



New World Development Company Limited

(Stock Code: 0017)

>>> Interim Report 2008/2009

Property | Infrastructure | Service | Department Store



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# Financial Highlights

	Unaudited Six months ended 31 December		Change %
	2008 HK\$m	2007 HK\$m (Restated)	
Revenues	<b>12,070.4</b>	13,055.7	(7.5)
Total segment results	<b>2,485.7</b>	4,023.4	(38.2)
Other gains, net	<b>155.6</b>	2,483.8	(93.7)
Fair value changes on investment properties	<b>(2,353.7)</b>	2,123.9	N/A
(Loss)/profit attributable to shareholders	<b>(992.2)</b>	5,649.4	N/A
Underlying profit	<b>1,018.1</b>	1,727.1	(41.0)

	As at 31 December 2008 HK\$m	As at 30 June 2008 HK\$m (Restated)	Change %
	Cash and bank balances	<b>11,493.5</b>	
Net debt	<b>34,825.3</b>	26,929.7	29.3
Total equity	<b>93,007.5</b>	94,904.7	(2.0)
Net gearing ratio (%)	<b>37.4</b>	28.4	9.0

# Chairman's Statement

## **To Our Shareholders,**

A Chinese proverb says "One cannot govern the country and the state well until he has managed his home and himself well". Stable social development relies upon individual's efforts which come before collective outcomes. We now understand that this "country" does not only refer to any individual country in the world such as China, but the collective commonwealth of all of them. The repercussions of the current financial tsunami have already filtered through to every single economy around the world, hammering the livelihood of every family.

Since the outbreak of US sub-prime crisis, investors have lost confidence in the value of pledged securities. No sector is exceptional to the adverse economic impact of the global financial turmoil; a number of scalable financial institutions were wound up or nationalised by the government, while some existing economies are close to bankruptcy, central banks have launched their easing monetary policies and countries have implemented various economy-bailout legislations, alarming us that we cannot cope with such a global economic recession by one's own effort.

Amidst the accelerating economic downturn, the Central Government of China has showed its determination and promptly made its decision to stimulate the economy and lead its people out of this predicament. In the 11th Session of National People's Congress, Premier Wen Jiabao gave an encouraging speech to call for unity of the country, stating that "with crisis comes opportunities, and hopes can always be found in difficult times." The Central Government does not only attempt to boost the country's domestic demand, but also actively foster reforms and opening-up of the market by implementing the new PRC Enterprise Income Tax, enabling SMEs in Hong Kong to enter its motherland's market more conveniently. At the same time, Hong Kong enterprises have also adjusted their core businesses from export to domestic sales, thereby mitigating the investment risks associated with the weakening foreign demand. Governance of the country and the home are closely correlated, and Hong Kong and China have already been in line with each other to cope with this economic hurricane.

Having been listed since 1972 and operating the four core business of property and hotel, infrastructure, service and department store, the New World Group is based in Hong Kong with strong support from China. With an investment strategy striking a good balance between aggressiveness and prudence, namely to safeguard profitability and to have due regard to timing in moving forward or holding back, we have made our way through the ups and downs of the environment for more than 30 years. Leveraging on our solid experience, we strongly believe that we are fully positioned to combat the upcoming challenges.

**Dr Cheng Yu-Tung**

*Chairman*

Hong Kong, 17 March 2009

# Managing Director's Report

## To Our Shareholders,

In the third quarter of 2008, the global financial crisis was triggered by US sub-prime turmoil. Credit crunch and perceived global economic slowdown have created a lot of uncertainties and risks. As one of the most open markets in the world, Hong Kong is no exception.

For the six months ended 31 December 2008, NWD recorded a net loss of HK\$992.2 million. Such loss was mainly attributable to the revaluation deficit due to fair value changes of investment properties of approximately HK\$2,353.7 million and an impairment provision on available-for-sale financial assets of approximately HK\$330 million as a result of the current adverse financial and economic conditions. If stripping out the exceptional items, notwithstanding the Group did not make major disposal of property projects in the period under review, the Group's underlying profits should be HK\$1,018.1 million.

## Business Review

### Hong Kong Property Development

The recessionary climate in Hong Kong has adversely affected the sentiment of the property market. Shrinkage in transaction volume and correction in property prices were experienced, particularly in the last quarter of 2008.

The Group has four projects with over 1,200 units for sale. They are Block A of Wylie Court (衛理苑A座) in Homantin, Emerald Green (翹翠峰) in Yuen Long, the Hanoi Road Redevelopment Project (河內道重建項目) in Tsim Sha Tsui, and 42-44 Belcher's Street Project (卑路乍街42-44 號) in Western District.

During the period under review, the Group has paid approximately HK\$4 billion for the Group's share of land premium to the government for two property projects, namely Lung Tin Tsuen Project (龍田村項目) in Yuen Long and Che Kung Temple Project (車公廟站項目) in Sha Tin. Total gross floor area ("GFA") involved is around 2.1 million sq ft.

Currently, the Group has a landbank of 4.6 million sq ft total GFA for immediate development. The Group also has a total of over 21.7 million sq ft of agricultural land reserve pending conversion.

<b>Landbank by location</b>	<b>Attributable GFA (sq ft)</b>
Hong Kong Island	440,685
Kowloon	1,229,960
New Territories (excluding agricultural land areas pending conversion)	2,938,054
<b>Total</b>	<b>4,608,699</b>

<b>Agricultural landbank by location</b>	<b>Total land area (sq ft)</b>	<b>Attributable land area (sq ft)</b>
Yuen Long	14,671,500	13,270,000
Sha Tin/Tai Po	3,394,000	2,508,000
Fanling	2,260,000	2,260,000
Sai Kung	1,265,000	1,028,000
Tuen Mun	120,000	120,000
<b>Total</b>	<b>21,710,500</b>	<b>19,186,000</b>

The Group is discussing with the government on conversion of 6.8 million sq ft agricultural land and is also seeking various sources to replenish its landbank, such as public auctions and tendering for development projects offered by Urban Renewal Authority and the MTRC.

# Managing Director's Report

## Hong Kong Property Investment

In the first half of FY2009, the Group's gross rental income in Hong Kong amounted to HK\$625.1 million, up 7.2% year-on-year. All the major projects in the Group's investment portfolio maintained satisfactory occupancy.

## Hotels

In 2008, visitors from Mainland China maintained positive gain and continued to be the leading source, contributing around 57% of the total arrivals to Hong Kong and brought the total arrivals up 4.7% to a record high of 29 million. The long haul travellers, especially those from North America and Europe, were substantially decreased due to the global financial downturn.

In the first half of FY2009, the Group's hotels in Hong Kong provided steady contributions to the Group. Grand Hyatt Hong Kong, Renaissance Harbour View Hotel and Renaissance Kowloon Hotel recorded an average occupancy of 76% and maintained the usual average room rate.

The overall hotel operating results was unfavourable because of the partial renovation of Courtyard by Marriot Beijing and New World Mayfair Hotel Shanghai, the pre-matured results of the newly launched New World Hotel Wuhan and the pre-opening expenses incurred for New World Hotel Dalian, Hyatt Regency Hong Kong, Sha Tin, and Hyatt Regency Hong Kong, Tsim Sha Tsui.

Pentahotel Shanghai was launched in October 2008, providing 260 rooms. Meanwhile, there are three new hotels in Hong Kong and Mainland China in the pipeline to enhance our existing hotel portfolio. The three new hotels include the newly launched Hyatt Regency Hong Kong, Sha Tin; Hyatt Regency Hong Kong, Tsim Sha Tsui and New World Hotel Dalian to be opened in March 2009.

## NWS Holdings Limited ("NWSH")

NWSH reported a profit attributable to shareholders of HK\$813.3 million for 1HFY009; a decrease of 33% if excluding a HK\$1,014.8 million profit from the sale of the residential flats of Harbour Place in the last corresponding period.

The Infrastructure segment sustained a drop in contributions mainly due to the soaring fuel costs which severely impacted the profitability of the Energy division. The Service segment experienced a decrease in contributions mainly attributable to the substantial decline in earnings from Taifook Securities due to the global financial crisis.

## Infrastructure

Performance of road projects within the Pearl River Delta Region was affected by the slowdown in business activities. Average daily traffic flow of Guangzhou City Northern Ring Road and Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section) fell by 3% and 8% respectively. The combined average daily traffic flow of Shenzhen-Huizhou Roadway and Expressway dropped by 5%.

Combined electricity sales of Zhujiang Power Plants decreased by 10% due to the downturn of the economy. This was aggravated by the soaring coal price. Sales volume of Macau Power grew by 6% despite the delays or suspension of works of some mega-sized construction projects in Macau. Electricity sales of Chengdu Jintang Power Plant increased 12%, as two generation units commenced operation in June and October 2007 respectively.

Average daily sales volume of Macau Water Plant decreased slightly by 1%. In Mainland China, Chongqing Tangjiatuo Waste Water Treatment Plant reported a 4% growth in daily average treated volume. Water sales volume of Zhengzhou Water Plant and Changshu Water Plant reduced 6% and 3% respectively. The overall impact of the global financial tsunami on the Water business was small when compared to other operations.

# Managing Director's Report

Throughput of Xiamen New World Xiangyu Terminals Co., Ltd. dropped 6% to 379,000 TEUs as the contract with a major customer had been terminated. As affected by the competition from new terminals and slowdown of economic activities, throughput of Tianjin Orient Container Terminals Co., Ltd. and Tianjin Five Continents International Container Terminal Co., Ltd. dropped 18% to 473,000 TEU and 5% to 976,000 TEUs respectively.

## Service

Facilities rental business continued to provide a steady source of income and cash flow to the Group. Hong Kong Convention and Exhibition Centre ("HKCEC") continued to achieve satisfactory result with 527 events held in the period. ATL Logistics Centre recorded a steady profit with an average occupancy rate maintained at 99%. It has also benefited from the increase in average rental as the demand for storage space remains strong.

Significant drop in contribution of Taifook Securities was chiefly due to the substantial decline in earnings from its brokerage and margin financing services under the global financial tsunami.

Tricor had successfully expanded into 21 cities in 12 countries. The business operations in Hong Kong, Singapore and the Mainland China together contributed over 80% of the total profit. In September 2008, Tricor has also finalised the acquisition of a corporate service practice in Brunei.

High fuel costs and salaries rise remained heavy burdens to the transport business. The gloomy economy and intense competition from the market have in general led to a drop in patronage of the Group's transport business. There was a 35% decline in the AOP of the local bus operation and a HK\$8.4 million operating loss in local ferry's operation for the current period (2007: HK\$0.4 million).

## New World China Land Limited ("NWCL")

During the period under review, the China property market has experienced the negative effects from both the austerity measures previously imposed by the Central Government and the global economic downturn triggered by the US sub-prime turmoil. Faced with these challenges, NWCL recorded a profit of HK\$374.2 million in the first half of FY2009, a decrease of 59.3% over the corresponding period last year. The decrease in profit for the period was mainly attributable to the effect from changes in fair value of investment properties which turned to a loss of HK\$55.2 million from last period's gain of HK\$76.5 million as a result of downward adjustment in fair value of NWCL's rental portfolio and also the effect of foreign exchange loss of HK\$12.6 million as opposed to a gain of HK\$226.8 million recorded during the previous period when Renminbi had appreciated by over 4%. Without taking into accounts the effect from aforementioned non-operating items and other exceptional items, the underlying core profit from NWCL's four core business operations in fact reached HK\$514.8 million, representing an increase of 4.9% over that of corresponding period last year.

With the backdrop of volume shrinkage and price correction in the overall property market, NWCL's property sales operation still maintained a positive contribution with a considerable improvement of 5.8 percentage points in the average gross margin achieved. Furthermore, NWCL's rental operation enjoyed a handsome growth of 32% in AOP contributions with the continuous improvement in rental rates and occupancies of the investment properties portfolio.

