511)	(208,767)
AOP after corporate items	1,383,009	1,119,447
Changes in fair value of investment properties, net of deferred taxation	453,653	470,341
Impairment of intangible assets	–	(56,375)
Amortisation of intangible assets	–	(27,968)
Net foreign exchange (losses)/gains	(1,294,455)	9,780
	(840,802)	395,778
<b>Profit attributable to equity holders of the Company</b>	<b>542,207</b>	<b>1,515,225</b>

## Property sales

During the period under review, the Group's AOP from property sales operation recorded at HK\$801.91 million, representing a 38.2% decrease as compared to AOP from property sales of HK\$1,297.35 million achieved in the corresponding period last year. The decrease in AOP from property sales was mainly resulted from cyclical decrease in volume of completed projects by 54.6% from last year's completion of 522,702 sq m to 237,535 sq m completed during the period 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 to maximise their returns and benefits from tapping the rising trend of property prices in the region. Thus, the overall recorded property sales of the Group for the period under review decreased by 11.1% in volume comparing to the corresponding period last year to 443,016 sq m with recorded gross sale proceeds of approximately RMB5,782.70 million.

The Group's overall gross profit margin recorded during the period under review was 34.1%, representing a 6.3% decrease from the overall gross profit margin of 40.4% recorded in the corresponding period last year. The decrease in overall gross profit margin was mainly due to difference in recorded sales mix of both periods. Approximately 47% of the recorded property sales for the period under review were from projects located in second- and third-tier cities, namely, Anshan New World Garden, Foshan Canton First Estate, Jinan New World Sunshine Garden, Chengdu New World Riverside, Dalian New World Tower, Guiyang Jinyang Sunny Town and Tianjin Glorious Place, which had an average profit margin of below 25%. The recorded sale from these projects constituted approximately 34% of the total recorded sale of the first half of FY2015.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group's average selling price recorded a decrease of RMB1,409 per sq m to RMB13,461 per sq m, representing a 9.5% decrease as compared to the average selling price achieved in the corresponding period last year. The decrease in average selling price was attributable to different product mix in recorded sales mix of both periods, for which 72% of the recorded sales for the period under review were from projects located in first- and second-tier cities, whilst approximately 84% of recorded sales for the corresponding period last year were from first- and second-tier cities.

In the first half of FY2016, the Group has completed three property development projects for sale in Guangzhou, Langfang and Tangshan with a total GFA of 237,535 sq m, comprising 114,021 sq m of residential, 13,149 sq m of commercial properties, 37,984 sq m of office space and 72,381 sq m of resident carpark space.

Development property projects for sale completed in 1H FY2016	Usage	Total GFA (sq m)	NWCL's interest
Langfang New World Centre District C (廊坊新世界中心C區)	R, C, O, P	124,667	100%
Tangshan New World Centre Phase II (唐山新世界中心二期)	R, C, P	77,596	100%
Guangzhou Covent Garden Phase III (廣州逸彩庭園三期)	R	35,272	100%
<b>Total</b>		<b>237,535</b>	

R: Residential

C: Commercial

O: Office

P: Carpark

In the second half of FY2016, the Group plans to complete 8 property projects for sale with a total GFA of 576,230 sq m, comprising 464,038 sq m of residential, 73,757 sq m of commercial and 38,435 sq m of office space for sale. As the number of completed projects will rise in the second half of FY2016, the recorded property sales is expected to increase accordingly.

Properties for sale to be completed in 2H FY2016	Usage	Total GFA (sq m)	NWCL's interest
Langfang New World Centre District A and C (廊坊新世界中心A區及C區)	R, C	136,917	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 A and C (武漢夢湖香郡三期A及C)	R, C	50,215	100%
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	21,681	100%
Guangzhou Covent Garden Phase III (廣州逸彩庭園三期)	R, C	59,720	100%
Zhaoqing New World Garden Phase III (肇慶新世界花園三期)	R, C	78,385	100%
<b>Total</b>		<b>576,230</b>	

## Rental operation

During the period under review, the Group's AOP from rental operation recorded at HK\$283.81 million, representing a 7.1% decrease as compared to the corresponding period last year. The decrease in AOP from rental operation was mainly attributable to decrease in AOP contributions from Wuhan New World Centre after disposal of portion of the office space and closure of Wuhan New World Department Store since November 2014 and decrease in rental yield from Beijing New World Centre resulted from the tenants' slower retail business. The decrease was mitigated by the increase in AOP from Guangzhou Central Park View resulted from improvement in occupancy rate and increase in AOP from Wuhan New World International Trade Tower as a result of increase in average rental rate upon renewal of tenancy contracts.

During the period under review, the Group completed 36,883 sq m of commercial properties and 47,799 sq m office space located at Tangshan.

## Hotel operation

During the period under review, the AOP from hotel operation recorded at a loss of HK\$117.14 million as opposed to a loss of HK\$124.39 million recorded in the corresponding period last year. The increase in AOP from hotel operation was mainly due to improvement in gross operating profit from pentahotel Beijing and New World Guiyang Hotel.

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

Hotel portfolio	Number of rooms
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>

## LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2015, the Group's cash and bank deposits amounted to HK\$18,130.52 million (30 June 2015: HK\$15,773.67 million).

The Group's consolidated net debt (aggregate of borrowings, net of cash and bank balances) amounted to HK\$30,615.69 million (30 June 2015: HK\$29,391.25 million), translating into a gearing ratio of 48.6% (30 June 2015: 45.5%). 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 31 December 2015 totalled HK\$47,735.76 million (30 June 2015: HK\$43,029.32 million) of which 16.2% were secured by way of charges over assets and 83.8% were unsecured.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

	<b>As at 31 December 2015 HK\$'million</b>	<b>As at 30 June 2015 HK\$'million</b>
Repayable:		
Within one year	<b>6,553.94</b>	10,776.50
Between one and two years	<b>7,045.75</b>	5,738.10
Between two and five years	<b>32,466.82</b>	24,177.16
After five years	<b>1,669.25</b>	2,337.56
<b>Total</b>	<b>47,735.76</b>	43,029.32

As at 31 December 2015, the Group's committed unutilised bank loan facilities amounted to HK\$9,407.00 million (30 June 2015: HK\$8,161.75 million).

### Capital expenditure commitments

The capital expenditure commitments of the Group as at 31 December 2015 of HK\$3,734,591,000 (30 June 2015: HK\$4,611,133,000) were contracted but not provided for in the financial statements. The sources of funding for capital commitments are internally generated resources and bank loan facilities.

### Foreign currency exposure

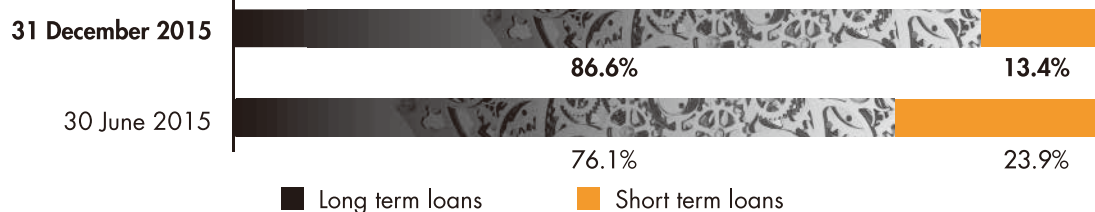
The Group conducts its business mainly in Renminbi. Other than certain bank balances and borrowings denominated in Hong Kong dollar and United States dollar, the Group does not have any material direct exposure to foreign exchange fluctuations. During the period under review, the Group has not used any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

### CONTINGENT LIABILITIES

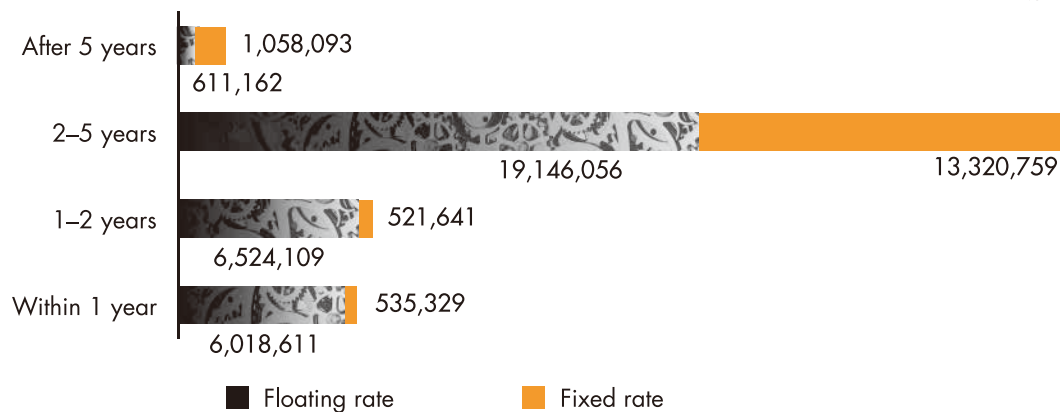
As at 31 December 2015, the Group has contingent liabilities of approximately HK\$2,990,525,000 (30 June 2015: HK\$3,202,816,000) relating to corporate guarantees given in respect of bank loan facilities extended to certain joint ventures.

As at 31 December 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\$2,595,758,000 (30 June 2015: HK\$2,239,958,000).

