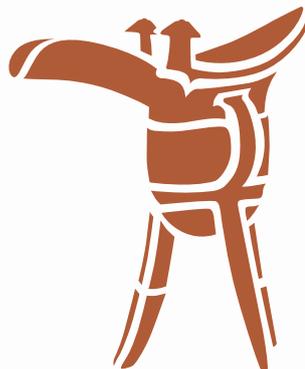
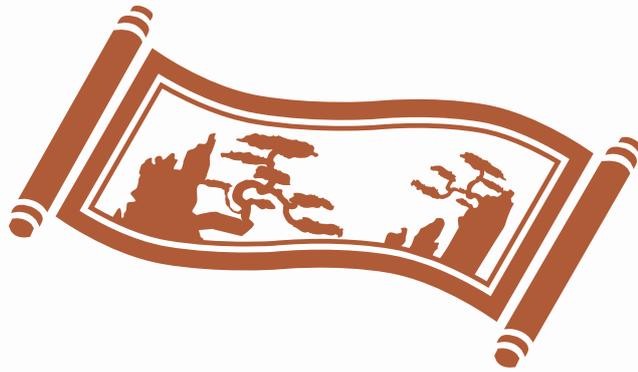
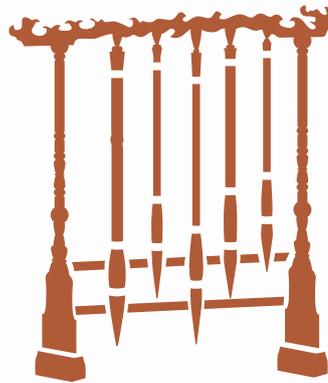
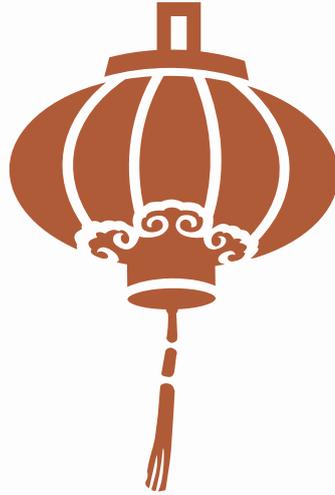




New World China Land Limited

(Stock Code: 00917)



Annual Report 2011

Missions

transforming city vistas

We have dedicated ourselves to rejuvenating old city neighbourhood through comprehensive redevelopment plans. As a living embodiment of China's cosmopolitan life, these mixed-use redevelopments have been undertaken to rejuvenate the old city into vibrant communities characterised by eclectic urban housing, ample public space, shopping, entertainment and leisure facilities.

spurring business opportunities

We have developed large-scale multi-purpose commercial complexes, all well-recognised city landmarks that generate new business opportunities and breathe new life into throbbing hearts of Chinese metropolitans.

creating modern communities

We pride ourselves on having created large scale self-contained communities that nurture family living and promote a healthy cultural and social life.

refining living lifestyle

Our resort-style residential properties bring together exotic tropical landscape and mood-inspiring architecture. In addition to redefining aesthetic standards and envisioning a new way of living, we enable owners and residents to experience for themselves the exquisite lifestyle enjoyed by home buyers around the world.



Contents

Property portfolio	02
Chairman's statement	04
Financial highlights	06
Business review	08
Management discussion and analysis	66
Corporate governance report	74
Directors' profile	81
Senior management profile	88
Corporate citizenship	90
Financial section contents	100
Major projects profile	206
Glossary of terms	214
Corporate information	216

Brand Values and Essence

Unsurpassed Quality and Long Term Value

No matter what products or services we are offering, “Quality” is always at our heart. Our continuous adherence to excellent quality has won long term reliable reputation in the market. We choose the best locations in town to develop world-class properties with quality property management services. Our determination in providing the best contributes to preservation of asset value in the long run.

Comprehensive Property Development

We develop wide ranges and types of properties to cater for varying demands on sizes and functions from different market segments. Our dedicated professionalism and wide embracing experiences in project planning and execution have enabled us to handle the stringent demand of multi-product lines with ease.

Building City and Corporate Citizenship

We value corporate citizenship and are actively involved in continuous development of the local community. We commit ourselves to long term urban redevelopment projects, and participate enthusiastically in national and local charity programmes. Our act of good corporate citizenship has inspired the locals in joining us to create a more harmonious society.

Localised Hong Kong Brand

As a Hong Kong based and well recognised brand, we fully apply our advanced and wide embracing experience in Hong Kong to property development in Mainland China, while at the same time develop projects that meet the needs of the city. We value local concepts, we understand market operation and culture through extensive staff localisation, and as a result, we become an integral part of the local community.

Reliability and Reputation

With over 40 years of property development experience and 30 years of investment experience in Mainland China, we are undoubtedly a mature and reliable developer with outstanding reputation in complying with local market rules and government regulations.