## New World Department Store China Limited ("NWDS")

For the six months ended 31 December 2008, total revenue of NWDS amounted to HK\$883.9 million, grew by 33.3% year-on-year. Operating profit stood at HK\$324.3 million. Profit attributable to shareholders increased by 13.5% to HK\$258.6 million.

In the period under review, NWDS added two new stores in Wuhan and Beijing. They were the self-owned Wuhan Hanyang Store and the managed Beijing Liying Store. The additional floor area of about 95,000 sq m brought our total GFA to about 1,042,570 sq m. As at the end of 2008, NWDS operated 33 department stores (20 self-owned stores and 13 managed stores) in Mainland China.

# Managing Director's Report

Located in five operational regions, namely Northeastern China, Northern China, Eastern China, Central China and Southwestern China, the stores covered 17 major cities in the Mainland China. The Central China Region contributed the most to NWDS's revenue during the period under review, accounting for 30.2% of total revenue, followed by the Eastern China Region and the Northeastern China Region, accounting for 29.8% and 25.3%, respectively.

As the Group will redevelop the East Wing of New World Centre in Tsim Sha Tsui, Hong Kong, the Hong Kong store located there was closed in July 2008.

## Telecommunication

During the period under review, New World Telecommunications Limited ("NWT") endeavored to restructure its business to trim off unprofitable business and impose stringent cost control measures. NWT broke even in the period under review.

In the first half of FY2009, CSL New World Mobility Group ("CSLNWM") recorded a revenue of HK\$2,978 million, down 9.3%. The decrease was mainly due to the lower handset sales volumes as there was a significant slowdown in consumer spending in the period under review. EBIT was turned to a loss of HK\$245 million from a gain of HK\$398 million. The EBIT drop was driven by accelerated depreciation charges on the existing networks, following the company's decision to invest in new network technologies. This resulted in an increase to depreciation and amortisation expenses of HK\$548 million. The Group's attributable share of loss from the investment in CSLNWM amounted to HK\$48.9 million.

## New World Strategic Investment Limited ("NWSI")

As the investment arm of the Group, NWSI, established in August 2007, continues to explore potential investment opportunities. Given the financial turmoil, NWSI has not made any investment during the period and focuses on the management of existing investments.

Notwithstanding the poor market sentiment, Renhe Commercial Holdings Company Limited (人和商業控股有限公司, "Renhe"), one of NWSI's investments, was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 22 October 2008. Renhe is an operator and developer of stand-alone underground shopping centres in Mainland China.

## Outlook

In recent months, Hong Kong residential market has shown signs of stabilisation after the price rationalisations of newly launched projects and the easing of mortgage availability. Strong affordability, low interest rate and tight supply in the pipeline should benefit the Hong Kong property market.

Following the rapid slides of the international financial markets in the fourth quarter of 2008, the market expects pressure on the rental rates in both the office and shopping malls due to the lower demand of office space and lower retail consumption.

Property industry is closely correlated to local economy. Credit crunch and the worry of global economic slowdown are hammering every single economy in the world, including China. With the timely implementation of proactive fiscal policy and easing monetary policy by the Central Government, China property market has recently shown signs of stabilisation.

Nevertheless, in the short-term, the uncertainty of the global economic situation may induce further downside risks to the China property market. In order to cope with the risks associated, NWCL will continue a prudent approach in managing our business in China. We believe the rapid urbanisation and genuine housing demand will cradle the healthy growth and development of the market in the long run.



# Managing Director's Report

Overall impact of the global financial tsunami on the water business was small. To enhance contributions from defensive water projects, the Group has invested in Chongqing Yue Lai Water Plant (重慶悅來水廠), Tianjin Jieyuan Water Treatment Plant (天津芥園水廠), and Suzhou Industrial Park — Sludge drying facility (蘇州工業園 — 污泥乾化項目).

The expansion of HKCEC is due for completion soon and the added 19,400 sq m will increase the available space for lease up to a total of 83,400 sq m commencing from April 2009, enabling HKCEC to maintain its leading position in the market.

As at 31 December 2008, the gross value of contracts on hand was approximately HK\$29.0 billion. Although the impact of the global financial tsunami is yet to be fully reflected, the management is cautiously optimistic about the medium to long term prospects in Hong Kong. The Group is well positioned to take advantage of mega sized projects such as the West Kowloon Development, Kai Tak Redevelopment, and the Hong Kong — Zhuhai — Macau Bridge.

China United International Rail Containers Co., Ltd., the joint venture company that develops 18 rail container terminals in Mainland China, was established in March 2007. The current standalone facility in Kunming is operating smoothly while the construction works of the terminals in Chongqing, Zhengzhou, Qingdao and Dalian are well underway and are expected to be completed and operational by the second half of 2009. The next batch of terminals approved to be built which includes Xian and Chengdu is also underway.

China's total retail sales of consumer goods has continued to grow, having recorded in 2008 a substantial rise of 21.6%, or 4.8 percentage points, over that for the previous year. This indicated a keen demand for higher standard of living and better quality in consumer products, sustaining growth for the retail industry.

NWDS sought to expand the rental areas at our stores to accommodate more services for trendy living, such as specialty dining outlets, entertainment and convenience facilities, enhancing in-store services for customers and enriching their shopping experience.

Faced with the adverse reversal in the global economy and a worsening operating environment, NWDS has aptly formulated suitable development tactics for the short-term and the longer run to ensure profitability. For the short-term, NWDS will temporarily mitigate the upgrade of product portfolio and strengthen products that are selling well. For the longer run, given that shopper traffic concentrates mostly on the street level and lower levels, NWDS started to design the top levels at some stores with a larger GFA as Event Halls for staging large-scale themed promotions.

Overall, the Group will keep monitoring risks and adjust our plans for the best interests of our stakeholders.

**Dr Cheng Kar-Shun, Henry**

*Managing Director*

Hong Kong, 17 March 2009

# Condensed Consolidated Income Statement – Unaudited

	Note	For the six months ended	
		2008	2007
		HK\$m	HK\$m
			(Restated)
Revenues	2	12,070.4	13,055.7
Cost of sales		(8,244.1)	(9,070.6)
Gross profit		3,826.3	3,985.1
Other income		9.4	18.4
Other gains, net		155.6	2,483.8
Selling and marketing expenses		(195.5)	(249.4)
Administrative expenses		(1,067.2)	(966.7)
Other operating expenses		(1,292.9)	(1,386.9)
Changes in fair value of investment properties		(2,353.7)	2,123.9
Operating (loss)/profit	3	(918.0)	6,008.2
Financing income		355.4	795.6
Financing costs		(701.6)	(785.9)
		(1,264.2)	6,017.9
Share of results of			
Jointly controlled entities		929.3	1,852.9
Associated companies		(36.3)	482.0
(Loss)/profit before taxation		(371.2)	8,352.8
Taxation	4	(29.0)	(1,089.4)
(Loss)/profit for the period		(400.2)	7,263.4
Attributable to:			
Shareholders		(992.2)	5,649.4
Minority interests		592.0	1,614.0
		(400.2)	7,263.4
Dividend		346.8	672.4
(Loss)/earnings per share	5		
Basic		(HK\$0.28)	HK\$1.52
Diluted		(HK\$0.28)	HK\$1.45

# Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties		<b>30,589.6</b>	31,577.9
Property, plant and equipment		<b>6,285.4</b>	5,987.7
Leasehold land and land use rights		<b>3,515.5</b>	4,950.7
Intangible concession rights	7	<b>981.1</b>	1,153.5
Intangible assets	8	<b>1,512.9</b>	1,409.4
Interests in jointly controlled entities		<b>32,487.3</b>	30,547.1
Interests in associated companies		<b>9,673.9</b>	10,163.3
Available-for-sale financial assets	9	<b>5,631.5</b>	4,796.5
Held-to-maturity investments		<b>33.5</b>	33.4
Financial assets at fair value through profit or loss	11	<b>—</b>	1,194.4
Properties for development		<b>11,353.1</b>	11,174.9
Deferred tax assets		<b>350.8</b>	322.2
Other non-current assets		<b>1,276.7</b>	1,284.8
		<b>103,691.3</b>	104,595.8
<b>Current assets</b>			
Properties under development		<b>25,082.4</b>	18,409.6
Properties held for sale		<b>6,073.8</b>	5,901.7
Stocks		<b>454.0</b>	454.2
Debtors and prepayments	10	<b>18,144.6</b>	18,897.5
Financial assets at fair value through profit or loss	11	<b>394.3</b>	629.9
Cash held on behalf of customers		<b>3,165.5</b>	3,105.8
Restricted bank balances		<b>316.8</b>	636.9
Cash and bank balances		<b>11,493.5</b>	13,126.1
		<b>65,124.9</b>	61,161.7
<b>Total assets</b>		<b>168,816.2</b>	165,757.5

# Condensed Consolidated Balance Sheet – Unaudited

	<i>Note</i>	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m (Restated)
<b>EQUITY</b>			
Share capital	12	3,758.4	3,736.5
Reserves		66,293.3	67,718.7
Proposed final dividend		—	939.6
Interim dividend		346.8	—
Shareholders' funds		70,398.5	72,394.8
Minority interests		22,609.0	22,509.9
<b>Total equity</b>		<b>93,007.5</b>	94,904.7
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term borrowings	13	36,761.3	31,361.8
Deferred tax liabilities		4,808.1	5,142.8
Other non-current liabilities		486.0	461.7
		42,055.4	36,966.3
<b>Current liabilities</b>			
Creditors and accrued charges	14	20,349.1	20,656.2
Current portion of long-term borrowings	13	8,489.0	7,193.0
Short-term borrowings	13	3,694.9	4,608.9
Current tax payable		1,220.3	1,428.4
		33,753.3	33,886.5
<b>Total liabilities</b>		<b>75,808.7</b>	70,852.8
<b>Total equity and liabilities</b>		<b>168,816.2</b>	165,757.5
<b>Net current assets</b>		<b>31,371.6</b>	27,275.2
<b>Total assets less current liabilities</b>		<b>135,062.9</b>	131,871.0

## Condensed Consolidated Cash Flow Statement – Unaudited

	<b>Six months Ended</b>	
	<b>31 December</b>	
	<b>2008</b>	2007
	<b>HK\$m</b>	HK\$m
Net cash (used in)/generated from operating activities	<b>(4,888.0)</b>	4,044.0
Net cash used in investing activities	<b>(960.9)</b>	(801.4)
Net cash generated from/(used in) financing activities	<b>4,894.7</b>	(4,436.5)
Decrease in cash and cash equivalents	<b>(954.2)</b>	(1,193.9)
Cash and cash equivalents at beginning of the period	<b>12,334.3</b>	14,551.3
Effect of foreign exchange rate changes	<b>(20.5)</b>	75.4
<b>Cash and cash equivalents at end of the period</b>	<b>11,359.6</b>	13,432.8
Analysis of balances of cash and cash equivalents:		
Cash and bank balances	<b>11,493.5</b>	13,471.3
Bank overdrafts	<b>(133.9)</b>	(38.5)
	<b>11,359.6</b>	13,432.8