### Source of borrowings



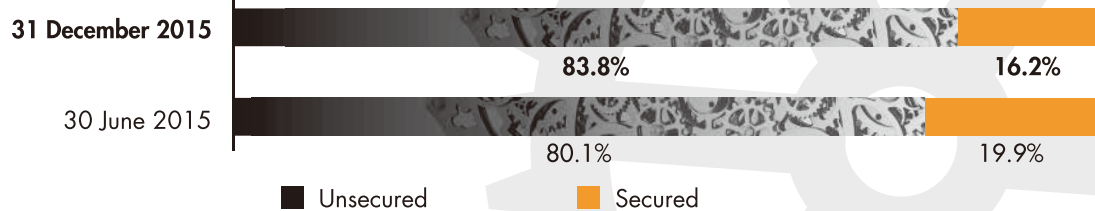
### Interest rate and maturity profile (HK\$'000)



### Currency profile of borrowings



### Nature of debt



## MANAGEMENT DISCUSSION AND ANALYSIS

### DETAILS OF CHARGES ON GROUP'S ASSETS

As at 31 December 2015, the Group's property, plant and equipment, investment properties, land use rights, properties held for development and properties under development of HK\$4,189,547,000 (30 June 2015: HK\$1,316,473,000), HK\$8,170,811,000 (30 June 2015: HK\$5,425,703,000), HK\$234,740,000 (30 June 2015: HK\$248,728,000), HK\$384,561,000 (30 June 2015: HK\$1,051,715,000) and HK\$7,001,310,000 (30 June 2015: HK\$6,234,373,000) respectively have been pledged as securities for long term bank borrowings.

### MAJOR ACQUISITION OR DISPOSAL

On 3 July 2015, 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\$2,753,000,000. The disposal was completed on 29 December 2015 at a gain of approximately HK\$768,894,000.

On 2 December 2015 and 29 December 2015, NWDC entered into the Sales and Purchase Agreements with Shengyu (BVI) Limited, an indirect wholly owned subsidiary of Evergrande Real Estate Group Limited to sell its entire issued share capital in Hinto Developments Limited, Dragon Joy (China) Limited, White Heron Limited, Superb Capital Enterprises Limited, Best Wealth Investments Limited, Triumph Hero International Limited, Rise Eagle Worldwide Limited and their subsidiaries and joint ventures (collectively referred to as the "Disposal Property Group") and to assign and transfer of the shareholders' loans for an aggregate consideration of RMB20,800,000,000 (equivalent to HK\$24,910,180,000). The Disposal Property Group is engaged in the provision of property sale and investment in Wuhan, Huiyang, Haikou, Guiyang and Chengdu. The completion of disposal of most of the Disposal Property Group has been duly executed as at the date of this report.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2015, the Group has 10,825 full-time employees. Total staff related costs incurred during the period under review were HK\$413.65 million (2014: HK\$354.31 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.



## OUTLOOK

In 2015, Mainland China's GDP grew by 6.9%. Despite being the slowest over the past 25 years, the growth rate was in line with the around 7% target set out by the Central Government. For 2015 as a whole, the consumer price index rose 1.4% comparing to last year while the producer price index dropped 5.2% year-on-year, which was an indication that the domestic demand remained weak. The producer price index has been dropping for 46 consecutive months, signifying a continuous overcapacity in Mainland China market, as well as the deflationary pressure caused by the much pressured global commodity prices.

Stepping into 2016, "supply-side reform" will be the focal point of Mainland China's economic policy. The first and foremost is to resolve overcapacity in the industrial sector by actively driving competition amongst enterprises. As weaker players are eliminated, a reshuffled configuration of the major elements in manufacturing will be eventually achieved. As abnormal fluctuations occurred in the stock market of Mainland China and problems in the financial market happened frequently in 2015, the authorities will adopt decisive measures to take precautions against financial risks, resolve local debt risks and lower corporate burdens in response to the situation. Public entrepreneurship and civic innovation will be encouraged. Effective supply will also be broadened to support weak growth areas.

On the front of the real estate market, the present mortgage borrowing rates for personal housing have been reduced to a five-year low after a series of rate cuts. This has effectively lowered the cost of home purchase and stimulated demand for housing consumption. On the other hand, the Central Government launched a number of relaxing policies on the housing provident fund loan in 2015, and lowered the minimum down-payment ratio requirement. Local governments are actively following up to actualise the goal of stabilising housing consumption. Measures such as adjusting the threshold and raising the credit limit of the provident fund loan, as well as driving the mutual recognition of provident fund deposits across different locations became the most important policies to expand demand in 2015. As policies loosened, the turnover of the Mainland China property market gradually picked up in the second half of 2015. Furthermore, following the announcement of lifting home purchase restrictions in various cities in 2014, measures to restrain home purchase by foreign institutions and persons, which has been implemented for 10 years, also came to its official end in 2015. With home purchase restrictions and measures to restrain home purchase by foreign institutions and persons gradually exiting, the market expects the gradual lift of administrative restraints and measures designed to control the property market.

At the Central Economic Work Conference convened at the end of 2015, the policy objective to resolve real estate inventories in future was proposed. Both rigid and improvement demands have been released in large quantities by rounds of policy stimulations in the past, but the remaining demand is inadequate to digest the vast property inventories in third- and fourth-tier cities at the moment. As such, the Central Government proposed the solutions to clear up inventories that encouraged agricultural population to become true urban citizens and to create a new home-buying cluster. This has provided a clear direction for the real estate policies in 2016. The market believes that the relevant departments will heighten their efforts to push ahead the reform of the household registration system, to lower the threshold for home purchase of farmers and to speed up urbanisation of the population. This would release the consumption potentials of the agricultural migrants and drive consumption in housing and electrical appliances. Supply-side reform is conducted on the basis of the systems. Besides, local governments can increase their efforts in offering financial subsidies to agricultural workers to buy their home for the first time in the city, and studying how to include agricultural workers into the coverage of housing provident fund.

## MANAGEMENT DISCUSSION AND ANALYSIS

Looking into 2016, with economic downward pressure and risk of deflation, the Central Government is expected to maintain a relatively loose monetary policy to support steady development of economy. The market also anticipates the authorities to continue launching measures that are favourable for the real estate market, including the investigation of settling tax with housing loan interests, adjusting the loan threshold of and raising the credit limit of the housing provident fund. Since the property markets in first- and several popular second-tier cities have significantly warmed up, whilst third- and fourth-tier cities are still encountering problems of accumulated inventory, the authorities will continue to uphold the principles of “classification guidance, localisation implementation”. In other words, real estate policies that have targeted objectives and are differentiated on the basis of actual circumstances of various cities will be implemented as an active measure to promote turnover in the market. Overall, it is hopeful that the turnover of the real estate market will gradually increase in 2016.

While the Chinese economy is going through a change-of-gear period during which accelerated growth has slowed down to a medium-high pace growth, the Central Government has robust financial strength and is adopting effective measures to maintain economic stability. As such, the risk of “hard landing” is relatively low. Besides, as the Central Government launches a number of economic development programmes such as “One Belt, One Road”, “Beijing-Tianjin-Hebei integration” and “capacity expansion of free trade zones”, the medium- to long-term momentum to drive domestic economic growth is expected to enhance. At the same time, the domestic urbanisation strategy and salary increase of residents are both favourable to the healthy development of the domestic real estate market in long run. Therefore, the Group is highly confident about the prospects of Mainland China’s economic development, and we will continue to seize market opportunities and appropriately augment our investment in Mainland China in future. Currently, the Group has landbank of 11.18 million sq m, covering over 13 first-, second- and third-tier cities in Mainland China. Going forward, the Group will focus its resources to develop projects with relatively high profit margin in first- and 1.5-tier cities in Mainland China, and will continue to strengthen cost control, enhance asset turnover and actively exert our competitive edges to tailor the finest products and services for our customers.

In the second half of FY2016, the Group plans to complete 8 property projects for sale with a total GFA of 576,230 sq m, comprising 464,038 sq m of residential, 73,757 sq m of commercial and 38,435 sq m of office space for sale. As the number of completed projects will rise in the second half of FY2016, the recorded property sales is expected to increase accordingly.

On behalf of the Board

**Dr Cheng Kar-shun, Henry**

*Chairman and Managing Director*

Hong Kong, 23 February 2016

# INDEPENDENT AUDITOR'S REVIEW REPORT



羅兵咸永道

## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION 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 18 to 43, 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 31 December 2015 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the 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, 23 February 2016

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# CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 31 December 2015

	Note	Unaudited 6 months ended 31 December	
		2015 HK\$'000	2014 HK\$'000
<b>Continuing operations</b>			
Revenues	2	7,300,446	8,434,173
Cost of sales		(4,931,422)	(5,407,620)
Gross profit		2,369,024	3,026,553
Other income	3	234,641	366,447
Other losses, net	4	(1,228,867)	(123)
Changes in fair value of investment properties		588,454	630,439
Selling expenses		(451,795)	(419,463)
Administrative and other operating expenses		(795,533)	(754,928)
Operating profit before finance costs	5	715,924	2,848,925
Finance costs		(145,777)	(147,800)
Share of results of associated company and joint ventures		(24,507)	179,227
Profit before taxation		545,640	2,880,352
Taxation charge	6	(857,327)	(1,306,695)
(Loss)/profit for the period from continuing operations		(311,687)	1,573,657
<b>Discontinued operation</b>			
Gain on disposal of discontinued operation		768,894	—
Loss for the period from discontinued operation	12	(19,603)	(94,103)
		749,291	(94,103)
<b>Profit for the period</b>			
		437,604	1,479,554
Profit attributable to:			
Equity holders of the Company			
From continuing operations		(207,084)	1,609,328
From discontinued operation		749,291	(94,103)
		542,207	1,515,225
Non-controlling interests		(104,603)	(35,671)
		437,604	1,479,554
Earnings per share			
Basic (loss)/earnings per share	7		
From continuing operations		(2.38) cents	18.53 cents
From discontinued operation		8.62 cents	(1.08) cents
		6.24 cents	17.45 cents
Diluted (loss)/earnings per share			
From continuing operations		(2.38) cents	18.51 cents
From discontinued operation		8.61 cents	(1.08) cents
		6.23 cents	17.43 cents