**By type****sq. m.**

Properties under development/held for development	26,530,050
Completed investment properties	2,136,948
Completed hotel properties	224,635

Total **28,891,633**

By usage**sq. m.**

Residential	18,153,452
Commercial	2,633,497
Office	1,048,471
Hotel	746,791
Carpark	6,309,422

Total **28,891,633**

By location**sq. m.**

Beijing	1,894,263
Tianjin	406,820
Langfang	622,900
Tangshan	240,002
Jinan	301,361
Shenyang	3,503,179
Anshan	1,170,585
Dalian	254,997
Wuhan	2,868,944
Shanghai	287,166
Nanjing	52,794
Changsha	1,027,061
Chengdu	3,702,584
Guiyang	3,540,270
Guangzhou	2,738,747
Pearl River Delta	2,368,647
Haikou	2,671,049
Others	1,240,264

Total **28,891,633**

Chairman's Statement

To shareholders,

In FY2011, NWCL recorded a profit of HK\$3,025.8 million, representing an increase of 15% as compared with FY2010. The improvement in operating results from sale of property and hotel operation, as well as the appreciation of Renminbi during the year under review, were the key factors contributing to the significant growth. In particular, the relevant operating profit attributable to core business increased significantly to HK\$4,296.2 million, representing a year-on-year increase of 137%.

Though the US economy has bottomed out, its pace of recovery has obviously slowed down. QE1 and QEII have failed to boost the economy and the employment rate, not to mention the manufacturing industry. There are concerns that the current US economic crisis cannot be solved right away even with the unleashing of a new round of quantitative easing and a possible return to recession even with just slight market fluctuations.

As uncertainties linger over the European debt crisis, the default risk for countries like Greece, Italy and Spain keeps rising. To avoid the entire euro zone economy from being dampened by a domino effect if those countries were to default, the European Union, the European Central Bank and the governments of France and Germany tried their utmost to come up with a new bailout package. In addition, global economic growth and inflation have been worsening due to hiking crude oil prices as a result of the social unrest in some North Africa and Middle East countries.

While having rapid economic development in last decade, China is also linking closer and closer to the rest of the world. Nowadays, China has to devise national policies with the consideration of the situation of other major economies in the world. In late 2008, to mitigate the cooling effects of the global economic crisis due to the US sub-prime turmoil, the Central Government had decisively implemented proactive fiscal policy and easing monetary policy. Although the China economy had stabilised, this easing also simultaneously implanted the seeds of inflation.

With the global swamp of liquidity and the speculation of RMB appreciation, the pressure of domestic inflation in Mainland China had been intensified. In order to avoid imbalance of economy, The People's Bank of China has already raised the capital adequacy ratio and interest rate repeatedly. The gradual absorption of extra liquidity is targeted to ensure the steady growth of economy. A number of austerity measures on the property market had been rolled out by the Central Government since April 2010 for curbing property speculation and thus stabilising property prices and market development.

To take care of the underprivileged, Premier Wen Jiabao has just depicted publicly again the determination to provide affordable housing and has introduced the idea of public rental housing. This act is good for long-term development of housing market as the underprivileged will gradually migrate to middle income class with the government "subsidy". Like a lot of developed countries, the abundance of middle-income class is crucial for the healthy development of the property market.

Recently, apart from implementation of tightening measures on certain cities, the Central Government also allows a reasonable advancement of residential property prices based on local economic improvement such as GDP growth. It is expected by the market that the Central Government will further fine-tune those austerity measures in order to consolidate and enhance the positive results of austerity and effectively manage inflation to ensure stable development of the market in due regard to the situation of the local and the global economic development.

With a sound financial position of a low net gearing at 23% and sufficient credit facilities, the Group will be able to grasp market opportunities and respond to the challenge of the ever-changing market. Overall, the Group is cautiously optimistic about the Mainland China property market. We will continue our development plan to tap on the huge opportunities brought by the urbanisation in Mainland China according to the good side of the market. At the same time, we also hold a prudent approach in developing our Mainland China operations by appropriately adjusting our plan according to market and policy variations.

Dr. Cheng Kar-shun, Henry

Chairman and Managing Director

Hong Kong, 29th September 2011

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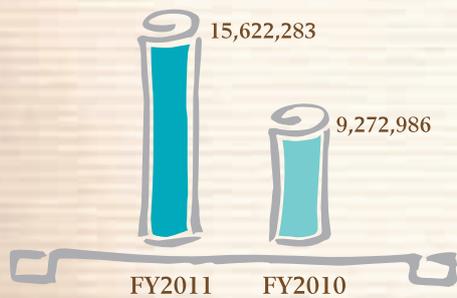
Financial Highlights

Operating Result (HK\$'000)	FY2011	FY2010
Revenues		
Company and subsidiaries	13,557,227	6,340,752
Share of associated companies and jointly controlled entities (note 1)	2,065,056	2,932,234
	15,622,283	9,272,986
Representing:		
Sale of properties	14,009,580	7,757,777
Rental income	900,493	913,811
Income from hotel operation	502,619	436,968
Property management services fee income	177,608	147,701
Hotel management services fee income	31,983	16,729
	15,622,283	9,272,986
Gross Profit		
Company and subsidiaries	4,256,277	1,532,266
Share of associated companies and jointly controlled entities (note 2)	852,573	1,071,039
	5,108,850	2,603,305
Profit attributable to equity holders of the Company	3,025,826	2,636,427
Earnings per share (HK cents)		
Basic	52.54	50.75
Diluted	52.02	48.22
Dividend per share (HK cents)		
Interim	3.00	—
Final	4.00	7.00
Full year	7.00	7.00
Financial Position (HK\$'million)		
	As at	As at
	30th June 2011	30th June 2010
Cash and bank balances	10,650.7	7,975.9
Total assets	79,534.9	68,983.3
Total liabilities	35,486.1	29,579.0
Capital and reserves attributable to the Company's equity holders	41,694.2	37,690.1
Financial Ratios		
Current ratio (times)	2.10	2.95
Net debt to equity ratio	23.3%	26.5%