## Condensed Consolidated Statement of Changes in Equity – Unaudited

<b>For the six months ended 31 December 2008</b>	<b>Share capital HK\$m</b>	<b>Reserves HK\$m</b>	<b>Shareholders' funds HK\$m</b>	<b>Minority interests HK\$m</b>	<b>Total equity HK\$m</b>
As at 1 July 2008, as previously reported	3,736.5	68,602.4	72,338.9	22,467.2	94,806.1
Prior year adjustments in respect of changes in accounting policy	—	55.9	55.9	42.7	98.6
As at 1 July 2008, as restated	3,736.5	68,658.3	72,394.8	22,509.9	94,904.7
Change in fair value of available-for-sale financial assets, net of taxation	—	(653.2)	(653.2)	(135.9)	(789.1)
Impairment of available-for-sale financial assets	—	243.9	243.9	89.3	333.2
Disposal of available-for-sale financial assets	—	(11.5)	(11.5)	—	(11.5)
Translation difference	—	(54.0)	(54.0)	8.9	(45.1)
Net expenses recognised directly in equity (Loss)/profit for the period	—	(474.8)	(474.8)	(37.7)	(512.5)
		(992.2)	(992.2)	592.0	(400.2)
Total recognised (expenses)/income for the period	—	(1,467.0)	(1,467.0)	554.3	(912.7)
Dividends	—	(939.6)	(939.6)	(149.1)	(1,088.7)
Deemed acquisition of interests in subsidiaries	—	—	—	(286.7)	(286.7)
Acquisition of subsidiaries	—	10.0	10.0	4.3	14.3
Deemed disposal of interests in subsidiaries	—	—	—	2.5	2.5
Disposal of subsidiaries	—	—	—	(15.9)	(15.9)
Share of changes in other reserve of a jointly controlled entity	—	(37.7)	(37.7)	(28.7)	(66.4)
Issue of shares as scrip dividend	21.9	369.4	391.3	—	391.3
Repurchase of convertible bonds by a subsidiary	—	(3.8)	(3.8)	(1.7)	(5.5)
Recognition of employees' share-based payments	—	50.5	50.5	20.1	70.6
	21.9	(2,018.2)	(1,996.3)	99.1	(1,897.2)
As at 31 December 2008	3,758.4	66,640.1	70,398.5	22,609.0	93,007.5
For the six months ended 31 December 2007					
As at 1 July 2007, as previously reported	3,692.1	56,795.5	60,487.6	17,996.2	78,483.8
Prior year adjustments in respect of changes in accounting policy	—	44.6	44.6	35.4	80.0
As at 1 July 2007, as restated	3,692.1	56,840.1	60,532.2	18,031.6	78,563.8
Change in fair value of available-for-sale financial assets, net of taxation	—	310.6	310.6	33.9	344.5
Reclassification of available-for-sale financial assets as an associated company	—	(104.7)	(104.7)	—	(104.7)
Disposal of available-for-sale financial assets	—	(19.6)	(19.6)	—	(19.6)
Release upon disposal of a subsidiary	—	(41.5)	(41.5)	—	(41.5)
Translation difference	—	930.4	930.4	311.8	1,242.2
Net income recognised directly in equity Profit for the period	—	1,075.2	1,075.2	345.7	1,420.9
		5,649.4	5,649.4	1,614.0	7,263.4
Total recognised income for the period	—	6,724.6	6,724.6	1,959.7	8,684.3
Dividends	—	(928.3)	(928.3)	(68.6)	(996.9)
Acquisition of additional interests in subsidiaries	—	—	—	(48.9)	(48.9)
Acquisition of subsidiaries	—	92.7	92.7	75.6	168.3
Deemed disposal of interests in subsidiaries	—	—	—	1,147.1	1,147.1
Contributions from minority shareholders	—	—	—	78.6	78.6
Issue of shares as scrip dividend	20.3	362.1	382.4	—	382.4
Exercise of share options	1.9	31.9	33.8	—	33.8
Recognition of employees' share-based payments	—	19.1	19.1	18.4	37.5
	22.2	6,302.1	6,324.3	3,161.9	9,486.2
As at 31 December 2007, as restated	3,714.3	63,142.2	66,856.5	21,193.5	88,050.0

# Notes to Condensed Accounts

## 1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"). The Interim Financial Statements should be read in conjunction with the 2008 annual financial statements.

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the 2008 annual financial statements, except as described below.

For the six months ended 31 December 2008, the Company and its subsidiary ("the Group") have adopted the following amendments to standards and interpretations which are relevant to the Group's operations and are mandatory for the financial year ending 30 June 2009:

HKAS 39 and HKFRS 7 Amendments	Reclassification of Financial Assets
HK(IFRIC)-Int 12	Service Concession Arrangements
HK(IFRIC)-Int 13	Customer Loyalty Programmes
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Except for HK(IFRIC)-Int 12, the adoption of these amendments and interpretations does not have significant change to the accounting policies or any significant effect on the results and financial position of the Group, the accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those used in the 2008 annual financial statements. The effect of applying HK(IFRIC)-Int 12 is set out below.

HK(IFRIC)-Int 12 applies to contractual service concession arrangements ("Service Concessions") whereby the Group participates in the development, financing, operation and maintenance of infrastructures for public services, such as toll roads and bridges, power plants and water treatment plants (the "Infrastructures"). Prior to the adoption of HK(IFRIC)-Int 12, the costs incurred for the construction or upgrade work or the acquisition of the Infrastructures under the Service Concessions were accounted for as property, plant and equipment. On adoption of HK(IFRIC)-Int 12, these Service Concessions are accounted for as intangible assets to the extent that the Group receives a right to charge users of the respective Infrastructures, or as financial assets to the extent that the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the granting authorities under the service concession arrangement.

Intangible assets resulting from the application of HK(IFRIC)-Int 12 are recorded in the balance sheet as "Intangible concession rights". The intangible concession rights are amortised, where applicable, on an economic usage basis or on a straight-line basis over the periods which the Group is granted the rights to operate these Infrastructures.

Financial assets resulting from the application of HK(IFRIC)-Int 12 are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Furthermore, the Group recognises income and expenses associated with construction services and upgrade services provided under the Service Concessions in accordance with the Group's accounting policy on construction revenue.

# Notes to Condensed Accounts

## 1. Basis of preparation and accounting policies (Continued)

The adoption of HK(IFRIC)-Int 12 resulted in a change in the Group's principal accounting policies, which has been applied retrospectively and the comparative figures have been restated accordingly. The impact of prior year adjustments which are primarily due to the adoption of HK(IFRIC)-Int 12 is summarised as follows:

### Condensed consolidated balance sheet

	As at 31 December 2008 HK\$m	As at 30 June 2008 HK\$m
Decrease in property, plant and equipment	981.1	1,153.5
Increase in intangible concession rights	981.1	1,153.5
Increase in interests in jointly controlled entities	139.8	129.3
Increase in deferred tax liabilities	30.7	30.7
Increase in reserves	61.9	55.9
Increase in exchange reserve	24.9	24.8
Increase in retained profits	37.0	31.1
Increase in minority interests	47.2	42.7

### Condensed consolidated income statement

For the six months ended 31 December

	2008 HK\$m	2007 HK\$m
Increase in share of results of jointly controlled entities	10.5	8.1
Increase in amortisation of intangible concession rights	38.2	45.6
Decrease in depreciation	38.2	45.6
(Decrease)/increase in basic (loss)/earnings per share	(HK\$0.01)	HK\$0.01
(Decrease)/increase in diluted (loss)/earnings per share	(HK\$0.01)	HK\$0.01

The following new or revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2009 or later periods but which the Group has not early adopted:

Effective for the year ending 30 June 2010

HKFRS 1 (Revised)	First-time Adoption of HKFRS
HKFRS 2 Amendments	Vesting Conditions and Cancellations
HKFRS 3 (Revised) and HKAS 27 (Revised)	Business Combinations and Consolidated and Separate Financial Statements
HKAS 7 Amendment	Disclosures — Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKFRS 1 (Revised) and HKAS 27 Amendments	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 39 Amendment	Eligible Hedged Items
HK(IFRIC)-Int 15	Agreements for the Construction of Real Estate
HK(IFRIC)-Int 16	Hedges of a Net Investment in Foreign Operation
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfers of Assets from Customers
HKFRSs Amendments	Improvements to HKFRSs



# Notes to Condensed Accounts

## 1. Basis of preparation and accounting policies (Continued)

The Group has already commenced an assessment of the impact of these new or revised standards, amendments and interpretations, certain of which are relevant to the Group's operation and will give rise to changes in accounting policies, disclosures and measurement of certain items in the financial statements. However, the Group is not yet in a position to ascertain their impact on its results of operations and financial position.

## 2. Segment information

The Group is organised into property investment, property development, service, infrastructure, telecommunications, department stores, hotel operations and others (including media and technology businesses) segments.

### (a) Primary reporting format — business segments

	Property investment	Property development	Service	Infra- structure	Telecom- munications	Department stores	Hotel operations	Others	Eliminations	Consolidated
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
Six months ended 31 December 2008										
External	747.4	774.8	7,228.9	170.7	466.2	1,257.1	1,269.8	155.5	—	12,070.4
Inter-segment	100.9	—	1,327.3	—	31.1	—	2.0	14.7	(1,476.0)	—
<b>Revenues</b>	<b>848.3</b>	<b>774.8</b>	<b>8,556.2</b>	<b>170.7</b>	<b>497.3</b>	<b>1,257.1</b>	<b>1,271.8</b>	<b>170.2</b>	<b>(1,476.0)</b>	<b>12,070.4</b>
Segment results	517.8	110.5	402.3	38.7	(0.5)	216.5	286.6	20.8	—	1,592.7
Other gains, net	(2.5)	64.8	(245.3)	130.9	—	—	53.7	154.0	—	155.6
Changes in fair value of investment properties										(2,353.7)
Unallocated corporate expenses										(312.6)
Operating loss										(918.0)
Financing income										355.4
Financing costs										(701.6)
										(1,264.2)
Share of results of										
Jointly controlled entities	107.4	181.4	173.2	477.0	—	—	16.0	(25.7)	—	929.3
Associated companies	14.7	(15.6)	12.7	1.4	(48.9)	—	(0.9)	0.3	—	(36.3)
Loss before taxation										(371.2)
Taxation										(29.0)
<b>Loss for the period</b>										<b>(400.2)</b>
As at 31 December 2008										
Segment assets	31,700.1	48,949.6	15,312.6	1,280.5	1,276.0	3,998.8	4,384.0	7,551.4	—	114,453.0
Interests in jointly controlled entities	4,039.8	11,045.5	4,430.7	11,213.2	—	—	1,273.3	484.8	—	32,487.3
Interests in associated companies	2,435.2	1,322.1	2,938.7	842.1	2,002.1	—	116.7	17.0	—	9,673.9
Unallocated assets										12,202.0
<b>Total assets</b>										<b>168,816.2</b>
Segment liabilities	604.4	6,171.8	8,905.1	506.2	234.6	2,465.2	1,337.2	647.7	—	20,872.2
Unallocated liabilities										54,936.5
<b>Total liabilities</b>										<b>75,808.7</b>
Six months ended 31 December 2008										
Capital expenditure	39.2	156.9	201.1	1.8	46.5	142.0	162.7	6.5	—	756.7
Depreciation and amortisation	34.5	19.8	63.7	39.2	23.2	91.1	85.6	14.8	—	371.9
Impairment charge and provision	—	—	139.5	—	—	—	10.4	199.6	—	349.5

# Notes to Condensed Accounts

## 2. Segment information (Continued)

(a) Primary reporting format — business segments (Continued)