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2015

	Unaudited 6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Profit for the period	437,604	1,479,554
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Translation differences	(1,757,278)	740,647
Share of other comprehensive income of associated company and joint ventures	(184,846)	22,039
Release of reserves upon disposal of subsidiaries	(6,110)	—
Other comprehensive income for the period	(1,948,234)	762,686
<b>Total comprehensive income for the period</b>	<b>(1,510,630)</b>	2,242,240
Total comprehensive income attributable to:		
Equity holders of the Company	(1,374,891)	2,280,610
Non-controlling interests	(135,739)	(38,370)
	(1,510,630)	2,242,240
Total comprehensive income attributable to equity holders of the Company arising from:		
Continuing operations	(2,134,006)	2,376,940
Discontinued operation	759,115	(96,330)
	(1,374,891)	2,280,610

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## As at 31 December 2015

	Note	Unaudited As at 31 December 2015 HK\$'000	Audited As at 30 June 2015 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	5,241,850	5,831,924
Investment properties	9	22,677,651	24,684,353
Land use rights	9	577,501	720,144
Intangible assets		123,417	91,030
Properties held for development		13,751,920	19,741,250
Associated company and joint ventures		14,700,228	15,598,108
Available-for-sale financial assets	10	4,004,215	735,860
		<b>61,076,782</b>	67,402,669
<b>Current assets</b>			
Properties under development		16,387,630	17,671,570
Completed properties held for sale		14,408,004	19,885,358
Hotel inventories, at cost		3,915	4,102
Prepayments, debtors and other receivables	11	6,948,748	11,275,453
Amounts due from related companies		212,227	301,943
Cash and bank balances, unrestricted		18,130,524	15,773,665
		<b>56,091,048</b>	64,912,091
Assets of disposal groups classified as held for sale	12(a)	22,343,211	2,112,780
Non-current assets reclassified as held for sale	12(b)	1,262,217	—
		<b>79,696,476</b>	67,024,871
<b>Total assets</b>		<b>140,773,258</b>	134,427,540
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>			
Share capital	13	869,360	868,877
Reserves		58,300,325	59,652,293
Proposed final dividend		—	260,681
		<b>59,169,685</b>	60,781,851
<b>Non-controlling interests</b>		<b>3,794,445</b>	3,836,900
<b>Total equity</b>		<b>62,964,130</b>	64,618,751

	Note	Unaudited As at 31 December 2015 HK\$'000	Audited As at 30 June 2015 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term borrowings	14	42,192,270	34,388,409
Deferred tax liabilities		3,157,875	3,522,327
		<b>45,350,145</b>	37,910,736
<b>Current liabilities</b>			
Creditors and accruals	15	7,985,189	8,890,122
Deposits received on sale of properties		6,243,425	6,045,122
Amounts due to related companies		942,691	723,334
Short term loans		—	1,001,250
Current portion of long term borrowings	14	6,553,940	9,775,255
Amounts due to non-controlling interests	16	101,313	102,756
Taxes payable		4,381,837	4,432,361
		<b>26,208,395</b>	30,970,200
Liabilities of disposal groups classified as held for sale	12(a)	6,250,588	927,853
		<b>32,458,983</b>	31,898,053
<b>Total liabilities</b>		<b>77,809,128</b>	69,808,789
<b>Total equity and liabilities</b>		<b>140,773,258</b>	134,427,540

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2015

	Unaudited	
	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Net cash from/(used in) operating activities	1,671,504	(2,007,913)
Net cash used in investing activities		
– Additions to property, plant and equipment, land use rights and investment properties	(2,486,562)	(1,525,165)
– Additions to an available-for-sale financial asset	(3,496,500)	–
– Net increase in investments in associated company and joint ventures	(180,667)	(790,079)
– Proceed from disposal of subsidiaries, net of cash and cash equivalents disposed of	2,613,431	–
– Others	568,561	250,694
	(2,981,737)	(2,064,550)
Net cash from financing activities		
– Net increase of borrowings	5,801,102	8,256,260
– Dividend paid	(260,702)	(260,554)
– Finance costs and others	(1,060,035)	(1,018,978)
	4,480,365	6,976,728
<b>Net increase in cash and cash equivalents</b>	<b>3,170,132</b>	<b>2,904,265</b>
Cash and cash equivalents at beginning of the period	15,938,686	17,351,595
Exchange differences on cash and cash equivalents	(130,185)	210,649
<b>Cash and cash equivalents at end of the period</b>	<b>18,978,633</b>	<b>20,466,509</b>
<b>Analysis of cash and cash equivalents:</b>		
Unrestricted cash and bank balances	18,130,524	20,466,509
Unrestricted cash and bank balances attributable to disposal groups classified as held for sale	848,109	–
	18,978,633	20,466,509



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2015

	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 1 July 2015	868,877	59,912,974	60,781,851	3,836,900	64,618,751
Translation differences	—	(1,726,142)	(1,726,142)	(31,136)	(1,757,278)
Share of other comprehensive income of associated company and joint ventures	—	(184,846)	(184,846)	—	(184,846)
Release of reserves upon disposal of subsidiaries	—	(6,110)	(6,110)	—	(6,110)
Other comprehensive income for the period	—	(1,917,098)	(1,917,098)	(31,136)	(1,948,234)
Profit/(loss) for the period	—	542,207	542,207	(104,603)	437,604
Total comprehensive income for the period	—	(1,374,891)	(1,374,891)	(135,739)	(1,510,630)
Transactions with owners					
Contribution by and distribution to owners					
Issue of shares	483	16,037	16,520	—	16,520
Capital contribution from non-controlling interests	—	—	—	93,284	93,284
Share-based payments	—	6,907	6,907	—	6,907
Dividend paid	—	(260,702)	(260,702)	—	(260,702)
Total transactions with owners	483	(237,758)	(237,275)	93,284	(143,991)
<b>Balance at 31 December 2015</b>	<b>869,360</b>	<b>58,300,325</b>	<b>59,169,685</b>	<b>3,794,445</b>	<b>62,964,130</b>
Balance at 1 July 2014	868,335	56,884,182	57,752,517	3,566,137	61,318,654
Translation differences	—	743,346	743,346	(2,699)	740,647
Share of other comprehensive income of associated company and joint ventures	—	22,039	22,039	—	22,039
Other comprehensive income for the period	—	765,385	765,385	(2,699)	762,686
Profit/(loss) for the period	—	1,515,225	1,515,225	(35,671)	1,479,554
Total comprehensive income for the period	—	2,280,610	2,280,610	(38,370)	2,242,240
Transactions with owners					
Contribution by and distribution to owners					
Issue of shares	185	5,616	5,801	—	5,801
Capital contribution from non-controlling interests	—	—	—	103,278	103,278
Share-based payments	—	4,623	4,623	—	4,623
Dividend paid	—	(260,554)	(260,554)	—	(260,554)
Total transactions with owners	185	(250,315)	(250,130)	103,278	(146,852)
Balance at 31 December 2014	868,520	58,914,477	59,782,997	3,631,045	63,414,042

# 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 31 December 2015 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 30 June 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The accounting policies applied in the preparation of these interim financial statements are consistent with those set out in the annual financial statements for the year ended 30 June 2015 as there are no new or revised accounting standards effective for the year ending 30 June 2016.

The following new or revised standards and amendments to standards are mandatory for the accounting periods beginning on or after 1 July 2016 or later periods but which the Group has not early adopted:

### Effective for the year ending 30 June 2017

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 2019 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.

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Sale of properties	<b>6,310,673</b>	7,136,245
Rental income	<b>428,181</b>	414,830
Income from hotel operation	<b>211,790</b>	205,892
Property management services fee income	<b>264,842</b>	261,863
Project management fee income	<b>58,701</b>	73,873
Contracting services income	<b>26,259</b>	341,470
	<b>7,300,446</b>	8,434,173

- (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, net foreign exchange (losses)/gains, 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 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.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 2. REVENUES AND SEGMENT INFORMATION *(Continued)*

During the period ended 31 December 2015, the condensed consolidated results of the hotel management services are presented as discontinued operation in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Prior period comparative segment information has been re-presented to conform with the current period 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.