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

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

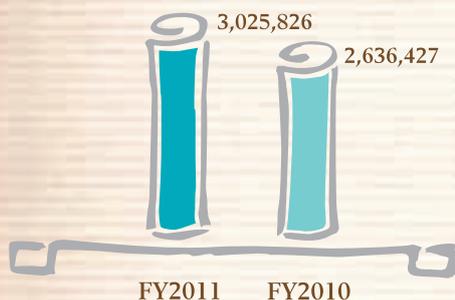
REVENUES (note 1)
(HK\$'000)



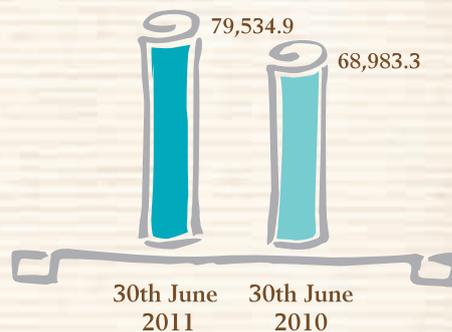
GROSS PROFIT (note 2)
(HK\$'000)



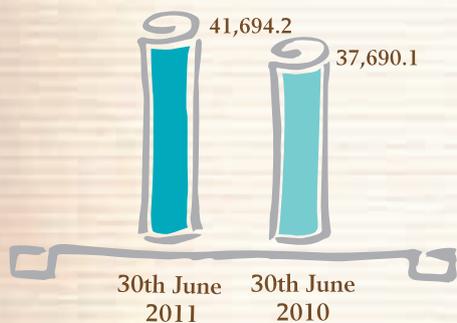
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS
OF THE COMPANY
(HK\$'000)



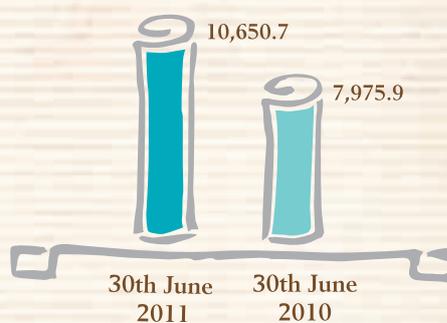
TOTAL ASSETS
(HK\$'million)



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



CASH AND BANK BALANCES
(HK\$'million)



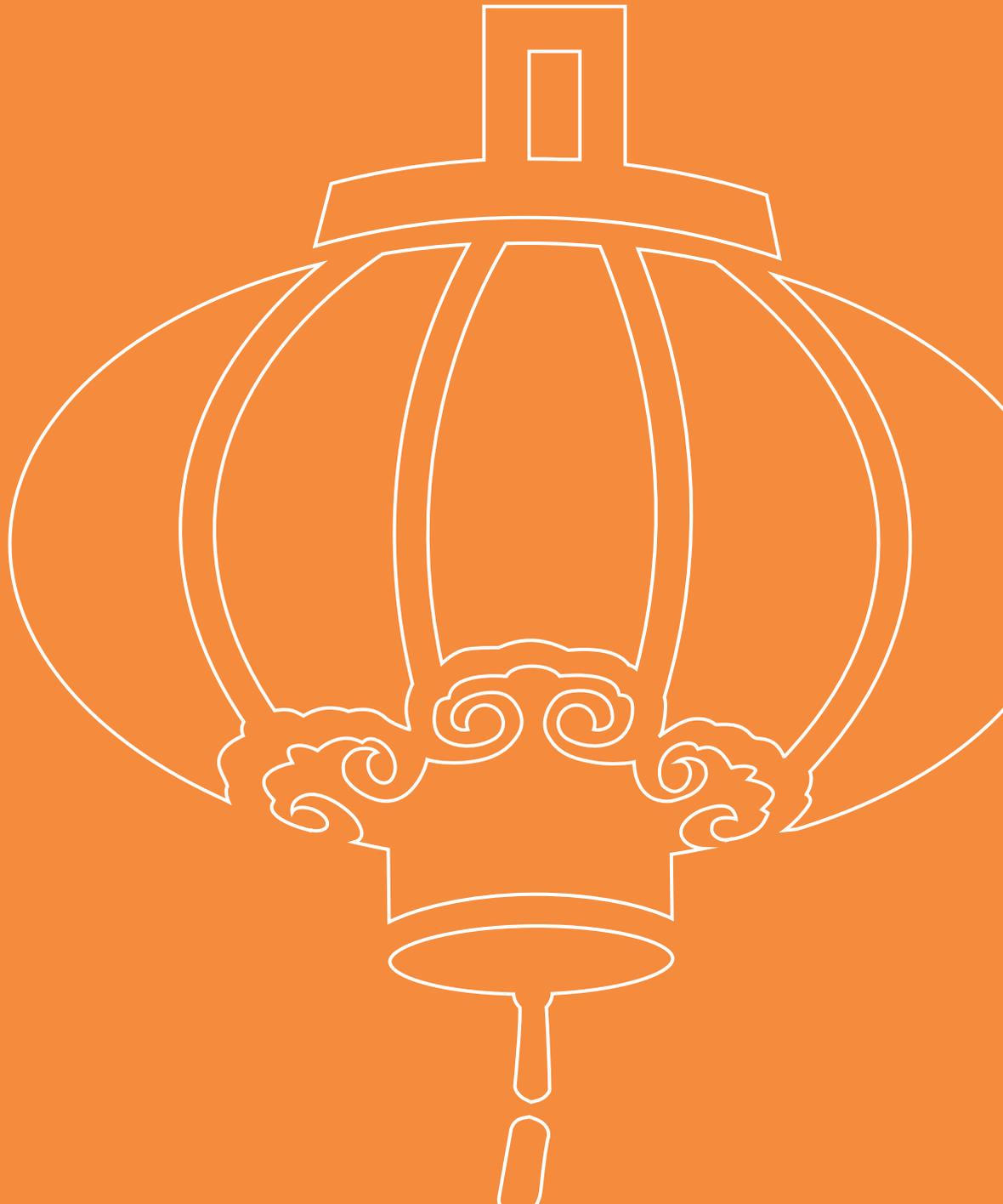
Note 1: It represents revenues of the Company and subsidiaries plus share of revenue of associated companies and jointly controlled entities attributable to the Group as tabulated on page 6.