	Property investment HK\$m	Property development HK\$m	Service HK\$m	Infra- structure HK\$m	Telecom- munications HK\$m	Department stores HK\$m	Hotel operations HK\$m	Others HK\$m	Eliminations HK\$m	Consolidated HK\$m
Six months ended										
31 December 2007 (Restated)										
External	682.0	1,206.3	7,936.4	156.9	480.8	1,123.1	1,264.0	206.2	—	13,055.7
Inter-segment	99.2	—	1,338.8	—	33.5	—	—	19.7	(1,491.2)	—
<b>Revenues</b>	<b>781.2</b>	<b>1,206.3</b>	<b>9,275.2</b>	<b>156.9</b>	<b>514.3</b>	<b>1,123.1</b>	<b>1,264.0</b>	<b>225.9</b>	<b>(1,491.2)</b>	<b>13,055.7</b>
Segment results	431.7	140.4	609.5	53.6	(44.5)	188.9	295.7	13.2	—	1,688.5
Other gains, net	0.2	220.9	107.0	143.7	2.4	1,613.6	—	396.0	—	2,483.8
Changes in fair value of investment properties										2,123.9
Unallocated corporate expenses										(288.0)
Operating profit										6,008.2
Financing income										795.6
Financing costs										(785.9)
										6,017.9
Share of results of										
Jointly controlled entities	195.5	964.1	150.6	448.3	—	—	29.9	64.5	—	1,852.9
Associated companies	116.7	22.3	123.0	144.5	76.7	—	(8.6)	7.4	—	482.0
Profit before taxation										8,352.8
Taxation										(1,089.4)
<b>Profit for the period</b>										<b>7,263.4</b>
As at 30 June 2008 (Restated)										
Segment assets	34,133.8	44,384.0	15,446.2	2,421.2	1,281.3	3,554.6	3,294.8	6,446.0	—	110,961.9
Interests in jointly controlled entities	4,116.3	11,787.8	4,269.2	8,681.6	—	—	1,036.1	654.1	—	30,547.1
Interests in associated companies	3,181.9	1,528.3	2,233.1	849.4	2,207.5	—	116.7	46.4	—	10,163.3
Unallocated assets										14,085.2
<b>Total assets</b>										<b>165,757.5</b>
Segment liabilities	520.7	5,817.5	9,795.2	414.7	221.4	1,603.2	1,242.9	1,502.3	—	21,117.9
Unallocated liabilities										49,734.9
<b>Total liabilities</b>										<b>70,852.8</b>
Six months ended										
31 December 2007										
Capital expenditure	959.1	372.6	79.5	—	25.4	214.9	967.3	83.9	—	2,702.7
Depreciation and amortisation	23.9	15.4	62.6	45.9	43.0	71.6	108.1	27.1	—	397.6
Impairment charge and provision	—	—	—	—	—	—	18.9	61.2	—	80.1

# Notes to Condensed Accounts

## 2. Segment information (Continued)

(b) Secondary reporting format — geographical segments

	<u>Revenues</u>	<u>Capital expenditure</u>	<u>Segment assets</u>
	Six months ended	Six months ended	As at
	31 December	31 December	31 December
	2008	2008	2008
	HK\$m	HK\$m	HK\$m
Hong Kong and others	7,256.1	404.1	68,560.0
Mainland China	2,880.8	352.6	44,100.9
Macau	1,933.5	—	1,792.1
	<b>12,070.4</b>	<b>756.7</b>	<b>114,453.0</b>
	Six months ended	Six months ended	As at
	31 December	31 December	30 June
	2007	2007	2008
	HK\$m	HK\$m	HK\$m
Hong Kong and others	6,547.0	326.3	66,936.1
Mainland China	3,316.2	2,376.4	41,864.0
Macau	3,192.5	—	2,161.8
	<b>13,055.7</b>	<b>2,702.7</b>	<b>110,961.9</b>

The Group's revenues, segment assets and capital expenditure attributed to Southeast Asia and North America account for an insignificant portion of the Group's total revenues, segment assets and capital expenditure respectively, and have been included in the Hong Kong and others.

# Notes to Condensed Accounts

## 3. Operating (loss)/profit

### For the six months ended 31 December

Operating (loss)/profit of the Group is arrived at after crediting/(charging) the following:

	2008	2007
	HK\$m	HK\$m
Dividend income from listed and unlisted securities	9.4	18.4
Gain on deemed acquisition/disposal of interests in subsidiaries	137.6	1,690.5
Net profit on disposal of		
Available-for-sale financial assets	16.2	70.9
Subsidiaries	56.6	88.4
Recovery from PrediWave Companies	—	424.3
Gain on repurchase of convertible bonds by a subsidiary	67.0	—
Excess of fair value of net assets acquired over the cost of acquisition		
Additional interest of subsidiaries	—	19.6
Subsidiaries	50.9	125.7
Fair value gain on financial assets at fair value through profit or loss	371.6	16.7
Exchange gain	—	124.8
Interest income from margin and other financing of securities business, included in revenues	47.4	225.0
Net income from leveraged foreign exchange trading	2.6	2.1
Commission on securities dealing	129.2	482.6
Commission on dealing in futures, options and commodities	62.2	31.9
Commission on dealing in bullion contracts	3.9	3.9
Net profit on futures, options and bullion contracts trading	16.1	10.1
Net profit on foreign exchange contracts trading	6.9	3.1
Cost of inventories sold	(1,732.8)	(1,844.8)
Depreciation and amortisation	(371.9)	(397.6)
Impairment loss on		
Debtors	(5.9)	(68.4)
Amount due from jointly controlled entities	(10.4)	(11.7)
Available-for-sale financial assets	(333.2)	—
Fair value loss of financial assets at fair value through profit or loss	(189.2)	—
Interest expense for securities broking and margin financing operations	(6.2)	(150.4)
Dilution loss on deemed disposal of interests in subsidiaries	(1.4)	(9.9)

## 4. Taxation

### For the six months ended 31 December

	2008	2007
	HK\$m	HK\$m
Current taxation		
Hong Kong profits tax	209.2	217.0
Mainland China and overseas taxation	139.7	388.1
Mainland China land appreciation tax	18.6	54.0
Deferred taxation		
Valuation of investment properties	(342.6)	364.1
Temporary differences	4.1	66.2
	29.0	1,089.4

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profit for the period.

# Notes to Condensed Accounts

## 4. Taxation (Continued)

Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 3% to 33% (2007: 3% to 33%).

PRC income tax has been provided on the estimated assessable profits of subsidiaries, jointly controlled entities and associated companies operating in the PRC at 25% (2007: 33%). PRC land appreciation tax is provided at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

Share of taxation of jointly controlled entities and associated companies of HK\$119.4 million and HK\$22.3 million (2007: HK\$674.7 million as restated and HK\$104.7 million), respectively, are included in the income statement as share of results of jointly controlled entities and associated companies.

## 5. (Loss)/earnings per share

### For the six months ended 31 December

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

	<b>2008</b>	2007
	<b>HK\$m</b>	HK\$m
		(Restated)
(Loss)/profit attributable to shareholders	<b>(992.2)</b>	5,649.4
Effect of dilutive potential ordinary shares		
Interest expense on convertible bonds	—	128.2
Adjustment on the effect of dilution in the results of subsidiaries	<b>(9.0)</b>	(32.9)
<b>(Loss)/profit for calculation of diluted (loss)/earnings per share</b>	<b>(1,001.2)</b>	5,744.7
	<b>Number of shares</b>	
	<b>2008</b>	2007
Weighted average number of shares (million) for calculating basic (loss)/earnings per share	<b>3,595.4</b>	3,712.2
Effect of dilutive potential ordinary shares		
Share options	—	30.7
Convertible bonds	—	224.0
<b>Weighted average number of shares (million) for calculating diluted (loss)/earnings per share</b>	<b>3,595.4</b>	3,966.9

Diluted loss per share for the six months ended 31 December 2008 did not assume the conversion of the convertible bonds and the exercise of share options outstanding during the period since their conversion and exercise would have an anti-dilutive effect.

## 6. Capital expenditure

For the six months ended 31 December 2008, the Group has acquired property, plant and equipment, intangible assets and investment properties of HK\$756.7 million (2007: HK\$2,702.7 million). The Group has disposed of investment properties, leasehold land and land use rights, intangible concession rights and property, plant and equipment of net book value of HK\$234.1 million (2007: HK\$19.3 million).

# Notes to Condensed Accounts

## 7. Intangible concession rights

	HK\$m
Net book value as at 1 July 2008, as previously reported	—
Prior year adjustment in respect of changes in accounting policy	<b>1,153.5</b>
As at 1 July 2008, as restated	<b>1,153.5</b>
Disposals	<b>(134.2)</b>
Amortisation	<b>(38.2)</b>
Net book value as at 31 December 2008	<b>981.1</b>

## 8. Intangible assets

	Goodwill HK\$m	Trademark, software and licences HK\$m	Development costs HK\$m	Operating rights HK\$m	Total HK\$m
Net book value as at 1 July 2008	<b>1,025.5</b>	<b>151.6</b>	—	<b>232.3</b>	<b>1,409.4</b>
Addition	—	—	—	<b>86.5</b>	<b>86.5</b>
Acquisition of subsidiaries	<b>20.9</b>	—	—	—	<b>20.9</b>
Amortisation	—	<b>(3.9)</b>	—	—	<b>(3.9)</b>
Net book value as at 31 December 2008	<b>1,046.4</b>	<b>147.7</b>	—	<b>318.8</b>	<b>1,512.9</b>

## 9. Available-for-sale financial assets

	As at 31 December 2008 HK\$m	As at 30 June 2008 HK\$m
Listed securities:		
Equity securities listed in Hong Kong, at market value	<b>2,115.4</b>	925.1
Equity securities listed overseas, at market value	<b>523.5</b>	893.8
Unlisted securities:		
Equity securities, at fair value	<b>2,953.6</b>	2,938.6
Debt securities, at fair value	<b>39.0</b>	39.0
Total	<b>5,631.5</b>	4,796.5

# Notes to Condensed Accounts

## 9. Available-for-sale financial assets (Continued)

An analysis of the issuers of available-for-sale financial assets is as follows:

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Equity securities:		
Public sector entities	<b>33.3</b>	33.3
Bank and other financial institutions	<b>187.4</b>	188.5
Corporate entities	<b>5,371.8</b>	4,535.7
Debt securities:		
Public sector entities	<b>29.0</b>	29.0
Corporate entities	<b>10.0</b>	10.0
	<b>5,631.5</b>	4,796.5

## 10. Trade debtors

Aging analysis of trade debtors is as follows:

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Current to 30 days	<b>4,682.2</b>	4,671.4
31 to 60 days	<b>326.4</b>	488.5
Over 60 days	<b>633.1</b>	933.2
	<b>5,641.7</b>	6,093.1

The Group has various credit policies for different business operations depending on the requirements of the markets and businesses in which the subsidiaries operate. Sale proceeds receivable from sale of properties and retention receivable in respect of construction and engineering services are settled in accordance with the terms of respective contracts.

The Group has made loans to margin customers for its securities businesses. Such loans, amounted to HK\$1,636.2 million (30 June 2008: HK\$1,863.6 million), are secured by the underlying pledged listed securities and are interest-bearing. The amount of credit facilities granted to margin customers is determined by the discounted market value of the collateral securities accepted by the Group. As at 31 December 2008, the total market value of securities pledged as collateral by the customers in respect of the loans to margin customers was HK\$7,657.1 million (30 June 2008: HK\$21,293.0 million).

# Notes to Condensed Accounts

## 11. Financial assets at fair value through profit or loss

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Non-current		
Unlisted debt securities, at fair value	—	1,194.4
Current		
Listed securities:		
Equity securities listed in Hong Kong	<b>93.2</b>	174.6
Equity securities listed overseas	<b>21.8</b>	42.7
Unlisted securities:		
Equity securities	<b>266.6</b>	359.5
Debt securities	<b>12.7</b>	53.1
<b>Total</b>	<b>394.3</b>	1,824.3

The fair values of the listed securities are determined based on the quoted market bid prices available on the relevant exchanges. The fair values of the unlisted securities are determined using financial models, such as discounted cashflow model, and by reference to quoted prices from relevant financial institutions.