6 months ended 31 December 2015	Continuing operations						Discontinued operation	
	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services		Sub-total HK\$'000	Hotel management services HK\$'000	Total HK\$'000
				Hotel management services HK\$'000	Other operations HK\$'000			
Segment revenues								
Company and subsidiaries								
Total revenues	6,369,374	447,309	211,790	320,003	28,657	7,377,133	335,260	7,712,393
Inter-segment revenues	—	(19,128)	—	(55,161)	(2,398)	(76,687)	(17,324)	(94,011)
External revenues	6,369,374	428,181	211,790	264,842	26,259	7,300,446	317,936	7,618,382
Associated company and joint ventures — attributable to the Group	226,865	238,641	94,107	56,291	—	615,904	—	615,904
	6,596,239	666,822	305,897	321,133	26,259	7,916,350	317,936	8,234,286
Segment bank and other interest income	34,282	6,907	664	909	244	43,006	42	43,048
AOP before finance costs and after taxation charge								
Company and subsidiaries	815,849	171,875	(54,836)	(67,608)	(13,927)	851,353	762,622	1,613,975
Associated company and joint ventures	(13,937)	111,932	(62,299)	(673)	6,569	41,592	—	41,592
	801,912	283,807	(117,135)	(68,281)	(7,358)	892,945	762,622	1,655,567
Additions to non-current assets other than financial instruments	6,208,577	1,552,338	490,631	1,582	412,133	8,665,261	6,047	8,671,308
Depreciation and amortisation	42,233	3,654	106,774	1,849	767	155,277	3,971	159,248
Share of results of associated company and joint ventures	(134,073)	176,221	(67,626)	(673)	1,644	(24,507)	—	(24,507)

As at 31 December 2015	Property					Total HK\$'000
	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	management services HK\$'000	Other operations HK\$'000	
Segment assets	62,527,036	25,583,152	3,305,014	320,183	1,874,577	93,609,962
Associated company and joint ventures	5,871,811	8,735,895	115,993	(26,540)	3,069	14,700,228
Available-for-sale financial assets						4,004,215
Property, plant and equipment at corporate office						9,618
Prepayments, debtors, and other receivables at corporate office						17,420
Cash and bank balances at corporate office						4,826,387
Assets of disposal groups classified as held for sale						22,343,211
Non-current assets reclassified as held for sale						1,262,217
Total assets						140,773,258
Segment liabilities	13,727,510	906,657	85,925	303,188	80,402	15,103,682
Creditors and accruals at corporate office						256,379
Amounts due to related companies at corporate office						51,787
Taxes payable						4,242,607
Borrowings						48,746,210
Deferred tax liabilities						3,157,875
Liabilities of disposal groups classified as held for sale						6,250,588
Total liabilities						77,809,128

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 2. REVENUES AND SEGMENT INFORMATION (Continued)

6 months ended 31 December 2014	Continuing operations						Discontinued operation	
	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	Total HK\$'000
Segment revenues								
Company and subsidiaries								
Total revenues	7,210,118	439,480	205,892	313,289	343,370	8,512,149	277,661	8,789,810
Inter-segment revenues	—	(24,650)	—	(51,426)	(1,900)	(77,976)	(13,041)	(91,017)
External revenues	7,210,118	414,830	205,892	261,863	341,470	8,434,173	264,620	8,698,793
Associated company and joint ventures — attributable to the Group	794,836	252,146	91,837	58,454	—	1,197,273	—	1,197,273
	8,004,954	666,976	297,729	320,317	341,470	9,631,446	264,620	9,896,066
Segment bank and other interest income	38,070	10,722	511	1,037	411	50,751	757	51,508
AOP before finance costs and after taxation charge								
Company and subsidiaries	1,107,767	188,226	(61,233)	(60,455)	(11,307)	1,162,998	5,617	1,168,615
Associated company and joint ventures	189,585	117,445	(63,153)	(751)	6,781	249,907	—	249,907
	1,297,352	305,671	(124,386)	(61,206)	(4,526)	1,412,905	5,617	1,418,522
Additions to non-current assets other than financial instruments	2,205,270	951,221	319,527	3,116	232,732	3,711,866	2,592	3,714,458
Depreciation and amortisation	43,624	2,785	104,893	2,295	646	154,243	30,674	184,917
Impairment of intangible assets	—	—	—	—	—	—	56,375	56,375
Share of results of associated company and joint ventures	89,369	158,078	(69,929)	(751)	2,460	179,227	—	179,227

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 groups classified as held for sale						2,112,780
Total assets						134,427,540
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 groups classified as held for sale						927,853
Total liabilities						69,808,789

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

		6 months ended 31 December	
		2015 HK\$'000	2014 HK\$'000
(i)	Revenues		
	Total segment revenues	7,916,350	9,631,446
	Less:		
	Revenues of associated company and joint ventures, attributable to the Group	(615,904)	(1,197,273)
	<b>Revenues as presented in condensed consolidated income statement</b>	<b>7,300,446</b>	<b>8,434,173</b>
(ii)	Profit before taxation		
	Total AOP before finance costs and after taxation charge	1,655,567	1,418,522
	AOP from discontinued operation	(762,622)	(5,617)
	AOP before finance costs and after taxation charge	892,945	1,412,905
	Bank and other interest income — corporate	81,758	61,570
	Deferred tax charge on undistributed profits	(35,754)	(10,280)
	Corporate administrative expenses	(153,051)	(141,598)
	Finance costs	(152,086)	(193,999)
	AOP after corporate items	633,812	1,128,598
	Changes in fair value of investment properties, net of deferred taxation	453,653	470,341
	Net foreign exchange (losses)/gains	(1,294,549)	10,389
		(840,896)	480,730
	(Loss)/profit attributable to equity holders of the Company	(207,084)	1,609,328
	Taxation charge	857,327	1,306,695
	Loss attributable to non-controlling interests	(104,603)	(35,671)
	<b>Profit before taxation</b>	<b>545,640</b>	<b>2,880,352</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 3. OTHER INCOME

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Tax indemnity from the ultimate holding company (note 6)	112,868	223,759
Bank and other interest income	86,489	110,301
Interest income from joint ventures, net of withholding tax (note)	319	32,387
Others	34,965	—
	<b>234,641</b>	366,447

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:

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Share of shareholders' loan interest expenses of joint ventures	(248)	(25,589)

## 4. OTHER LOSSES, NET

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Net foreign exchange (losses)/gains	(1,246,574)	6,433
Gain/(loss) on disposal of investment properties	25,688	(6,556)
Loss on remeasuring previously held equity interests of a joint venture at fair value upon further acquisition as a subsidiary	(7,981)	—
	<b>(1,228,867)</b>	(123)



## 5. OPERATING PROFIT BEFORE FINANCE COSTS

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Operating profit before finance costs is arrived at after crediting:		
Gross rental income from investment properties	401,762	395,703
and after charging:		
Cost of properties sold	4,198,884	4,405,813
Staff costs	340,693	300,198
Outgoings in respect of investment properties	179,600	168,668
Depreciation of property, plant and equipment	143,190	141,905
Rental for leased premises	19,564	21,991
Amortisation of land use rights	12,087	12,338
Loss on disposal of property, plant and equipment	4,088	11

## 6. TAXATION CHARGE

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Current taxation		
PRC corporate income tax and withholding tax	527,598	421,668
PRC land appreciation tax	213,158	698,728
Deferred taxation	116,571	186,299
	857,327	1,306,695

Share of taxation of associated company and joint ventures for the six months ended 31 December 2015 of HK\$113,726,000 (2014: HK\$264,236,000) is included in the condensed consolidated income statement as share of results of associated company and joint ventures.

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits in Hong Kong for the period (2014: Nil). PRC corporate income tax ("CIT") 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 ("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 31 March 1999. During the period, tax indemnity amounting to HK\$112,868,000 (2014: HK\$223,759,000) was effected (note 3).

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 7. EARNINGS PER SHARE

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

	6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
(Loss)/profit attributable to equity holders of the Company arising from:		
Continuing operations	(207,084)	1,609,328
Discontinued operation	749,291	(94,103)
	<b>542,207</b>	1,515,225

	Number of shares 6 months ended 31 December	
	2015	2014
Weighted average number of shares for calculating basic earnings per share	8,689,885,752	8,684,803,683
Effect of dilutive potential shares:		
Share options	8,962,348	6,596,148
<b>Weighted average number of shares for calculating diluted earnings per share</b>	<b>8,698,848,100</b>	8,691,399,831

### 8. INTERIM DIVIDEND

The directors have resolved not to declare an interim dividend for the six months ended 31 December 2015 (2014: Nil).

### 9. CAPITAL EXPENDITURE

For the six months ended 31 December 2015, the Group's additions to property, plant and equipment, investment properties and land use rights amounted to HK\$2,487,207,000 (2014: HK\$1,525,908,000).

### 10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

As at 31 December 2015, the balance included perpetual equity securities in the principal amount of US\$450 million.

## 11. PREPAYMENTS, DEBTORS AND OTHER RECEIVABLES

	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
Trade debtors (note)	1,866,702	2,634,329
Prepaid land preparatory cost	2,295,084	2,227,043
Deposits for purchase of land	237,991	3,111,177
Prepayment for proposed development projects	214,272	214,272
Prepaid taxes	1,115,659	1,677,003
Other prepayments, deposits and receivables	1,219,040	1,411,629
	<b>6,948,748</b>	11,275,453

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 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. The ageing analysis of trade debtors based on invoice date is as follows:

	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
0 to 30 days	728,631	723,946
31 to 60 days	30,595	541,948
61 to 90 days	63,695	285,012
Over 90 days	1,043,781	1,083,423
	<b>1,866,702</b>	2,634,329

## 12. (a) DISCONTINUED OPERATION AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

On 3 July 2015, the Group entered into the sales and purchase agreement with Chow Tai Fook Enterprises Limited, the substantial shareholder of New World Development Company Limited, the immediate and ultimate holding company of the Group, to sell its entire interest in New World Hotel Management (BVI) Limited, its subsidiaries and a joint venture (collectively referred to as the "Disposal Hotel Group") and to assign and transfer of the shareholder's loan. The Disposal Hotel Group is engaged in the provision of worldwide hotel management services, which is not the core business of the Group. The disposal of Disposal Hotel Group was completed on 29 December 2015 for an aggregate consideration of HK\$2,753,000,000 with a gain on disposal of HK\$768,894,000.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 12. (a) DISCONTINUED OPERATION AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE *(Continued)*

The Group entered into sales and purchase agreements with a wholly-owned subsidiary of Evergrande Real Estate Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, on 2 December 2015 and 29 December 2015, to sell its entire interest in Hinto Developments Limited, Dragon Joy (China) Limited, White Heron Limited, Superb Capital Enterprises Limited, Best Wealth Investments Limited, Triumph Hero International Limited, Rise Eagle Worldwide Limited and their subsidiaries and joint ventures (collectively referred to as the “Disposal Property Group”) and to assign and transfer of the shareholders’ loan for an aggregate consideration of RMB20,800,000,000 (equivalent to HK\$24,910,180,000). The Disposal Property Group is engaged in the provision of property sale and investment in Wuhan, Huiyang, Haikou, Guiyang and Chengdu.