Note 2: It represents gross profit of the Company and subsidiaries plus share of gross profit of associated companies and jointly controlled entities attributable to the Group as tabulated on page 6.



NEW Living

Chinese people regards their home as the epicentre of all family activities. We cherish the quality times spending together at home. It is the quintessence of Chinese living, the sense of belonging and cultural roots, even in the modern sense.





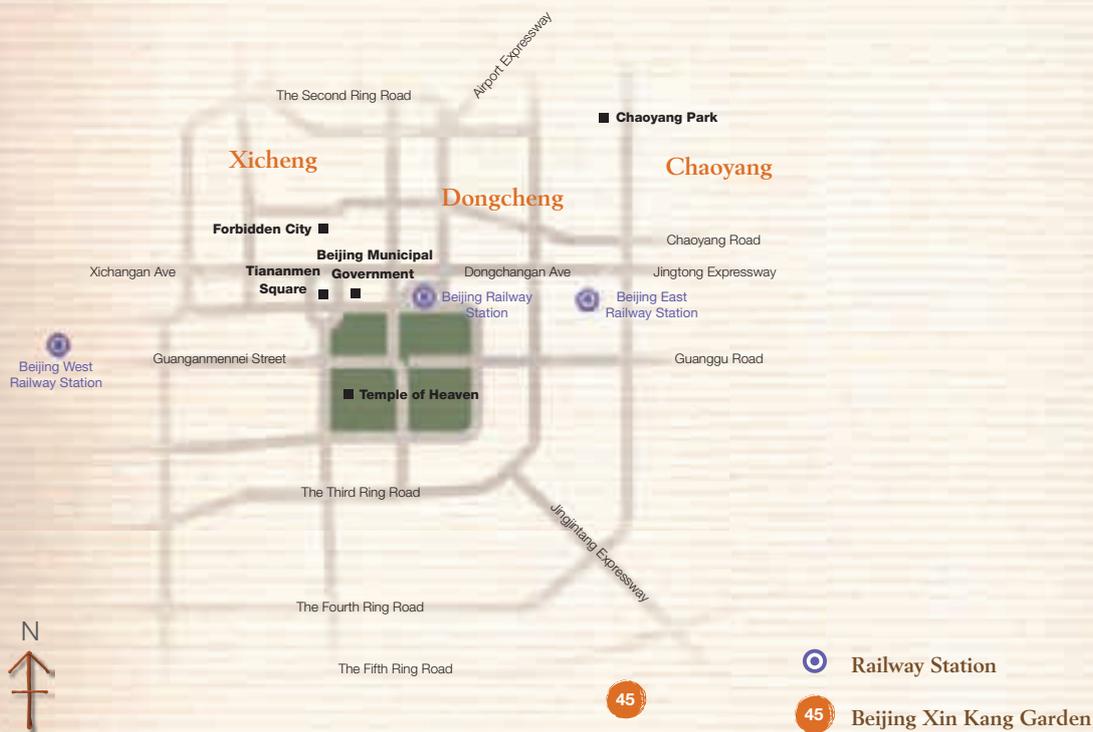
BEIJING

Highlights

Year 2010 saw the sustainable and healthy development of Beijing's finance industry, which achieved an added value amounting to 13% of the city's GDP, providing a substantially stronger support to the economic and social development of the city. In 2010, the aggregate size of finance and investment of the city was in excess of RMB1.4 trillion, with a further improvement in the financing structure, where direct investment had been in larger amount than indirect investment for a consecutive of four years. As at the end of 2010, there were more than 500 equity-investment entities registered in Beijing, ranking No.1 on a nationwide basis.



Beijing New World commercial hub



According to The Proposal Concerning the Development Plan of Beijing's Finance Industry during the Twelfth Five-Year Period, efforts will be made to strengthen the financial influence of the capital during the Twelfth Five-Year Period through a series of measures, in an attempt to develop a centre of technological and financial innovation, a centre of factor market service and trading, a wealth management centre, a centre of debt market, a centre for equity investment, a centre for innovation and service of consumption and finance and a trial centre for low-carbon finance and innovation with global influence, with a view to building Beijing into a financial centre with international influence.