An analysis of the issuers of financial assets at fair value through profit or loss is as follows:

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Equity securities:		
Bank and other financial institutions	<b>65.3</b>	87.0
Corporate entities	<b>316.3</b>	489.8
Debt securities:		
Bank and other financial institutions	<b>12.7</b>	53.1
Corporate entities	—	1,194.4
	<b>394.3</b>	1,824.3

## 12. Share capital

	<u>As at 31 December 2008</u>		<u>As at 30 June 2008</u>	
	No. of shares (million)	HK\$m	No. of shares (million)	HK\$m
Authorised:				
Shares of HK\$1.00 each	<b>10,000.0</b>	<b>10,000.0</b>	10,000.0	10,000.0
Issued and fully paid:				
Shares of HK\$1.00 each				
Balance at beginning of the period/year	<b>3,736.5</b>	<b>3,736.5</b>	3,692.1	3,692.1
Issued as scrip dividends ( <i>Note a</i> )	<b>21.9</b>	<b>21.9</b>	41.6	41.6
Exercise of share options ( <i>Note b</i> )	—	—	2.8	2.8
<b>Balance at end of the period/year</b>	<b>3,758.4</b>	<b>3,758.4</b>	3,736.5	3,736.5



# Notes to Condensed Accounts

## 12. Share capital (Continued)

Notes:

- (a) During the six months ended 31 December 2008, 21,888,184 new shares were issued by the Company at HK\$17.8752 per share for the settlement of 2008 interim scrip dividend.
- (b) A share option scheme was adopted by the Company on 24 November 2006 (the "Share Option Scheme") which will be valid and effective for a period of ten years from the date of adoption. On 19 March 2007, 136,450,000 share options were granted by the Company to directors and certain eligible participants at the exercise price of HK\$17.756 per share.

The directors of the Company (the "Board") may, at their discretion, grant options to any eligible participant as defined under the Share Option Scheme to subscribe for the shares of the Company. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme must not in aggregate exceed 10.0% of the share capital of the Company in issue as at 24 November 2006, i.e. 366,388,464 shares.

Movements in number of share options for the six months ended 31 December 2008 were as follows:

	Number of share options
As at 1 July 2008	132,934,000
Lapsed during the period	(200,000)
As at 31 December 2008	132,734,000

## 13. Borrowings

	As at 31 December 2008 HK\$m	As at 30 June 2008 HK\$m
Long-term borrowings		
Secured bank loans	19,032.9	14,916.9
Unsecured bank loans	17,601.0	14,826.5
Convertible bonds	8,210.9	8,248.8
Loans from minority shareholders	405.5	562.6
	45,250.3	38,554.8
Current portion of long-term borrowings	(8,489.0)	(7,193.0)
	36,761.3	31,361.8
Short-term borrowings		
Secured bank loans	357.0	475.5
Unsecured bank loans	935.8	2,092.6
Other unsecured loans	538.9	173.3
Loans from minority shareholders	1,863.2	1,867.5
	3,694.9	4,608.9
Current portion of long-term borrowings	8,489.0	7,193.0
	12,183.9	11,801.9
Total borrowings	48,945.2	43,163.7

# Notes to Condensed Accounts

## 14. Trade creditors

Aging analysis of trade creditors is as follows:

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Current to 30 days	<b>6,172.4</b>	6,071.0
31 to 60 days	<b>614.5</b>	586.6
Over 60 days	<b>1,527.8</b>	2,204.3
	<b>8,314.7</b>	8,861.9
Payable arising from securities businesses ( <i>Note</i> )	<b>3,726.3</b>	3,667.1
	<b>12,041.0</b>	12,529.0

*Note:*

*This payable relates to securities, equity options, leveraged foreign exchange, futures, options and bullion contracts transactions and is mainly repayable on demand. No aging analysis is disclosed in respect of this amount as an aging analysis is not meaningful in view of the nature of this business.*

## 15. Commitments

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Capital commitments contracted but not provided for		
Property, plant and equipment	<b>946.4</b>	940.0
Jointly controlled entities	<b>1,472.3</b>	2,702.3
Available-for-sale financial assets	<b>40.4</b>	49.7
Capital contribution for proposed development projects	<b>124.3</b>	56.8
	<b>2,583.4</b>	3,748.8
Capital commitments authorised but not contracted for		
Property, plant and equipment	<b>33.1</b>	33.2
Capital contribution for proposed development projects	<b>108.0</b>	108.0
	<b>141.1</b>	141.2
The Group's share of capital commitments of the jointly controlled entities not included above are as follows:		
Contracted but not provided for	<b>727.1</b>	1,189.4
Authorised but not contracted for	<b>358.5</b>	374.4
	<b>1,085.6</b>	1,563.8
Total	<b>3,810.1</b>	5,453.8

# Notes to Condensed Accounts

## 16. Maturity profile of financial assets and liabilities

An analysis of the maturity profile of financial assets and liabilities of the Group analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

	Repayable on demand HK\$m	3 months or less HK\$m	1 year or less but over 3 months HK\$m	5 years or less but over 1 year HK\$m	After 5 years HK\$m	Total HK\$m
As at 31 December 2008						
Assets						
Debt securities:						
Available-for-sale financial assets	—	—	—	39.0	—	39.0
Financial assets at fair value through profit or loss	—	9.3	3.4	—	—	12.7
Advances to customers	1,636.2	—	—	—	—	1,636.2
Cash held on behalf of customers ( <i>Note</i> )	3,165.5	—	—	—	—	3,165.5
Cash and bank balances, unrestricted	7,199.4	2,671.5	1,622.6	—	—	11,493.5
<b>Total</b>	<b>12,001.1</b>	<b>2,680.8</b>	<b>1,626.0</b>	<b>39.0</b>	<b>—</b>	<b>16,346.9</b>
Liabilities						
Bank loans and convertible bonds	327.0	1,081.3	8,373.5	30,089.4	6,266.4	46,137.6
Trade payable to customers arising from securities businesses	3,628.6	38.3	—	—	—	3,666.9
<b>Total</b>	<b>3,955.6</b>	<b>1,119.6</b>	<b>8,373.5</b>	<b>30,089.4</b>	<b>6,266.4</b>	<b>49,804.5</b>
	Repayable on demand HK\$m	3 months or less HK\$m	1 year or less but over 3 months HK\$m	5 years or less but over 1 year HK\$m	After 5 years HK\$m	Total HK\$m
As at 30 June 2008						
Assets						
Debt securities:						
Available-for-sale financial assets	—	—	—	39.0	—	39.0
Financial assets at fair value through profit or loss	—	—	46.0	7.1	—	53.1
Advances to customers	1,863.6	—	—	—	—	1,863.6
Cash held on behalf of customers ( <i>Note</i> )	3,105.8	—	—	—	—	3,105.8
Cash and bank balances, unrestricted	4,930.3	7,404.9	790.9	—	—	13,126.1
<b>Total</b>	<b>9,899.7</b>	<b>7,404.9</b>	<b>836.9</b>	<b>46.1</b>	<b>—</b>	<b>18,187.6</b>
Liabilities						
Bank loans and convertible bonds	—	2,438.7	7,322.4	23,152.8	7,646.4	40,560.3
Trade payable to customers arising from securities businesses	3,547.8	56.9	—	—	—	3,604.7
<b>Total</b>	<b>3,547.8</b>	<b>2,495.6</b>	<b>7,322.4</b>	<b>23,152.8</b>	<b>7,646.4</b>	<b>44,165.0</b>

*Note:*

The Group maintains segregated trust accounts with authorised institutions to hold customers' monies arising from its securities businesses. The Group has classified the customers' monies as cash held on behalf of customers and recognised the corresponding accounts payable to respective customers on the grounds that it is liable for any loss or misappropriation of clients' monies. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

# Notes to Condensed Accounts

## 17. Contingent liabilities

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Mortgage facilities for certain purchasers of properties	<b>1,170.5</b>	995.6
Guarantees for credit facilities granted to		
Jointly controlled entities	<b>2,723.9</b>	2,936.0
Associated companies	<b>218.7</b>	179.5
Investee companies included under available-for-sale financial assets	<b>139.0</b>	55.0
Share of contingent liabilities of jointly controlled entities	<b>141.0</b>	56.2
Indemnity to non-wholly owned subsidiaries for PRC tax liabilities	<b>1,459.0</b>	2,210.2
	<b>5,852.1</b>	6,432.5

The Group is in dispute with a joint venture partner in respect of certain property development projects in Mainland China and the parties have taken legal actions against each other in Hong Kong. No statement of claims setting out details of the claims against the Group has been filed. The Group expects that there will not be a material adverse impact on the financial position of the Group.

## 18. Business combinations

In July 2008, a subsidiary of NWCL acquired additional 40% equity interest in Haikou New World Housing Development Limited ("Haikou New World") without consideration as a result of the withdrawal of the joint venture partner of Haikou New World from the co-operative joint venture entity. As a result, Haikou New World became a wholly-owned subsidiary of NWCL. Details of net assets acquired and the excess of fair value of net assets acquired over cost of acquisition of the subsidiary are as follows:

	<b>HK\$m</b>	
Purchase consideration		—
Fair value of net assets acquired		<b>50.9</b>
Excess of fair value of net assets acquired over cost of acquisition of the subsidiary		<b>50.9</b>
Net assets acquired:		
	<b>Fair value HK\$m</b>	<b>Acquiree's carrying amount HK\$m</b>
Property, plant and equipment	1.2	1.2
Debtors and prepayments	42.4	42.4
Properties under development	125.0	104.7
Properties held for sale	39.8	26.0
Cash and bank balances	108.8	108.8
Creditors and accrued charges	(50.9)	(50.9)
Balances with group companies	(8.6)	(8.6)
Current taxes payable	(5.6)	(5.6)
Deferred tax liabilities	(8.5)	—
	<b>243.6</b>	<b>218.0</b>
Interest originally held as a jointly controlled entity	<b>(178.4)</b>	
Other reserve arising from fair value adjustments of interest previously held	<b>(14.3)</b>	
Net assets acquired	<b>50.9</b>	

# Notes to Condensed Accounts

## 18. Business combinations (Continued)

Since the date of acquisition, Haikou New World contributed revenues of approximately HK\$18.7 million and profits of approximately HK\$1.8 million. If the acquisition had occurred on 1 July 2008, the effect on the Group's revenue and profit for the period would not be material.

The Group has benefited from the appreciation in the fair value of the acquired net assets over the years. Therefore, excess of fair value of net assets acquired over cost of acquisition of interests in a subsidiary was resulted.

## 19. Related party transactions

In addition to those already disclosed in this interim report, the following is a summary of significant related party transactions during the period carried out in the normal course of the Group's business:

### For the six months ended 31 December

	<b>2008</b>	2007
	<b>HK\$m</b>	HK\$m
Transactions with affiliated companies		
Interest income	<b>245.0</b>	423.3
Provision of contracting work service	<b>100.1</b>	271.3
Transactions with other related parties		
Rental income	<b>16.5</b>	19.0
Accounts payable	<b>91.1</b>	99.4

These related party transactions were conducted in accordance with the terms as disclosed in the last annual report.

No significant transactions have been entered with the Directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being the key management personnel compensation).

## 20. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.

# Liquidity and Capital Resources

## Net Debt

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Consolidated net debt	<b>34,825.3</b>	26,929.7
NWSH	<b>5,055.5</b>	4,666.7
NWCL	<b>12,219.1</b>	8,788.1
NWDS — cash and bank balances	<b>(3,104.1)</b>	(3,127.6)
Net debt (exclude listed subsidiaries)	<b>20,654.8</b>	16,602.5

In respect of the Group's operation in Mainland China, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging of Renminbi contributed to those projects. Apart from this, the Group does not have any material foreign exchange exposure.