As at 31 December 2015, the assets and liabilities related to the Disposal Property Group have been presented as held for sale and the condensed consolidated results of the Disposal Hotel Group for the six months then ended are presented as discontinued operation in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”.

The condensed consolidated income statement and condensed consolidated statement of comprehensive income and condensed consolidated cash flow statement distinguish the discontinued operation from continuing operations. Comparative figures have been re-presented.

An analysis of the results, cash flows and assets and liabilities of the Disposal Hotel Group and Disposal Property Group is as follows:

#### (i) Results of Disposal Hotel Group

	Unaudited 6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Revenue	317,936	264,620
Cost of sales	(187,911)	(169,023)
Gross profit	130,025	95,597
Other income	42	757
Other gains/(losses), net	96	(56,983)
Administrative and other operating expenses	(115,301)	(100,041)
Operating profit/(loss) before finance costs	14,862	(60,670)
Finance costs	(13,426)	(14,768)
Profit/(loss) before taxation	1,436	(75,348)
Taxation charge	(21,039)	(18,665)
<b>Loss for the period from discontinued operation</b>	<b>(19,603)</b>	<b>(94,103)</b>

(ii) **Assets of Disposal Hotel Group and Disposal Property Group classified as held for sale**

	<b>As at 31 December 2015 HK\$'000</b>	<b>As at 30 June 2015 HK\$'000</b>
Property, plant and equipment	1,333,225	13,729
Investment properties	2,694,135	—
Land use rights	100,780	—
Intangible assets	—	1,693,855
Properties held for development	10,080,707	—
Associated company and joint ventures	1,049,727	—
Properties under development	4,255,189	—
Completed properties held for sale	1,352,011	—
Hotel inventories, at cost	3,025	—
Prepayments, debtors and other receivables	626,303	149,925
Cash and bank balances	848,109	165,021
Deferred tax assets	—	34,000
Other assets	—	56,250
	<b>22,343,211</b>	<b>2,112,780</b>

(iii) **Liabilities of Disposal Hotel Group and Disposal Property Group classified as held for sale**

	<b>As at 31 December 2015 HK\$'000</b>	<b>As at 30 June 2015 HK\$'000</b>
Long term borrowings	2,338,525	818,072
Creditors and accruals	936,976	92,846
Deposits received on sale of properties	2,489,405	—
Amounts due to related companies	22,358	—
Taxes payables	100,181	16,935
Deferred tax liabilities	363,143	—
	<b>6,250,588</b>	<b>927,853</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 12. (a) DISCONTINUED OPERATION AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE (Continued)

- (iv) Cumulative (income)/loss recognised in other comprehensive income relating to Disposal Hotel Group and Disposal Property Group classified as held for sale

	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
Translation differences	(953,410)	3,714

- (v) Cash flows of Disposal Hotel Group

	Unaudited 6 months ended 31 December	
	2015 HK\$'000	2014 HK\$'000
Operating cash flows	11,657	84,469
Investing cash flows	(6,022)	(1,830)
Financing cash flows	(831,497)	(42,577)
<b>Net cash used in discontinued operation</b>	<b>(825,862)</b>	<b>(40,062)</b>

### (b) NON-CURRENT ASSETS RECLASSIFIED AS HELD FOR SALE

The Group entered into an agreement in October 2015 to sell a portion of the investment properties to a third party at a consideration of RMB1,200,028,000 (equivalent to HK\$1,437,159,000) and accordingly, the respective portion of the investment properties are classified as held for sale.

### 13. SHARE CAPITAL

	<b>As at 31 December 2015 HK\$'000</b>	<b>As at 30 June 2015 HK\$'000</b>
Authorised: 30,000,000,000 shares of HK\$0.10 each	<b>3,000,000</b>	3,000,000
Issued and fully paid: 8,693,601,081 (30 June 2015: 8,688,769,557) shares of HK\$0.10 each	<b>869,360</b>	868,877

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

	<b>Number of shares of HK\$0.10 each</b>	<b>HK\$'000</b>
At 1 July 2014	8,683,350,475	868,335
Exercise of share options (note)	5,419,082	542
At 30 June 2015	8,688,769,557	868,877
Exercise of share options (note)	4,831,524	483
<b>At 31 December 2015</b>	<b>8,693,601,081</b>	<b>869,360</b>

Note:

Pursuant to the share option scheme adopted on 26 November 2002 ("2002 Share Option Scheme") and the share option scheme adopted on 22 November 2011 ("2011 Share Option Scheme"), the Company may grant options to directors and employees of the Company or its subsidiaries to subscribe for shares in the Company. The movements in the number of share options granted during the period and the balance outstanding at 31 December 2015 are as follows:

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

## 13. SHARE CAPITAL (Continued)

## (a) Movement of share options under the 2002 Share Option Scheme

Date of offer to grant	Exercise price per share HK\$	Number of share options			Number of share options exercisable	
		At 1 July 2015	Exercised during the period	Lapsed during the period	At 31 December 2015	At 31 December 2015
31 May 2010	2.349 <sup>1</sup>	39,480	(39,480)	—	—	—
10 November 2010	3.013 <sup>1</sup>	593,278	(581,936)	(11,342)	—	—
18 January 2011	3.036 <sup>1</sup>	8,088,930	(1,053,249)	—	<b>7,035,681</b>	<b>7,035,681</b>
26 July 2011	2.705 <sup>1</sup>	517,242	(290,362)	—	<b>226,880</b>	<b>226,880</b>
		9,238,930	(1,965,027)	(11,342)	<b>7,262,561</b>	<b>7,262,561</b>

## (b) Movement of share options under the 2011 Share Option Scheme

Date of offer to grant	Exercise price per share HK\$	Number of share options				Number of share options exercisable	
		At 1 July 2015	Granted during the period	Exercised during the period	Lapsed during the period	At 31 December 2015	At 31 December 2015
3 May 2012	2.450 <sup>1</sup>	2,798,400	—	(609,640)	(120,000)	<b>2,068,760</b>	<b>867,640</b>
22 October 2012	3.370 <sup>1</sup>	199,100	—	(77,600)	—	<b>121,500</b>	<b>32,300</b>
7 January 2013	3.880 <sup>1</sup>	2,738,560	—	(225,580)	—	<b>2,512,980</b>	<b>938,460</b>
2 April 2013	3.350 <sup>1</sup>	1,791,990	—	(108,000)	—	<b>1,683,990</b>	<b>828,790</b>
24 June 2013	2.762 <sup>1</sup>	892,400	—	(149,200)	(99,200)	<b>644,000</b>	<b>297,600</b>
15 October 2013	4.010 <sup>1</sup>	1,475,100	—	(616,000)	—	<b>859,100</b>	<b>222,300</b>
9 January 2014	3.970 <sup>1</sup>	3,371,020	—	(334,477)	(34,800)	<b>3,001,743</b>	<b>546,303</b>
10 July 2014	4.720 <sup>1</sup>	874,000	—	(34,000)	—	<b>840,000</b>	<b>295,200</b>
23 October 2014	4.420 <sup>1</sup>	802,000	—	(320,800)	—	<b>481,200</b>	—
11 March 2015	4.968 <sup>1</sup>	10,852,400	—	(319,600)	(172,000)	<b>10,360,800</b>	<b>1,781,280</b>
8 May 2015	5.420 <sup>1</sup>	914,000	—	—	—	<b>914,000</b>	<b>182,800</b>
23 July 2015	4.504 <sup>1</sup>	—	3,206,000	(71,600)	—	<b>3,134,400</b>	<b>569,600</b>
		26,708,970	3,206,000	(2,866,497)	(426,000)	<b>26,622,473</b>	<b>6,562,273</b>

## Notes:

- On dates of grant, the share options are divided into five tranches and exercisable within a period of five years commencing on the expiry of one month after the dates on which the options were accepted.
- The weighted average share price under the 2002 Share Option Scheme and the 2011 Share Option Scheme at the time of exercise during the six months ended 31 December 2015 was HK\$5.296 per share (year ended 30 June 2015: HK\$4.931 per share) and HK\$5.578 per share (year ended 30 June 2015: HK\$5.166 per share), respectively.