Beijing New View Garden

In 2010, the new town planning for southern Beijing commenced. The Outline for the Implementation of Plan for Southern Beijing (2010–2020) has clearly stated the geographical scope of southern Beijing, which covers nine regions including Chongwen and Xuanwu, and pointed out that the new Beijing airport will be located in the southern part of the city. The merge of Dongcheng and Chongwen districts as well as Xicheng and Xuanwu will further drive south the advantageous resources from the city's core area. Construction of the new Beijing airport will provide further momentum for Beijing's economic growth and bring forth new opportunities for the development of the relevant cities within the Beijing-Tianjin-Hebei Industrial Development Belt.

Business Review - Beijing



In January 2011, the Master Plan for the Development Strategy of Dongcheng District of Beijing (2011–2030) was duly announced. According to the overall planning of building Beijing as an international city, a new Dongcheng District with international and modern elements will be constructed in stages. It is envisaged that the district will basically form a modern international city centre with strong international influence by 2020; and will become an international and modern downtown area with key international influence, strong soft-strength in cultural development, an established service sector, premium public service, efficient city operations and harmonious environment for human living by 2030.

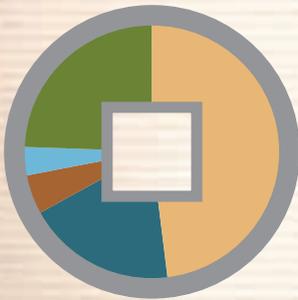
A total of 371 residential units were launched under Xinciqi (新磁器), a new phase of Beijing New View Garden. The project is superb in terms of construction quality and supporting facilities. Market response to the launch was very encouraging and currently 90% has been sold.

Located in the northeastern suburb area of Beijing and backed by the natural landscape offered by Wenyu River, Chateau Regalia Beijing is a project of luxury and a place of convergence of the affluent and high-class. During the year under review, multi-storey and single-storey apartments recorded satisfactory sales.

During the year under review, the Group obtained the development rights for the parcel of land located in Yuzhuang at the northern tip of the central villa area in Shunyi, Beijing. Surrounded by convenient transportation, the project has obvious advantage in terms of environment. It has been planned to develop into a high-end residential community.

Beijing – properties under development or held for development

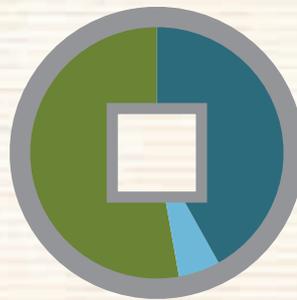
Five major properties with total GFA 1,445,534 sq. m.



Residential 48%
Commercial 19%
Office 5%
Hotel 4%
Carpark 24%

Beijing – completed investment and hotel properties

10 major properties with total GFA 448,729 sq. m.



Commercial 42%
Carpark 53%
Hotel 5%

Beijing — Completion Schedule

sq. m.

FY2013	Beijing New View Garden Phase III	Residential, Commercial	20,414
	Total		20,414



Perspective of Beijing Yuzhuang Project



Chateau Regalia Beijing

TIANJIN

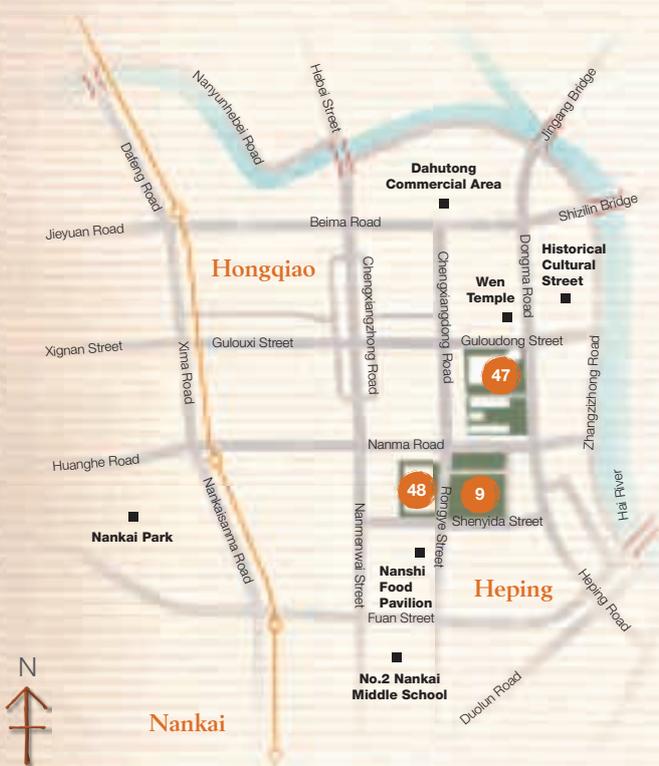
Highlights

As one of the five core national cities of the PRC, Tianjin has been increasingly more open-doored than ever. During the Eleventh Five-Year Period, its utilisation of foreign investment and absorption of domestic investment were 2.5 times and six times of those in the Tenth Five-Year Period respectively. A total of 143 global-500 enterprises have invested in Tianjin. In the meantime, the service sector had seen an accelerated pace of development, with an annual growth rate of 15%. In addition, 100 major service sector projects are under implementation in Tianjin, leading to the rapid rise of new focal districts where modern service industries conglomerate.