Equity of the Group reduced from HK\$94,904.7 million as restated as at 30 June 2008 to HK\$93,007.5 million as at 31 December 2008. The decrease was mainly due to revaluation deficit on investment properties of the Group as a result of the current adverse economic conditions.

As at 31 December 2008, the Group's cash and bank balances stood at HK\$11,851.2 million (30 June 2008: HK\$13,803.9 million) and the consolidated net debt amounted to HK\$34,825.3 million (30 June 2008: HK\$26,929.7 million). The net debt to equity ratio was 37.4%, an increase of 9.0% as compared with 30 June 2008. The increase was mainly due to the increase in bank borrowings for financing the payment of land premium for two development projects namely Che Kung Temple Station Development in Sha Tin and Lung Tin Tsuen in Yuen Long and the decrease in equity.

A total of RMB250.0 million convertible bonds issued by a subsidiary company of NWCL has repurchased and cancelled by that subsidiary for approximately US\$24.9 million.

The Group's long-term bank loans and convertible bonds and short-term bank loans as at 31 December 2008 were HK\$44,844.8 million and HK\$1,831.7 million respectively. The maturity of long-term bank loans and convertible bonds as at 31 December 2008 is as follows:

	<b>HK\$m</b>
Within one year	<b>8,489.0</b>
In the second year	<b>5,680.0</b>
In the third to fifth year	<b>24,409.4</b>
After the fifth year	<b>6,266.4</b>
	<b>44,844.8</b>

As at 31 December 2008, the Group's property, plant and equipment, investment properties and leasehold land and land use rights, properties for development, properties under development and bank deposits of HK\$33,691.6 million (30 June 2008 HK\$27,649.1 million) have been pledged as securities for short-term and long-term loans granted to the Group.

## Other Information

### Disclosure Pursuant to Rules 13.20 and 13.22 of the Listing Rules

At 31 December 2008, the Group had given financial assistance and guarantees to its associated companies and jointly controlled entities (collectively "Affiliated Companies") as set out below:

	<b>As at 31 December 2008 HK\$m</b>	As at 30 June 2008 HK\$m
Amounts due by Affiliated Companies	<b>18,524.3</b>	18,769.7
Guarantees given for Affiliated Companies in respect of banking and other credit facilities	<b>3,645.8</b>	3,115.5
Commitments to capital injections and loan contributions	<b>2,435.0</b>	2,889.6
	<b>24,605.1</b>	24,774.8

- (a) The financial assistance, in aggregate exceeded 8.0% of the Group's total assets as at 31 December 2008.
- (b) The advances were unsecured and are interest free except for an aggregate amount of HK\$6,504.4 million (30 June 2008: HK\$6,064.8 million) which carried interest ranging from 0.6% above HIBOR to 10.0% per annum (30 June 2008: 0.6% above HIBOR to 10.0% per annum). Other than an amount of HK\$222.5 million which is repayable by on or before 31 October 2009, the advances had no fixed repayment terms.
- (c) Pursuant to Rule 13.22 of the Listing Rules, a combined balance sheet of those Affiliated Companies with financial assistance from the Group and the Group's attributable interest in those affiliated companies as at 31 December 2008 were presented as follows:

	<b>Combined balance sheet HK\$m</b>	<b>Group's attributable interest HK\$m</b>
Non-current assets	<b>78,063.7</b>	<b>35,574.2</b>
Current assets	<b>36,726.5</b>	<b>22,907.1</b>
Current liabilities	<b>(32,911.6)</b>	<b>(16,792.7)</b>
Total assets less current liabilities	<b>81,878.6</b>	<b>41,688.6</b>
Non-current liabilities	<b>(30,864.9)</b>	<b>(12,808.8)</b>
Net assets	<b>51,013.7</b>	<b>28,879.8</b>

The combined balance sheet of the Affiliated Companies was prepared by combining their balance sheets, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant balance sheet classification, as at 31 December 2008.

# Other Information

## Interim Dividend

The Board has declared an interim dividend for the financial year ending 30 June 2009 in scrip form equivalent to HK\$0.09 per share with a cash option to shareholders registered on 9 April 2009.

Subject to the Listing Committee of the Hong Kong Stock Exchange granting listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholder could elect to receive in cash and that shareholders be given the option to elect to receive payment in cash of HK\$0.09 per share instead of the allotment of shares. Full details of the interim scrip dividend will be set out in a letter to be sent to shareholders together with a form of election for cash on or about 8 May 2009.

## Book Close Dates

Book close dates (both days inclusive)	:	3 April 2009 to 9 April 2009
Latest time to lodge transfer with Share Registrars	:	4:00 pm on 2 April 2009
Address of Share Registrars	:	Tricor Tengis Limited 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

## Purchase, Sale or Redemption of Listed Securities

The Company has not redeemed any of its listed securities during the six months ended 31 December 2008. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the six months ended 31 December 2008.

## Review of Interim Results

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the unaudited interim financial statements for the six months ended 31 December 2008.

## Code on Corporate Governance Practices

The Company has complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the six months ended 31 December 2008 except for the following deviation:

As required under code provision A.5.4 of the CG Code, the Board should establish written guidelines on no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for relevant employees in respect of their dealings in the securities of the Company. The Board has established guidelines for employees in respect of their dealings in the securities of the Company but they are not on no less exacting terms than the Model Code. The deviation is mainly due to the fact that the Company currently has approximately 55,000 employees and operates diversified businesses, it will cause immense administrative burden for processing written notifications from the relevant employees by the Company.

## Model Code for Securities Transactions by Directors

The Group has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of the Model Code. Having made specific enquiry of all directors, the directors of the Company confirmed that they have complied with the required standard set out in the Model Code during the six months ended 31 December 2008.



# Other Information

## Update on Director's Information

Mr Cheng Chi-Kong, Adrian, executive director of the Company, was appointed Honorary Chairman of Fundraising Committee, Wu Zhi Qiao (Bridge to China) Charitable Foundation in March 2009.

## Investor Communication

The Group highly values investor communication and maintains dialogue with the investment community through site visits, investment forums and overseas roadshows. Our wide embracing activities have allowed the investing public to develop a better understanding of the Group's strategies and development plans. Realising the growing investor interests in our various listed divisions, the Group will continue to enhance corporate transparency.

## Corporate Citizenship

The Group is strongly committed to enhance corporate citizenship by encouraging employees to offer volunteer services, employing underprivileged individuals, sharing business expertise and partnering with social service groups.

The Company and its 28 group companies have been awarded the 2008/09 Caring Company Logo by the Hong Kong Council of Social Service. This is to recognise their contribution and outstanding performance in corporate social responsibility.

## Employees and Remuneration Policies

The Group has approximately 55,000 employees at 31 December 2008 employed by entities under the Group's management. Remuneration policies are reviewed annually. Remuneration and bonuses are awarded to employees based on individual performances and market practices. Education subsidies will be granted to employees who are taking job-related courses. Periodic in-house training programs are also offered. Under the share option schemes of the Company and all the listed subsidiaries of the Group, options may be granted to certain directors of the Company and certain employees of the Group to subscribe for shares in the Company and/or the respective subsidiaries.

## Directors' Interests in Securities

As at 31 December 2008, the interests of the directors and their associates in shares and underlying shares of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company under section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

### (A) Long position in shares

	Number of shares			Total	Approximate % of shareholding
	Personal interests	Spouse interests	Corporate interests		
<b>New World Development Company Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar-Shun, Henry	—	300,000	—	300,000	0.01
Dr Sin Wai-Kin, David	4,727,287	47,098	—	4,774,385	0.13
Mr Leung Chi-Kin, Stewart	232,974	—	—	232,974	0.01
Mr Chow Kwai-Cheung	44,527	—	—	44,527	0.00
Mr Ho Hau-Hay, Hamilton	—	—	439,177 <sup>(1)</sup>	439,177	0.01
Mr Liang Cheung-Biu, Thomas	5,215	—	—	5,215	0.00
Ms Ki Man-Fung, Leonie	60,000	—	—	60,000	0.00

# Other Information

## Directors' Interests in Securities (Continued)

### (A) Long position in shares (Continued)

	Number of shares			Total	Approximate % of shareholding
	Personal interests	Spouse interests	Corporate interests		
<b>Dragon Fortune Limited</b>					
(Ordinary shares of US\$1.00 each)					
Mr Cheng Kar-Shing, Peter	—	—	15,869 <sup>(2)</sup>	15,869	27.41
<b>HH Holdings Corporation</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Sin Wai-Kin, David	42,000	—	—	42,000	7.00
<b>Mega Choice Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar-Shun, Henry	—	—	3,710 <sup>(3)</sup>	3,710	34.61
<b>New World China Land Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Dr Cheng Kar-Shun, Henry	12,500,000	1,950,000	52,271,200 <sup>(4)</sup>	66,721,200	1.74
Mr Leung Chi-Kin, Stewart	500,000	—	—	500,000	0.01
Mr Chow Kwai-Cheung	650,126	—	—	650,126	0.02
Ms Ki Man-Fung, Leonie	20,000	—	—	20,000	0.00
<b>New World Department Store China Limited</b>					
(Ordinary shares of HK\$0.10 each)					
Mr Cheng Chi-Kong, Adrian	—	—	1,107,000 <sup>(5)</sup>	1,107,000	0.07
Ms Ki Man-Fung, Leonie	20,000	—	—	20,000	0.00
<b>NWS Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Dr Cheng Kar-Shun, Henry	9,179,199	—	8,000,000 <sup>(4)</sup>	17,179,199	0.84
Dr Sin Wai-Kin, David	3,281	31	16,995,745 <sup>(6)</sup>	16,999,057	0.83
Mr Liang Chong-Hou, David	164	—	—	164	0.00
Mr Cheng Kar-Shing, Peter	190,981	—	2,819,284 <sup>(7)</sup>	3,010,265	0.15
Mr Leung Chi-Kin, Stewart	2,402,351	—	—	2,402,351	0.12
Mr Chow Kwai-Cheung	207,000	—	—	207,000	0.01
Ms Ki Man-Fung, Leonie	10,000	—	—	10,000	0.00
<b>Sun City Holdings Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Mr Cheng Kar-Shing, Peter	—	80,000	3,570,000 <sup>(8)</sup>	3,650,000	45.63
<b>Sun Legend Investments Limited</b>					
(Ordinary shares of HK\$1.00 each)					
Mr Cheng Kar-Shing, Peter	—	—	500 <sup>(9)</sup>	500	50.00
<b>YE Holdings Corporation</b>					
(Ordinary shares of HK\$1.00 each)					
Mr Leung Chi-Kin, Stewart	37,500	—	—	37,500	1.50

Notes:

- (1) These shares are beneficially-owned by a company in which Mr Ho Hau-Hay, Hamilton owns 40.0% of its issued share capital.
- (2) 4,102 shares are held by a company wholly-owned by Mr Cheng Kar-Shing, Peter and 11,767 shares are held by Sun City Holdings Limited ("Sun City"), of which Mr Cheng Kar-Shing, Peter is deemed to be interested in 45.63% of its issued share capital.
- (3) These shares are beneficially-owned by companies wholly-owned by Dr Cheng Kar-Shun, Henry.

# Other Information

## Directors' Interests in Securities (Continued)

### (A) Long position in shares (Continued)

Notes: (Continued)

- (4) These shares are beneficially-owned by a company wholly-owned by Dr Cheng Kar-Shun, Henry.
- (5) These shares are beneficially-owned by a company wholly-owned by Mr Cheng Chi-Kong, Adrian.
- (6) These shares are beneficially-owned by a company jointly-owned by Dr Sin Wai-Kin, David and his spouse.
- (7) These shares are beneficially-owned by a company wholly-owned by Mr Cheng Kar-Shing, Peter.
- (8) These shares are held by a company of which Mr Cheng Kar-Shing, Peter has an indirect interest of 49.58%.
- (9) Mr Cheng Kar-Shing, Peter is deemed to be interested in the shares of Sun Legend Investments Limited by virtue of his interests in Sun City.