## 14. LONG TERM BORROWINGS

	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
Bank loans (note i)		
Secured	6,357,879	8,294,212
Unsecured	23,988,861	18,356,558
Loans from fellow subsidiaries (note ii)	2,650,886	2,646,438
Loans from non-controlling interests (note iii)	52,449	238,894
Advances from participating interest (note iv)	958,002	1,896,704
Fixed rate bonds and notes payable (note v)	11,696,217	11,668,358
Loans from other financial institutions (note i)		
Secured	1,365,269	—
Unsecured	1,676,647	1,062,500
	<b>48,746,210</b>	44,163,664
Current portion included in current liabilities	<b>(6,553,940)</b>	(9,775,255)
	<b>42,192,270</b>	34,388,409

Notes:

(i) The loans from banks and other financial institutions are repayable as follows:

	Secured		Unsecured		Total	
	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
Within one year	1,611,470	2,535,759	4,942,470	7,239,496	6,553,940	9,775,255
Between one and two years	1,966,640	2,291,554	5,079,110	3,446,545	7,045,750	5,738,099
Between two and five years	3,533,876	2,185,499	15,643,928	8,733,017	19,177,804	10,918,516
After five years	611,162	1,281,400	—	—	611,162	1,281,400
	<b>7,723,148</b>	8,294,212	<b>25,665,508</b>	19,419,058	<b>33,388,656</b>	27,713,270

(ii) The loans from fellow subsidiaries are repayable between one and two years (30 June 2015: one and two years). The loans from fellow subsidiaries are unsecured and bear interest at three months Hong Kong Interbank Offered Rate ("HIBOR") (30 June 2015: three months HIBOR) per annum.

(iii) The loans from non-controlling interests are unsecured, have repayment terms as specified in the loan agreement and interest free (30 June 2015: interest free except for HK\$186,445,000 which bears interest at 6.15% per annum).

(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.

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 14. LONG TERM BORROWINGS (Continued)

- (v) On 6 February 2013, the Company issued 5.5% bonds in the aggregate amounts of RMB3,000 million (equivalent to approximately HK\$3,797 million). The bonds were issued at a price of 100 per cent of the principal amount, bear interest at a coupon rate of 5.5% per annum, payable semi-annually in arrears on 6 February and 6 August each year. The bonds are listed on The Stock Exchange of Hong Kong Limited. The bonds will be redeemed on the maturity date on 6 February 2018 at the principal amount.

On 6 November 2014, the Company issued 5.375% notes in the aggregation amounts of USD900 million (equivalent to approximately HK\$6,993 million). The notes were issued at a price of 99.676 per cent of the principal amount, bear interest at a coupon rate of 5.375% per annum, payable semi-annually in arrears on 6 November and 6 May each year. The notes are listed on The Stock Exchange of Hong Kong Limited. The notes will be redeemed on the maturity date on 6 November 2019 at the principal amount.

On 28 January 2015, the Company issued 5% notes in the aggregation amounts of HK\$800 million. The notes were issued at a price of 100 per cent of the principal amount, bear interest at a coupon rate of 5% per annum, payable semi-annually in arrears on 28 January and 28 July each year. The notes will be redeemed on the maturity date on 28 January 2022 at the principal amount.

On 30 March 2015, the Company issued 4.75% notes in the aggregation amounts of HK\$271 million. The notes were issued at a price of 98.839 per cent of the principal amount, bear interest at a coupon rate of 4.75% per annum, payable annually in arrears on 30 March each year. The notes will be redeemed on the maturity date on 30 March 2022 at the principal amount.

### 15. CREDITORS AND ACCRUALS

	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
Trade creditors (note i)	5,879,560	7,519,797
Other creditors and accruals (note ii)	2,105,629	1,370,325
	<b>7,985,189</b>	8,890,122

Notes:

- (i) The ageing analysis of trade creditors is as follows:

	As at 31 December 2015 HK\$'000	As at 30 June 2015 HK\$'000
0 to 30 days	5,229,473	6,582,749
31 to 60 days	11,562	14,445
61 to 90 days	19,127	70,172
Over 90 days	619,398	852,431
	<b>5,879,560</b>	7,519,797

- (ii) Other creditors and accruals include retention payables of construction costs, other payables and various accruals.

## 16. AMOUNTS DUE TO NON-CONTROLLING INTERESTS

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

## 17. GUARANTEES

### (i) Corporate guarantees for banking facilities

The Group has corporate guarantees of approximately HK\$2,990,525,000 (30 June 2015: HK\$3,202,816,000) given in respect of bank loan facilities extended to certain joint ventures. As at 31 December 2015, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the joint ventures was approximately HK\$2,536,800,000 (30 June 2015: HK\$2,683,191,000).

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

As at 31 December 2015, 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\$2,595,758,000 (30 June 2015: HK\$2,239,958,000). 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.

## 18. COMMITMENTS

### Capital expenditure commitments

The capital expenditure commitments of the Group are as follows:

	<b>As at 31 December 2015 HK\$'000</b>	<b>As at 30 June 2015 HK\$'000</b>
Contracted but not provided for		
Property, plant and equipment	<b>1,038,195</b>	1,436,170
Investment properties	<b>2,696,396</b>	3,174,963
	<b>3,734,591</b>	4,611,133

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

### 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 31 December	
	2015 HK\$'000	2014 HK\$'000
Interest expense on loans from fellow subsidiaries	4,448	4,278
Rental expense for leased premises to fellow subsidiaries	14,251	11,808
Property agency fee paid to fellow subsidiaries	906	3,526
Purchase of goods from fellow subsidiaries and a related company	18,079	59,554
Interest income from joint ventures	354	37,324
Property management services fee income from fellow subsidiaries, joint ventures and related companies	22,947	19,801
Rental income from fellow subsidiaries and a related company	105,702	57,378
Hotel management services fee income from fellow subsidiaries, joint ventures and related companies	67,388	47,602
Project management fee income from joint ventures and related companies	26,864	52,932
Contracting service income from related companies	8,611	203,229

These related party transactions were in accordance with the terms as disclosed in the 2015 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\$170,439,000 (2014: HK\$306,980,000). 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 31 March 1999. During the period, tax indemnity amounting to HK\$112,868,000 (2014: HK\$223,759,000) was effected (note 6).

- (iv) During the period ended 31 December 2014, the Group paid a sum of RMB21,128,000 (equivalent to HK\$26,744,000) to Hubei New World Department Store Co., Ltd., a fellow subsidiary of the Group, as compensation for the early termination of the lease agreement.
- (v) During the period ended 31 December 2015, the Group paid a sum of RMB25,000,000 (equivalent to HK\$29,940,000) to Beijing Shishang New World Department Store Co., Ltd., a fellow subsidiary of the Group, as compensation for the early termination of the lease agreement.
- (vi) On 3 July 2015, 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. The disposal was completed on 29 December 2015 for an aggregate cash consideration of HK\$2,753,000,000 (note 12(a)).

## 20. EVENT AFTER REPORTING PERIOD

On 2 December 2015 and 29 December 2015, the Group entered into sales and purchase agreements with a wholly-owned subsidiary of Evergrande Real Estate Group Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, to sell the Disposal Property Group, together with related outstanding shareholders’ loans for an aggregate cash consideration of RMB20,800,000,000 (equivalent to HK\$24,910,180,000) (note 12(a)). The completion of the disposal of most of the Disposal Property Group has been duly executed as at the date of this report.

## OTHER INFORMATION

### DIRECTORS' INTERESTS IN SECURITIES

As at 31 December 2015, the interests or short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

#### (A) Long position in shares

	Number of shares			Total	Percentage to the relevant issued share capital as at 31 December 2015
	Personal interests	Family interests	Corporate interests		
<b>New World China Land Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Mr Cheng Kar-shing, Peter	755,961	—	—	<b>755,961</b>	0.01
Mr Fong Shing-kwong, Michael	1,856,895	—	—	<b>1,856,895</b>	0.02
Dr Cheng Wai-chee, Christopher	387,448	—	—	<b>387,448</b>	0.00
Hon Tien Pei-chun, James	387,448	—	—	<b>387,448</b>	0.00
Mr Lee Luen-wai, John	387,448	—	—	<b>387,448</b>	0.00
<b>New World Development Company Limited</b>					
(Ordinary shares)					
Dr Cheng Kar-shun, Henry	—	600,000	—	<b>600,000</b>	0.01
Mr Cheng Kar-shing, Peter	—	506,545	—	<b>506,545</b>	0.01
Mr Fong Shing-kwong, Michael	213,182	—	—	<b>213,182</b>	0.00
<b>NWS Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar-shun, Henry	18,349,571	—	12,000,000 <sup>1</sup>	<b>30,349,571</b>	0.80
Mr Cheng Kar-shing, Peter	295,838	—	5,973,374 <sup>2</sup>	<b>6,269,212</b>	0.16
Mr Fong Shing-kwong, Michael	2,351,732	—	—	<b>2,351,732</b>	0.06
Dr Cheng Wai-chee, Christopher	2,729,136	—	—	<b>2,729,136</b>	0.07
<b>New World Department Store China Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Ms Cheng Chi-man, Sonia	92,000	—	—	<b>92,000</b>	0.01
<b>Sun Legend Investments Limited</b>					
(Ordinary shares)					
Mr Cheng Kar-shing, Peter	—	—	500 <sup>3</sup>	<b>500</b>	50.00

Notes:

1. These shares are beneficially owned by a company which is wholly-owned by Dr Cheng Kar-shun, Henry.
2. These shares are beneficially owned by a company which is wholly-owned by Mr Cheng Kar-shing, Peter.
3. These shares are beneficially owned by a controlled corporation of Mr Cheng Kar-shing, Peter.