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Perspective of Tianjin Xin Hui Hua Ting



-  Subway line
-  Bridge
-  9 Tianjin Xin Hui Hua Ting
-  47 Tianjin Xin An New World Plaza
-  48 Tianjin New World Garden

To support future development opportunities and enhance its own fundamental strength, Tianjin has been committed to developing its transportation and port facilities comprising “Two Ports and Two Roads”. During the Eleventh Five-Year Period, a 250,000-dwt deep-water channel and a 300,000-dwt crude oil pier were constructed at Tianjin Port which contributed to a cargo throughput of more than 400 million tonnes and a container throughput of more than 10 million TEUs. Such facilities, in terms of functions and supporting infrastructure, are among the top of port construction on a nationwide basis. The commencement of operation of a new terminal and a second runway at Binhai International Airport has increased the carrying capacity in terms of passenger and cargo carriage. The completion and commencement of operation of Beijing-Tianjin Expressway, as well as the commencement of operation of Inter-city High-speed Train which had extended to Binhai New Area has shortened the distance between Beijing and Tianjin.

In recent years, the aeronautics and astronautics industry of Tianjin has undergone rapid development and already become a pillar industry in Tianjin. Since its commencement of operation, the Tianjin assembling line for airbus A320 series aircraft has completed and delivered 52 aircraft and is expected to deliver 100 aircraft in 2012. In the meantime, AVIC Helicopters Tianjin Industrial Base is in trial production stage. At present, Binhai New Area has brought together 50 manufacturers in the aeronautics and astronautics industry. In future, a cluster area dedicated to this industry with a total area of 30 sq. km. will be planned and constructed in full gear within the area, with a view to building a world-class industrial base. It is anticipated that the development of the aeronautics and astronautics industry in the Binhai New Area during the Twelfth Five-Year Period will be in the scale of RMB100 billion.

Business Review - Tianjin

Tianjin – property under development or held for development

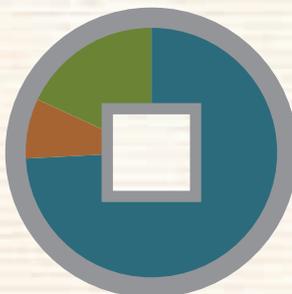
One major property with total GFA 301,641 sq. m.



Residential 63% Carpark 34%
Commercial 3%

Tianjin – completed investment properties

Two properties with total GFA 105,179 sq. m.



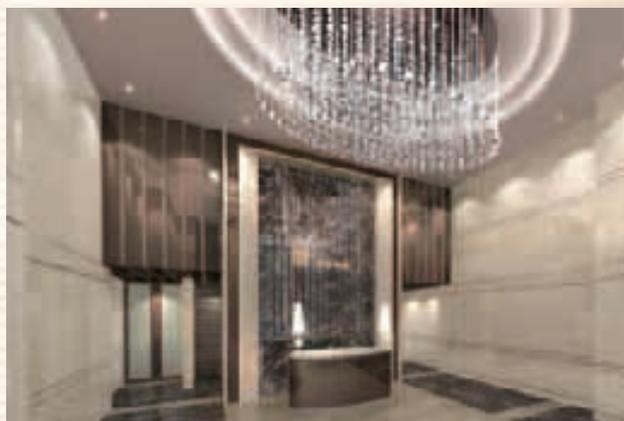
Commercial 74% Carpark 18%
Office 8%

Tianjin Xin Hui Hua Ting, a residential project of the Group at the core location of Heping District, is situated at the bustling Rongye Street and will be developed into an integrated multi-functional community development with residential, apartment, commercial, and green area.

Tianjin Xin An New World Plaza, a commercial project of the Group located at Nankai District, includes a shopping mall of a total floor area of nearly 80,000 sq. m., which is good for family leisure and entertainment. Currently, rental performance of the project is satisfactory.