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

During the six months ended 31 December 2008, certain directors of the Company have interests in share options to subscribe for shares in the Company and certain of its subsidiaries. Details of such interests and movement of share options granted by the Company and its subsidiaries under their respective share option schemes are shown below.

#### (1) Long position in underlying shares of the Company — share options

Share options granted to directors of the Company

Name	Date of grant	Exercisable period (Note)	Number of share options				Balance as at 31 December 2008	Exercise price per share HK\$
			Balance as at 1 July 2008	Granted during the period	Exercised during the period	Lapsed during the period		
Dr Cheng Yu-Tung	19 March 2007	(1)	36,500,000	—	—	—	36,500,000	17.756
Dr Cheng Kar-Shun, Henry	19 March 2007	(1)	36,500,000	—	—	—	36,500,000	17.756
Lord Michael Sandberg <sup>#</sup>	19 March 2007	(1)	300,000	—	—	—	300,000	17.756
Dr Sin Wai-Kin, David	19 March 2007	(1)	300,000	—	—	—	300,000	17.756
Mr Cheng Yue-Pui <sup>^</sup>	19 March 2007	(1)	200,000	—	—	(200,000)	—	17.756
Mr Liang Chong-Hou, David	19 March 2007	(1)	300,000	—	—	—	300,000	17.756
Mr Yeung Ping-Leung, Howard	19 March 2007	(1)	300,000	—	—	—	300,000	17.756
Dr Cha Mou-Sing, Payson	19 March 2007	(1)	300,000	—	—	—	300,000	17.756
Mr Cheng Kar-Shing, Peter	19 March 2007	(1)	200,000	—	—	—	200,000	17.756
		(2)	1,200,000	—	—	—	1,200,000	17.756
Mr Leung Chi-Kin, Stewart	19 March 2007	(1)	35,500,000	—	—	—	35,500,000	17.756
Mr Chow Kwai-Cheung	19 March 2007	(2)	1,200,000	—	—	—	1,200,000	17.756
Mr Ho Hau-Hay, Hamilton	19 March 2007	(1)	200,000	—	—	—	200,000	17.756
Mr Lee Luen-Wai, John	19 March 2007	(1)	300,000	—	—	—	300,000	17.756
Mr Liang Cheung-Biu, Thomas	19 March 2007	(1)	200,000	—	—	—	200,000	17.756
Mr Cheng Chi-Kong, Adrian	19 March 2007	(2)	500,000	—	—	—	500,000	17.756
Ms Ki Man-Fung, Leonie <sup>*</sup>	19 March 2007	(2)	1,000,000 <sup>∅</sup>	—	—	—	1,000,000	17.756
			115,000,000	—	—	(200,000)	114,800,000	

<sup>#</sup> retired on 2 December 2008

<sup>^</sup> passed away on 19 February 2008

<sup>\*</sup> appointed on 5 December 2008

<sup>∅</sup> refers to balance on date of appointment

# Other Information

## Directors' Interests in Securities (Continued)

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

#### (1) Long position in underlying shares of the Company — share options (Continued)

Notes:

(1) From 19 March 2007 to 18 March 2012.

(2) Divided into 5 tranches exercisable from 19 March 2007, 19 March 2008, 19 March 2009, 19 March 2010 and 19 March 2011 respectively to 18 March 2012.

(3) The cash consideration paid by each director for the grant of share options is HK\$10.0.

Share options granted to other eligible participants

Date of grant	Exercisable period (Note)	Number of share options						Balance as at 31 December 2008	Exercise price per share HK\$
		Balance as at 1 July 2008	Granted during the period	Exercised during the period	Adjusted during the period	Reclassified as director's interest	Lapsed during the period		
19 March 2007	(1)	18,934,000	—	—	—	(1,000,000)	—	17,934,000	17.756
		18,934,000	—	—	—	(1,000,000)	—	17,934,000	

Notes:

(1) Divided into 5 tranches exercisable from 19 March 2007, 19 March 2008, 19 March 2009, 19 March 2010 and 19 March 2011 respectively to 18 March 2012.

(2) The cash consideration paid by each eligible participant for the grant of share options is HK\$10.0.

#### (2) Long position in underlying shares of New World China Land Limited — share options

Share options granted to directors of the Company

Name	Date of grant	Exercisable period (Note)	Number of share options				Exercise price per share HK\$
			Balance as at 1 July 2008	Granted during the period <sup>(4)</sup>	Exercised during the period	Balance as at 31 December 2008	
Dr Cheng Kar-Shun, Henry	7 January 2008	(1)	2,000,000	—	—	2,000,000	6.972
	29 December 2008	(3)	—	1,600,000	—	1,600,000	1.500
Mr Cheng Kar-Shing, Peter	7 January 2008	(1)	800,000	—	—	800,000	6.972
	29 December 2008	(3)	—	650,000	—	650,000	1.500
Mr Leung Chi-Kin, Stewart	7 January 2008	(1)	200,000	—	—	200,000	6.972
	29 December 2008	(3)	—	150,000	—	150,000	1.500
Mr Chow Kwai-Cheung	7 January 2008	(1)	200,000	—	—	200,000	6.972
	29 December 2008	(3)	—	150,000	—	150,000	1.500
Mr Lee Luen-Wai, John	7 January 2008	(1)	300,000	—	—	300,000	6.972
	29 December 2008	(3)	—	300,000	—	300,000	1.500
Mr Cheng Chi-Kong, Adrian	25 July 2006	(2)	331,600	—	—	331,600	2.865
	7 January 2008	(1)	1,500,000	—	—	1,500,000	6.972
	29 December 2008	(3)	—	1,200,000	—	1,200,000	1.500
			5,331,600	4,050,000	—	9,381,600	

# Other Information

## Directors' Interests in Securities (Continued)

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

#### (2) Long position in underlying shares of New World China Land Limited — share options (Continued)

Share options granted to directors of the Company (Continued)

Notes:

- (1) Divided into 3 tranches exercisable from 8 February 2008, 8 February 2009 and 8 February 2010, respectively to 7 February 2011.
- (2) Divided into 5 tranches exercisable from 26 August 2006, 26 August 2007, 26 August 2008, 26 August 2009 and 26 August 2010 respectively to 25 August 2011.
- (3) Divided into 4 tranches exercisable from 30 January 2009, 30 January 2010, 30 January 2011 and 30 January 2012, respectively to 29 January 2013.
- (4) The closing price per share immediately before 29 December 2008, the date of grant, was HK\$2.21.
- (5) The cash consideration paid by each of the above directors for each grant of share options is HK\$10.0.

Share options granted to other eligible participants

Date of grant	Number of share options <sup>(1)</sup>				Balance as at 31 December 2008	Exercise price per share HK\$
	Balance as at 1 July 2008	Granted during the period <sup>(5)</sup>	Exercised during the period <sup>(6)</sup>	Lapsed during the period		
25 March 2004 to 21 April 2004	330,600	—	—	—	330,600	2.252
18 June 2004 to 15 July 2004	104,800	—	(104,800)	—	—	1.650
4 November 2004 to 1 December 2004	121,200	—	—	—	121,200	2.484
22 December 2004 to 18 January 2005	49,800	—	—	—	49,800	2.689
13 July 2005 to 9 August 2005	203,600	—	—	—	203,600	2.300
7 November 2005 to 2 December 2005	20,000	—	—	—	20,000	2.620
28 March 2006 to 24 April 2006	2,103,600	—	—	(124,000)	1,979,600	3.915
28 June 2006 to 26 July 2006	58,000	—	—	—	58,000	2.865
17 October 2006 to 13 November 2006	464,400	—	—	—	464,400	3.340
28 December 2006 to 24 January 2007	1,002,000	—	—	—	1,002,000	4.712
19 March 2007 to 13 April 2007	735,200	—	—	—	735,200	4.500
14 June 2007 to 11 July 2007	1,922,400	—	—	(221,200)	1,701,200	6.710
17 October 2007 to 13 November 2007	1,709,200	—	—	(248,400)	1,460,800	8.070
28 December 2007 to 24 January 2008	1,102,400	—	—	(232,400)	870,000	6.972
28 December 2007 to 24 January 2008	8,180,000 <sup>(2)</sup>	—	—	(120,000)	8,060,000	6.972
22 April 2008 to 19 May 2008	868,800	—	—	—	868,800	5.260
31 July 2008 to 27 August 2008	—	1,758,800	—	(265,600)	1,493,200	3.662
12 November 2008 to 9 December 2008	—	1,203,600	—	—	1,203,600	1.682
2 December 2008 to 29 December 2008	—	1,688,000 <sup>(3)</sup>	—	—	1,688,000	1.500
2 December 2008 to 29 December 2008	—	11,894,000 <sup>(4)</sup>	—	—	11,894,000	1.500
2 December 2008 to 29 December 2008	—	2,368,000	—	—	2,368,000	1.500
	18,976,000	18,912,400	(104,800)	(1,211,600)	36,572,000	

# Other Information

## Directors' Interests in Securities (Continued)

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

#### (2) Long position in underlying shares of New World China Land Limited — share options (Continued)

*Share options granted to other eligible participants (Continued)*

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 20.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years, except otherwise specified in notes 2, 3 and 4.*
- (2) *The share options are exercisable within three 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 33.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary year.*
- (3) *The share options are exercisable within two years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 50.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary year.*
- (4) *The share options are exercisable within four years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 25.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary year.*
- (5) *The closing price per share immediately before 31 July 2008, 12 November 2008 and 2 December 2008, the dates of offer to grant, was HK\$3.60, HK\$1.65 and HK\$1.64, respectively.*
- (6) *The closing price of the shares immediately before the date on which share options were exercised was HK\$3.03.*
- (7) *The cash consideration paid by each eligible participant for each grant of share option is HK\$10.0.*

The fair values of the share options granted during the period with exercise prices per share of HK\$3.662, HK\$1.682 and HK\$1.500 are estimated at HK\$1.23, HK\$0.65 and HK\$0.46 to HK\$0.58 respectively using the Binomial pricing model. Values are estimated based on the risk-free rate ranging from 0.96% to 3.222% per annum with reference to the rate prevailing on the Exchange Fund Notes, a one-year period historical volatility of ranging from 46% to 61%, assuming dividend yield ranging from 0.85% to 1.22% and an expected option life of two to five years.

The Binomial pricing model requires 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

## Directors' Interests in Securities (Continued)

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

#### (3) Long position in underlying shares of NWS Holdings Limited — share options

Share options granted to directors of the Company

Name	Date of grant	Exercisable period (Note)	Number of share options				Balance as at 31 December 2008	Exercise price per share HK\$
			Balance as at 1 July 2008	Granted during the period	Adjusted during the period	Exercised during the period		
Dr Cheng Kar-Shun, Henry	21 August 2007	(1)	3,001,277	—	—	—	3,001,277	16.193
			3,001,277	—	—	—	3,001,277	

Notes:

- (1) 40.0% of the share options are exercisable from 21 August 2008 to 20 August 2012 while the remaining 60.0% of the share options are divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012.
- (2) The cash consideration paid by the above director for the grant of share options is HK\$10.0.