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

### (1) The Company

Under the share option scheme of the Company adopted on 26 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 <i>note</i>	Number of share options		Exercise price per share  HK\$	
			Balance as at 1 July 2015	Exercised during 31 December 2015		
Dr Cheng Kar-shun, Henry	18 January 2011	1	2,077,922	—	<b>2,077,922</b>	3.036
Mr Cheng Kar-shing, Peter	18 January 2011	1	831,169	—	<b>831,169</b>	3.036
Dr Cheng Chi-kong, Adrian	18 January 2011	2	935,066	—	<b>935,066</b>	3.036
Mr Fong Shing-kwong, Michael	18 January 2011	2	277,481	—	<b>277,481</b>	3.036
Ms Ngan Man-ying, Lynda	18 January 2011	1	1,038,961	—	<b>1,038,961</b>	3.036
Dr Cheng Wai-chee, Christopher	18 January 2011	1	311,688	—	<b>311,688</b>	3.036
Hon Tien Pei-chun, James	18 January 2011	1	311,688	—	<b>311,688</b>	3.036
Mr Lee Luen-wai, John	18 January 2011	1	311,688	—	<b>311,688</b>	3.036
Total			6,095,663	—	<b>6,095,663</b>	

Notes:

1. Divided into 5 tranches, exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.
2. Divided into 3 tranches, exercisable from 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.
3. 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 <i>note</i>	Number of share options			Exercise price per share <i>note 3</i> HK\$	
			Balance as at 1 July 2015	Adjusted during the period <i>note 3</i>	Exercised during the period		Balance as at 31 December 2015
Dr Cheng Kar-shun, Henry	19 March 2012	1	10,664,813	10,824	—	<b>10,675,637</b>	9.152
Mr Cheng Kar-shing, Peter	19 March 2012	1	533,238	541	—	<b>533,779</b>	9.152
Dr Cheng Chi-kong, Adrian	19 March 2012	1	3,732,683	3,788	—	<b>3,736,471</b>	9.152
Ms Cheng Chi-man, Sonia	19 March 2012	1	3,199,441	3,247	—	<b>3,202,688</b>	9.152
Mr Fong Shing-kwong, Michael	19 March 2012	2	918,748	932	—	<b>919,680</b>	9.152
Mr Lee Luen-wai, John	19 March 2012	1	533,238	541	—	<b>533,779</b>	9.152
Total			19,582,161	19,873	—	<b>19,602,034</b>	

## Notes:

1. Divided into 4 tranches, exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015, respectively to 18 March 2016.
2. Divided into 2 tranches, exercisable from 19 March 2014 and 19 March 2015, respectively to 18 March 2016.
3. NWD declared final dividend for the year ended 30 June 2015 in cash (with scrip option) during the period. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$9.161 to HK\$9.152 on 29 December 2015.
4. 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 <i>note</i>	Number of share options					Exercise price per share <i>note 2</i> HK\$
			Balance			Balance		
			as at 1 July 2015	Adjusted during the period <i>note 2</i>	Exercised during the period	as at 31 December 2015	Exercise	
Dr Cheng Kar-shun, Henry	9 March 2015	1	7,401,080	6,845	—	<b>7,407,925</b>	14.145	
Dr Cheng Wai-chee, Christopher	9 March 2015	1	1,400,204	1,295	—	<b>1,401,499</b>	14.145	
Total			8,801,284	8,140	—	<b>8,809,424</b>		

Notes:

- 60% of the share options are exercisable from 9 May 2015 to 8 March 2020 while the remaining 40% of the share options are divided into two tranches, exercisable from 9 March 2016 and 9 March 2017, respectively to 8 March 2020.
- NWS declared final dividend for the year ended 30 June 2015 in scrip (with cash option) during the period. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$14.158 to HK\$14.145 on 29 December 2015.
- The cash consideration paid by each of the directors for grant of the share options is HK\$10.

**(C) Long position in debentures****(1) The Company**

The following directors have interests in the debentures issued by the Company. Details of the debentures of the Company held by them as at 31 December 2015 were as follows:

Name of director	Amount of debentures issued by the Company				Percentage to the total debentures in issue as at 31 December 2015
	Personal interests	Family interests	Corporate interests	Total	
	RMB	RMB	RMB	RMB	
Mr Cheng Kar-shing, Peter	—	12,256,000 <sup>1</sup>	16,000,000 <sup>2</sup>	<b>28,256,000</b>	0.30
Mr Fong Shing-kwong, Michael	12,256,000 <sup>1</sup>	—	—	<b>12,256,000</b>	0.13
Mr Ip Yuk-keung, Albert	—	3,064,000 <sup>1</sup>	—	<b>3,064,000</b>	0.03
Total	12,256,000	15,320,000	16,000,000	<b>43,576,000</b>	

## OTHER INFORMATION

## DIRECTORS' INTERESTS IN SECURITIES (Continued)

## (C) Long position in debentures (Continued)

## (1) The Company (Continued)

Notes:

1. These debentures were issued in USD and had been translated into RMB using the rate of USD1=RMB6.128.
2. These debentures are beneficially owned by a company wholly-owned by Mr Cheng Kar-shing, Peter.

## (2) Fita International Limited

The following director has interests 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 31 December 2015 were as follows:

Name of director	Amount of debentures in USD issued by Fita			Total	Percentage to the total debentures in issue as at 31 December 2015
	Personal interests	Family interests	Corporate interests		
Mr Lee Luen-wai, John	1,000,000	1,000,000	—	2,000,000	0.27

## (3) NWD (MTN) Limited

The following director has interests in the debentures issued by NWD (MTN) Limited ("MTN"), a wholly-owned subsidiary of NWD. Details of the debentures of MTN held by him as at 31 December 2015 were as follows:

Name of director	Amount of debentures in USD issued by MTN			Total	Percentage to the total debentures in issue as at 31 December 2015
	Personal interests	Family interests	Corporate interests		
Mr Fong Shing-kwong, Michael	1,000,000	—	—	1,000,000	0.04

Save as disclosed above, as at 31 December 2015, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 31 December 2015, 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 31 December 2015
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTF") note 1	—	6,092,601,173	<b>6,092,601,173</b>	70.08
Cheng Yu Tung Family (Holdings II) Limited ("CYTF II") note 1	—	6,092,601,173	<b>6,092,601,173</b>	70.08
Chow Tai Fook Capital Limited ("CTFC") note 1	—	6,092,601,173	<b>6,092,601,173</b>	70.08
Chow Tai Fook (Holding) Limited ("CTFH") note 1	—	6,092,601,173	<b>6,092,601,173</b>	70.08
Chow Tai Fook Enterprises Limited ("CTF") note 2	—	6,092,601,173	<b>6,092,601,173</b>	70.08
New World Development Company Limited ("NWD") note 3	5,721,977,644	370,623,529	<b>6,092,601,173</b>	70.08

#### Notes :

1. CYTF and CYTF II hold 48.98% and 46.65% interests in CTFC, respectively. CTFC in turn owns 78.58% 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 60.90% owned subsidiary, and 93,073,738 shares held by High Earnings Holdings Limited, its 61.33% 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 31 December 2015.

## OTHER INFORMATION

### SHARE OPTION SCHEME

On 26 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 on 26 November 2012, the Company has adopted a new share option scheme (“2011 Share Option Scheme”) at the annual general meeting of the Company held on 22 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.

During the six months ended 31 December 2015, movement of share options granted to the directors and employees of the Group under the 2002 Share Option Scheme and the 2011 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 under the 2002 Share Option Scheme was as follows:

Date of grant	Number of share options <i>note 1</i>			Balance as at 31 December 2015	Exercise price per share
	Balance as at 1 July 2015	Exercised during the period <i>note 2</i>	Lapsed during the period		
31 May to 25 June 2010	39,480	(39,480)	—	—	2.349
10 November to 7 December 2010	593,278	(581,936)	(11,342)	—	3.013
18 January to 14 February 2011	1,993,267	(1,053,249)	—	<b>940,018</b>	3.036
26 July to 22 August 2011	517,242	(290,362)	—	<b>226,880</b>	2.705
Total	3,143,267	(1,965,027)	(11,342)	<b>1,166,898</b>	

(C) Movement of share options granted to employees under the 2011 Share Option Scheme was as follows:

Date of grant	Number of share options <i>note 1</i>				Balance as at 31 December 2015	Exercise price per share
	Balance as at 1 July 2015	Granted during the period <i>note 3</i>	Exercised during the period <i>note 2</i>	Lapsed during the period		
3 May to 30 May 2012	2,798,400	—	(609,640)	(120,000)	<b>2,068,760</b>	2.450
22 October to 16 November 2012	199,100	—	(77,600)	—	<b>121,500</b>	3.370
7 January to 1 February 2013	2,738,560	—	(225,580)	—	<b>2,512,980</b>	3.880
2 April to 29 April 2013	1,791,990	—	(108,000)	—	<b>1,683,990</b>	3.350
24 June to 25 June 2013	892,400	—	(149,200)	(99,200)	<b>644,000</b>	2.762
15 October to 17 October 2013	1,475,100	—	(616,000)	—	<b>859,100</b>	4.010
9 January to 13 January 2014	3,371,020	—	(334,477)	(34,800)	<b>3,001,743</b>	3.970
10 July to 11 July 2014	874,000	—	(34,000)	—	<b>840,000</b>	4.720
23 October to 24 October 2014	802,000	—	(320,800)	—	<b>481,200</b>	4.420
11 March to 12 March 2015	10,852,400	—	(319,600)	(172,000)	<b>10,360,800</b>	4.968
8 May to 11 May 2015	914,000	—	—	—	<b>914,000</b>	5.420
23 July to 24 July 2015	—	3,206,000	(71,600)	—	<b>3,134,400</b>	4.504
Total	26,708,970	3,206,000	(2,866,497)	(426,000)	<b>26,622,473</b>	

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.
2. The weighted average closing prices of the shares immediately before the dates on which share options were exercised under the 2002 Share Option Scheme and the 2011 Share Option Scheme were HK\$5.204 and HK\$5.460, respectively.
3. The closing price per share immediately before 23 July 2015, the date of offer to grant, was HK\$4.390.