Perspective of Tianjin Xin Hui Hua Ting



Perspective of deluxe lobby design of Tianjin Xin Hui Hua Ting

LANGFANG

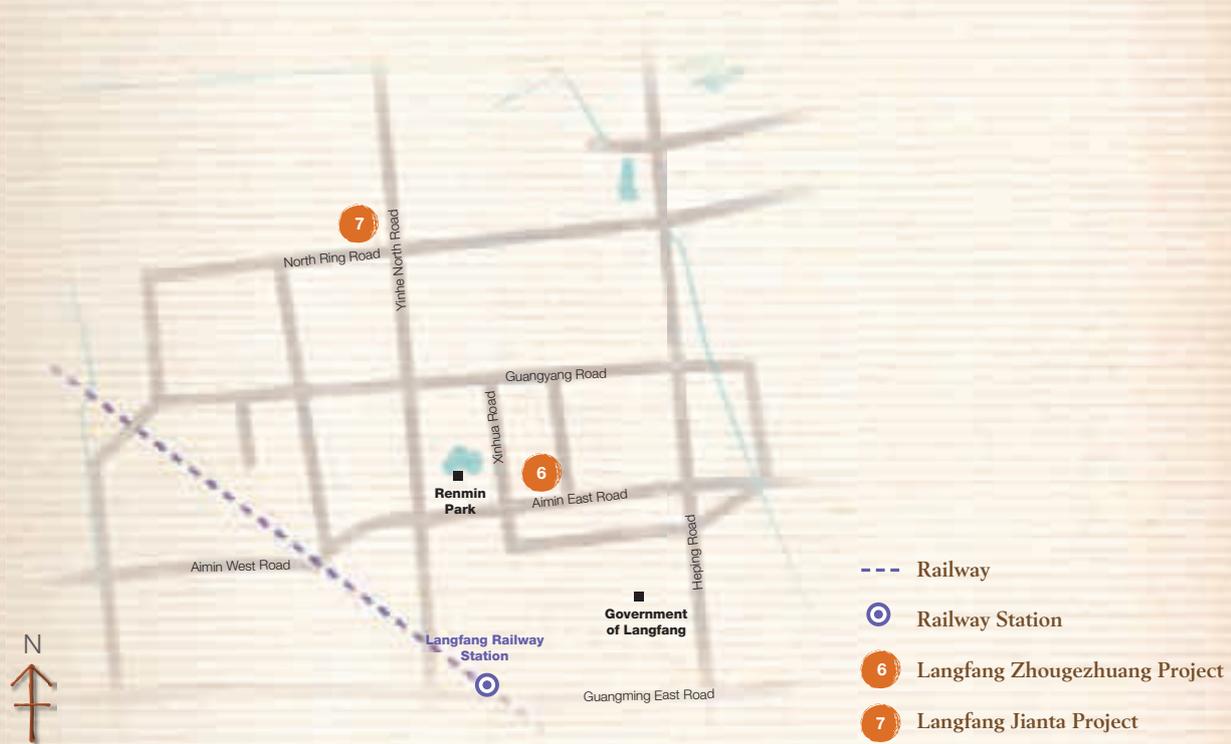
Highlights

Located between two major PRC cities namely Beijing and Tianjin, Langfang in Hebei Province is regarded as the “Pearl on the Beijing-Tianjin Corridor”. Under the town planning initiative of “Making Major Changes in Three Years’ Time”, Langfang has become a living-friendly city and has attracted residents from Beijing and the periphery of Langfang itself. The light railway connecting Beijing to Yanjiao of Hebei and Langfang is likely to become operational in 2011. Driven by the radiating effect of the planned development of the southern part of Beijing, the economic development of Langfang has a very promising future.



Perspective of commercial portion
of Langfang Zhongzhuang Project

Business Review - Langfang



Bird's eye perspective of Langfang Zhougezhuang Project

In the five years to come, the combined carrying capacity of Langfang will witness an overall enhancement. Urbanisation will be in full swing in constructing the city into a modernised one with robust growth and advancement. A total of RMB276 billion will be invested in implementing 1,000 major projects. By 2015, it will have an urbanisation rate of 60% and new residence coverage of more than 50%.

In the meantime, Langfang will also focus on the construction of the pan-capital economic circle and shall see an expedited development in getting in line with Beijing in terms of transportation network, industrial projects, public utilities, etc.. Such development is expected to build Langfang into an industrial zone with high growth, high technology and high revenue, delivering a well-connected, comfortable environment suitable for living and becoming a role model for rural development in the nation. It is expected that the aggregate GDP of the pan-capital area will triple by 2015.

Langfang – properties under development or held for development

Two properties with total GFA 622,900 sq. m.



- Residential 59%
- Hotel 7%
- Commercial 3%
- Carpark 10%
- Office 21%

During the year under review, the Group obtained the development rights for two land parcels in Zhougezhuang and Jianta, Langfang. Zhougezhuang Project is located in the city centre of Langfang with well-established infrastructure and convenient transportation, delivering a sound atmosphere for working and living. Jianta Project is located in the north-western part of the core area of the city, which will become a new administrative area in Langfang with great development potential.



Perspective of Langfang Jianta Project



The low density residential perspective of Langfang Jianta Project



In recent years, Tangshan has been committed to refining its infrastructure and an amount of RMB8.5 billion had been invested by 2010. At the same time, the construction of the Beijing-Tangshan High-speed Train will commence at the end of 2011, while the rail transportation of Tangshan will be included as part of the city planning by the end of 2011, which will bring the city to a period of rapid growth in its comprehensive transportation development.

In 2011, Tangshan continues with the work of coordinating and promoting trade and investment for enterprises, and the construction of key projects in the tertiary industry will provide support for the economic and social development of the city. The commerce department of the city will take the initiative to coordinate the introduction of internationally renowned retailers and strategic investors such as Sheraton and Walmart, and kick off the construction of major projects of commercial facilities such as the formation of specialty streets and areas for commercial activities. Active efforts will also be seen in coordinating the 10 projects of five-star hotels including Wanda and Phoenix New City Shangri-la. It will also push forward the construction of the top ten commercial complex and high-end office building projects.

During the year under review, the Group obtained the development rights for a parcel of land located in the central business district of Tangshan. The project is situated at the bustling prime location of the city and represents a landmark complex comprising the mix of residential, commercial and office.

Tangshan – property under development or held for development

One property with total GFA 240,002 sq. m.