Share options granted to other eligible participants

Date of grant	Exercisable period (Note)	Number of share options					Balance as at 31 December 2008	Exercise price per share HK\$
		Balance as at 1 July 2008	Granted during the period	Exercised during the period	Adjusted during the period	Lapsed during the period		
21 July 2003	(1)	710,250	—	(254,128) <sup>(3)</sup>	—	(456,122)	—	3.709
21 August 2007	(2)	26,705,310	—	—	—	(268,114)	26,437,196	16.193
28 January 2008	(2)	700,295	—	—	—	—	700,295	20.591
		28,115,855	—	(254,128)	—	(724,236)	27,137,491	

Notes:

- (1) Divided into 3 tranches exercisable from 21 January 2004, 21 July 2004 and 21 July 2005 respectively to 20 July 2008.
- (2) 40.0% of the share options are exercisable from 21 August 2008 to 20 August 2012 while the remaining 60.0% of the share options are divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012.
- (3) The weighted average closing price of the shares immediately before the dates on which share options were exercised was HK\$20.035.
- (4) The cash consideration paid by each eligible participant for each grant of share options is HK\$10.0.

# Other Information

## Directors' Interests in Securities (Continued)

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

#### (4) Long position in underlying shares of New World Department Store China Limited — share options

Share options granted to directors of the Company

Name	Date of grant	Exercisable period (Note)	Number of share options				Exercise price per share HK\$
			Balance as at 1 July 2008	Granted during the period	Exercised during the period	Balance as at 31 December 2008	
Dr Cheng Kar-Shun, Henry	27 November 2007	(1)	1,000,000	—	—	1,000,000	8.66
Mr Cheng Chi-Kong, Adrian	27 November 2007	(1)	500,000	—	—	500,000	8.66
			1,500,000	—	—	1,500,000	

Notes:

- (1) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (2) The cash consideration paid by each of the above directors for the grant of share options is HK\$1.0.

Share options granted to other eligible participants

Date of grant	Exercisable period (Note)	Number of share options					Balance as at 31 December 2008	Exercise price per share HK\$
		Balance as at 1 July 2008	Granted during the period	Exercised during the period	Adjusted during the period	Lapsed during the period		
27 November 2007	(1)	18,425,000	—	—	—	(657,000)	17,768,000	8.66
25 March 2008	(2)	4,133,000	—	—	—	—	4,133,000	8.44
		22,558,000	—	—	—	(657,000)	21,901,000	

Notes:

- (1) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (2) Divided into 5 tranches exercisable from 25 March 2009, 25 March 2010, 25 March 2011, 25 March 2012 and 25 March 2013 respectively to 24 March 2014, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (3) The cash consideration paid by each eligible participant for each grant of share options is HK\$1.0.



# Other Information

## Directors' Interests in Securities (Continued)

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

#### (5) Long position in underlying shares of Taifook Securities Group Limited (“Taifook”) — share options

*Share options granted to directors of the Company*

During the six months ended 31 December 2008, no share options were granted to directors of the Company under the share option scheme of Taifook.

*Share options granted to other eligible participants*

Date of grant	Exercisable period (Note)	Number of share options					Balance as at 31 December 2008	Exercise price per share HK\$
		Balance as at 1 July 2008	Granted during the period	Exercised during the period	Adjusted during the period	Lapsed during the period		
5 September 2003	(1)	300,000	—	—	10,985 <sup>(4)</sup>	—	310,985	1.158 <sup>(4)</sup>
10 February 2006	(2)	50,000	—	—	1,830 <sup>(5)</sup>	—	51,830	0.907 <sup>(5)</sup>
1 December 2007	(3)	28,500,000	—	—	1,000,223 <sup>(6)</sup>	(2,807,235)	26,692,988	5.875 <sup>(6)</sup>
		28,850,000	—	—	1,013,038	(2,807,235)	27,055,803	

Notes:

(1) Exercisable from 5 March 2004 to 4 March 2009.

(2) Exercisable from 10 August 2006 to 9 August 2014.

(3) Exercisable from 1 June 2008 to 31 May 2016.

(4) Taifook declared (a) final dividend for the year ended 31 December 2007 in scrip form (with cash option) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 300,000 to 306,509 while the exercise price per share of the share options was adjusted from HK\$1.2 to HK\$1.175 on 17 July 2008; and (b) interim dividend for the six months ended 30 June 2008 in scrip form (with cash option) on 11 September 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 306,509 to 310,985 while the exercise price per share of the share options was adjusted from HK\$1.175 to HK\$1.158 on 28 November 2008.

(5) Taifook declared (a) final dividend for the year ended 31 December 2007 in scrip form (with cash options) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 50,000 to 51,084 while the exercise price per share of the share options was adjusted from HK\$0.94 to HK\$0.92 on 17 July 2008; and (b) interim dividend for the six months ended 30 June 2008 in scrip form (with cash option) on 11 September 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 51,084 to 51,830 while the exercise price per share of the share options was adjusted from HK\$0.92 to HK\$0.907 on 28 November 2008.

# Other Information

## Directors' Interests in Securities (Continued)

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

#### (5) Long position in underlying shares of Taifook Securities Group Limited (“Taifook”) — share options (Continued)

Share options granted to other eligible participants (Continued)

Notes: (Continued)

(6) Taifook declared (a) final dividend for the year ended 31 December 2007 in scrip form (with cash option) on 17 March 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 27,700,000 to 28,301,079 while the exercise price per share of the share options was adjusted from HK\$6.09 to HK\$5.961 on 17 July 2008; and (b) interim dividend for the six months ended 30 June 2008 in scrip form (with cash option) on 11 September 2008 which gave rise to an adjustment to the number of unexercised share options and the exercise price. The number of unexercised share options was adjusted from 27,330,464 to 27,729,608 while the exercise price per share of the share options was adjusted from HK\$5.961 to HK\$5.875 on 28 November 2008.

(7) The cash consideration paid by each eligible participant for each grant of share options is HK\$1.0.

### (C) Long position in underlying shares — debentures

#### New World China Land Finance Limited (“NWCLF”)

Name	Amount of debentures in RMB issued by NWCLF				Approximate % to the total amount of debentures in issue as at 31 December 2008
	Personal interests	Family interests	Corporate interests	Total	
Mr Cheng Chi-Kong, Adrian	—	—	2,000,000 <sup>(1)</sup>	2,000,000	0.08

Note:

(1) These debentures are convertible into 260,034 shares of HK\$0.1 each of New World China Land Limited, representing 0.01% of its issued share capital as at 31 December 2008, for the period from 26 June 2007 to 26 May 2012, which are beneficially held by a company wholly-owned by Mr Cheng Chi-Kong, Adrian.

Save as disclosed above, as at 31 December 2008, none of the directors, chief executive or any of their associates had or deemed to have any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

# Other Information

## Substantial Shareholders' Interests in Securities

As at 31 December 2008, the interests or short positions of substantial shareholders (as defined in the Listing Rules) 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 positions in shares

Name	Number of shares held			Approximate % of shareholding
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") <sup>(1)</sup>	—	1,425,243,774	1,425,243,774	37.92
Centennial Success Limited ("Centennial") <sup>(2)</sup>	—	1,425,243,774	1,425,243,774	37.92
Chow Tai Fook Enterprises Limited ("CTF") <sup>(3)</sup>	1,287,802,947	137,440,827	1,425,243,774	37.92

Notes:

- (1) CYTFH holds 51% direct interest in Centennial and is accordingly deemed to have an interest in the shares deemed to be interested by Centennial.
- (2) Centennial holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF.
- (3) CTF together with its subsidiaries.

Save as disclosed above, no other person was recorded in the register kept pursuant to Section 336 of the SFO as having an interest in 10% or more of the issued share capital of the Company as at 31 December 2008.

## Other Persons' Interests in Securities

As at 31 December 2008, the interests or short positions of persons (other than directors or chief executive or substantial shareholders (as defined in the Listing Rules) of the Company) in the shares and underlying shares of the Company as recorded in the register as required to be kept under Section 336 of the SFO were as follows:

### Long positions in shares and underlying shares of the Company

Name	Capacity	Number of shares/ underlying shares held	Total	Approximate % of shareholding
JPMorgan Chase & Co.	Beneficial owner	20,618,317	227,265,048 <sup>(1)</sup>	6.05
	Investment manager	55,032,289		
	Custodian corporation/ approved lending agent	151,614,442		
UBS AG	Beneficial owner	73,897,432	301,699,481 <sup>(2)</sup>	8.03
	Person having a security interest in shares	36,161,213		
	Interest of controlled corporations	191,640,836		

# Other Information

## Other Persons' Interests in Securities (Continued)

### Short positions in shares and underlying shares of the Company

Name	Capacity	Number of shares/ underlying shares held	Total	Approximate % of shareholding
JPMorgan Chase & Co.	Beneficial owner	14,295,751	14,295,751 <sup>(3)</sup>	0.38
UBS AG	Beneficial owner	7,449,412	13,247,103 <sup>(4)</sup>	0.35
	Interest of controlled corporations	5,797,691		

Notes:

- (1) The interests included aggregate interests in 10,705,101 underlying shares through its holding of certain listed physically settled derivatives (6,767,101 underlying shares), and unlisted physically settled derivatives (3,938,000 underlying shares). It also included 151,614,442 shares in the lending pool.
- (2) The interests included aggregate interests in 39,701,043 underlying shares through its holding of certain listed physically settled derivatives (39,656,989 underlying shares) and unlisted physically settled derivatives (44,054 underlying shares).
- (3) The interests included aggregate interests in 3,333,703 underlying shares through its holding of certain listed cash settled derivatives (1,445,000 underlying shares) and unlisted physically settled derivatives (1,888,703 underlying shares).
- (4) The interests included aggregate interests in 4,737,112 underlying shares through its holding of certain listed physically settled derivatives (256,826 underlying shares) and unlisted physically settled derivatives (4,480,286 underlying shares).

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 2008.

# Corporate Information

## Board of Directors

### Executive Directors

Dato' Dr Cheng Yu-Tung (*Chairman*)  
Dr Cheng Kar-Shun, Henry (*Managing Director*)  
Dr Sin Wai-Kin, David  
Mr Liang Chong-Hou, David  
Mr Leung Chi-Kin, Stewart  
Mr Cheng Chi-Kong, Adrian

### Non-Executive Directors

Mr Cheng Kar-Shing, Peter  
Mr Chow Kwai-Cheung  
Mr Liang Cheung-Biu, Thomas  
Ms Ki Man-Fung, Leonie *JP*

### Independent Non-Executive Directors

Mr Yeung Ping-Leung, Howard  
Dr Cha Mou-Sing, Payson *JP*  
Mr Cha Mou-Zing, Victor  
(*alternate director to Dr Cha Mou-Sing, Payson*)  
Mr Ho Hau-Hay, Hamilton  
Mr Lee Luen-Wai, John *JP*

## Company Secretary

Mr Leung Chi-Kin, Stewart

## Joint Auditors

PricewaterhouseCoopers  
H.C. Watt & Company Limited

## Solicitors

Woo, Kwan, Lee & Lo  
Kao, Lee & Yip  
Vincent T.K. Cheung, Yap & Co  
K.C. Yung & Co  
Yung, Yu, Yuen & Company

## Share Registrars and Transfer Office

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28 Queen's Road East,  
Hong Kong

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## Principal Bankers

Bank of China  
Bank of Communications  
Bank of East Asia  
BNP Paribas  
China Merchants Bank  
Citibank N.A.  
DBS Bank  
Hang Seng Bank  
Industrial and Commercial Bank of China (Asia) Ltd.  
Nanyang Commercial Bank  
Sumitomo Mitsui Banking Corporation  
Standard Chartered Bank  
The Hongkong and Shanghai Banking Corporation  
The Bank of Tokyo-Mitsubishi UFJ

## Stock Code

Hong Kong Stock Exchange 0017  
Reuters 0017HK  
Bloomberg 17HK

## Investor Information

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The FSC logo identifies product group from well-managed forests and other controlled sources in accordance with the rules of the Forest Stewardship Council.