The fair value of the share options granted during the period with exercise price per share of HK\$4.504 is estimated at HK\$1.37 each using the Binomial pricing model. Values are estimated based on the risk-free rate of 1.28% per annum with reference to the rate prevailing on the Exchange Fund Notes, a five-year period historical volatility of 38.32%, assuming dividend yield of 0.63% and an expected option life of five 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.

## OTHER INFORMATION

### 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 Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”), the directors of the Company reported below details of loan facilities of the Group, which exist at any time during the period and include conditions relating to specific performance of the controlling shareholder of the Company.

On 23 May 2011, the Company obtained a five-year term loan facility of up to an aggregate principal amount of HK\$1,000,000,000, which comprised a five-year term loan facility of up to a principal amount of HK\$500,000,000 and a three-year term loan facility of up to a principal amount of HK\$500,000,000 which are available in RMB, to finance general working capital of the Company. It was also granted a three-year loan facility of HK\$920,000,000 on 17 December 2012 and a three-year loan facility of HK\$530,000,000 on 12 November 2014. It further obtained loan facilities of HK\$500,000,000, HK\$1,000,000,000, HK\$4,500,000,000 and HK\$1,000,000,000 on 12 May 2015, 27 May 2015, 11 June 2015 and 15 December 2015, respectively for a term of three to five years.

On 28 September 2011 and 21 October 2011, Superb Wealthy Group Limited (“Superb Wealthy”), a wholly-owned subsidiary, obtained loan facilities of HK\$700,000,000 (revised to HK\$400,000,000 in August 2012) and HK\$100,000,000 for a term of four to five years, respectively. It was further granted loan facilities of HK\$500,000,000 and HK\$630,000,000 on 30 July 2012 and 19 December 2012, respectively and loan facilities of HK\$600,000,000 and HK\$500,000,000 on 19 April 2013 and 24 May 2013, respectively for a term of three to four years. Moreover, loan facilities of HK\$1,000,000,000, USD64,100,000, HK\$300,000,000, RMB1,000,000,000, HK\$1,000,000,000 and HK\$500,000,000 for a term of three to five years were obtained by Superb Wealthy on 7 May 2014, 18 June 2014, 30 June 2014, 22 September 2014, 13 October 2014 and 12 November 2014, respectively. On 28 January 2015 and 15 April 2015, Superb Wealthy obtained three-year term loan facilities of HK\$200,000,000 and HK\$500,000,000, respectively and was further obtained loan facilities of HK\$1,000,000,000 and HK\$500,000,000 on 19 June 2015, loan facilities of HK\$450,000,000 and HK\$400,000,000 on 26 October 2015 and a loan facility of HK\$750,000,000 on 15 December 2015 for a term of three to five years.

New World China Finance (BVI) Limited (“NWCF”), a wholly-owned subsidiary, was granted a three-year term loan facility of HK\$300,000,000 on 11 April 2014 and a five-year term loan facility of HK\$1,000,000,000 on 22 July 2015. New World Development (China) Limited (“NWDC”), a wholly-owned subsidiary, also obtained a three-year loan facility of HK\$500,000,000 on 9 July 2012 which was extended for a further term of five years on 7 September 2015. On 24 September 2012, Spread Glory Investment Limited (“Spread Glory”), a wholly-owned subsidiary, was granted a three-year term loan facility of HK\$600,000,000. The facilities obtained by Superb Wealthy, NWCF, NWDC and Spread Glory will be utilised to finance the investment in property projects, repay borrowings and fund the Group’s general working capital requirement.

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 2015 Annual Report are set out below:

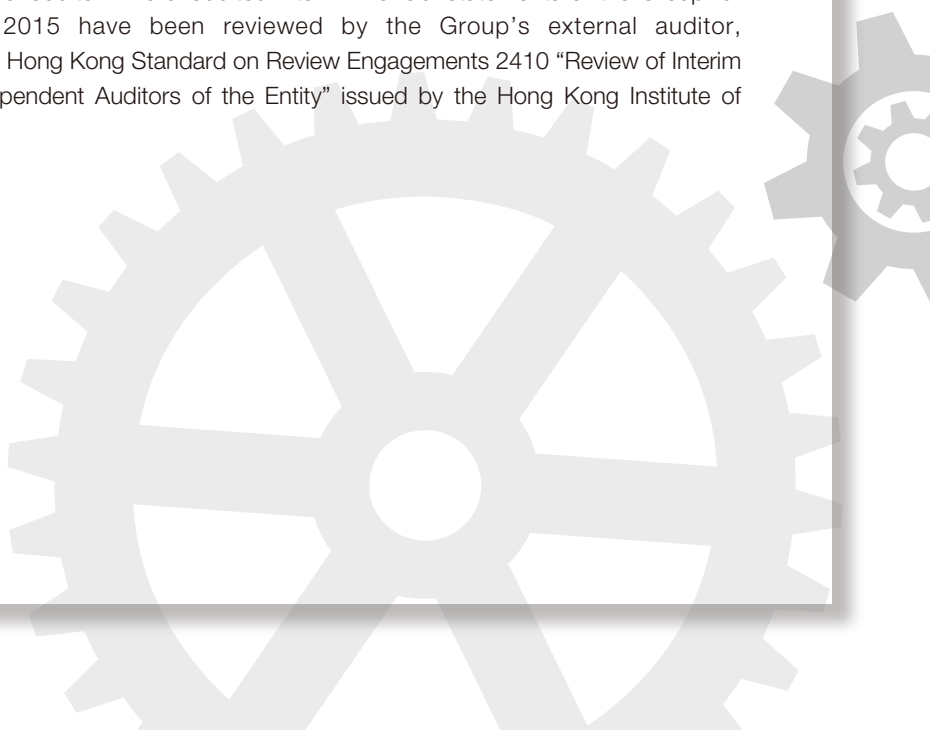
- (1) Dr Cheng Kar-shun, Henry was appointed as a Chairman and Non-Executive Director of FSE Engineering Holdings Limited, whose shares have been listed on the Stock Exchange since 10 December 2015, on 28 August 2015.
- (2) Mr Lee Luen-wai, John retired from the Chairmanship of the Board of Trustee of the Hospital Authority Provident Fund Scheme ("HAPFS") on 19 November 2015 and he was re-appointed as a Trustee of the HAPFS. Mr. Lee was also appointed as an independent non-executive director of UMP Healthcare Holdings Limited, the shares of which have been listed on the Stock Exchange since 27 November 2015, on 6 November 2015.
- (3) Mr Ip Yuk-keung, Albert was appointed as an Adjunct Professor of University of Macau in October 2015 and the Honorary Professor of Business at Lingnan University on 1 January 2016, replacing his previous appointment as Adjunct Professor of Lingnan University. The term of his appointment as the Council Member of Lingnan University expired on 21 October 2015.

## INTERIM DIVIDEND

The directors have not declared interim dividend for the six months ended 31 December 2015 (2014: Nil).

## 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 four independent non-executive directors of the Company. The audit committee has reviewed the unaudited interim financial statements for the six months ended 31 December 2015 and discussed the financial related matters with management and external auditor. The unaudited interim financial statements of the Group for the six months ended 31 December 2015 have been reviewed by the Group's external auditor, 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.





## OTHER INFORMATION

### CORPORATE GOVERNANCE CODE

The Company has complied with the Corporate Governance Code contained in Appendix 14 to the Listing Rules during the six months ended 31 December 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.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code 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

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





# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Executive Directors

Dr Cheng Kar-shun, Henry  
*(Chairman and Managing Director)*  
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  
Ms Ngan Man-ying, Lynda

### Independent Non-Executive Directors

Dr Cheng Wai-chee, Christopher  
Hon Tien Pei-chun, James  
Mr Lee Luen-wai, John  
Mr Ip Yuk-keung, Albert

## COMPANY SECRETARY

Ms Ngan Man-ying, Lynda

## AUDITOR

PricewaterhouseCoopers

## PRINCIPAL BANKERS

Agricultural Bank of China Ltd  
Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd.  
The Bank of East Asia, Limited  
China Merchants Bank Co., Limited  
Hang Seng Bank Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Sumitomo Mitsui Banking Corporation

## WEBSITE

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

## REGISTERED OFFICE

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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

Royal Bank of Canada Trust Company (Cayman) Limited  
4/F., Royal Bank House  
24 Shedden Road  
George Town  
Grand Cayman KY1-1110  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Standard Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## STOCK CODE

Hong Kong Stock Exchange 00917

## INVESTOR INFORMATION

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## **Chinese Version**

The Chinese version of this Interim Report is available on request from New World China Land Limited. Where the English and the Chinese texts conflict, the English text prevails.

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# New World China Land Limited

(Incorporated in the Cayman Islands with limited liability)

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