- Residential 36%
- Office 20%
- Commercial 17%
- Carpark 27%

Business Review

JINAN

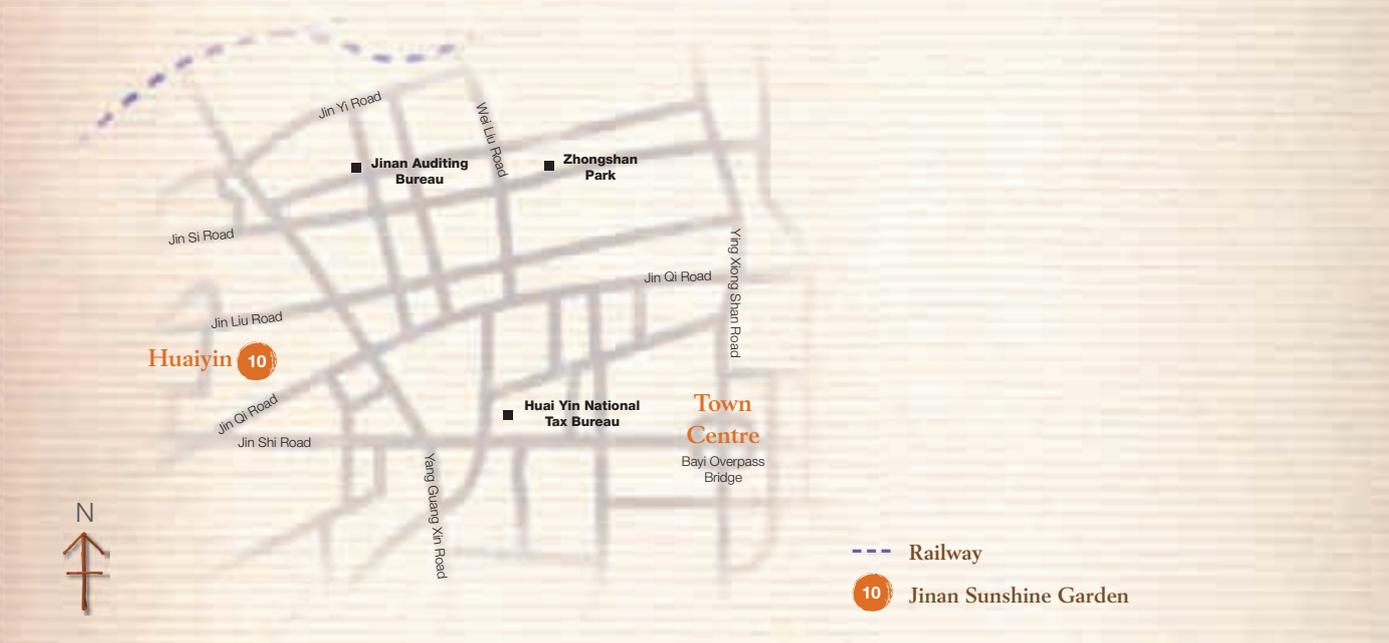
Highlights

In Jinan, under the strategy of using a new approach to urbanisation, substantial progress has been made in pushing ahead the construction of “One City and Three Regions”. Jinan turned a new leaf for its urban development in 2010, when the Aoti Wenbo Area, which is a new area in Eastern Jinan, started to get in shape; the Western Railway area in Western Jinan commenced full-scale construction; the comprehensive renovation works for Xiao Qing He in Binhe New Area steadily pushed ahead; in addition to the smooth progress of business invitation and construction in respect of 16 building complexes.

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Perspective of Jinan New World Centre



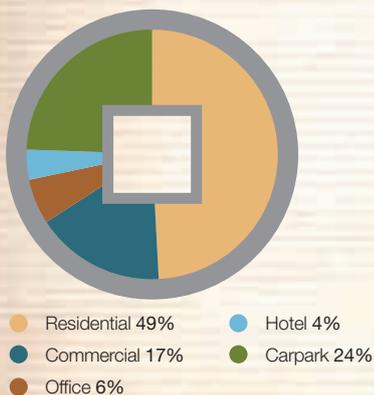
Under the plan of constructing “One City and Three Regions”, the Western New Area, which is situated within Huaiyin District and is one of the three areas, will leverage upon the commencement of operation of Beijing-Shanghai High-speed Train and get in tandem with the construction of the integrated passenger hub in Western Railway Station Jinan, pushing ahead the development of areas including the core part with a size of six sq. km. in Western Railway Station area and Jixi wetland ecological area. A new and urbanised metropolitan integrating a number of elements is gradually gaining shape.

In November 2010, Jinan was officially recognised by the PRC as a national base for integrated hi-tech industries and became the eighth city in the PRC to receive this certification. According to the plan, by 2015, the production value of hi-tech industries will amount to RMB600 billion with an annual growth rate of 19%, accounting for more than 50% of the proportion of total production value of above-scale industrial enterprises. This will rank Jinan as having one of the best competitiveness in the nation in its hi-tech industries and reaching world-class standard in some areas. Currently, Jinan has more than 1,000 software enterprises, five of which are recognised as key national software enterprises, nine of which are publicly listed, and the number of enterprises having self-developed branded software products is No. 1 on a nationwide basis for four consecutive years.

Jinan Sunshine Garden is a sizable residential project located in Huaiyin District boasting superior geographical location close to the Western Railway Station of Beijing-Shanghai High-speed Train. At present, the west district section of Jinan Sunshine Garden is basically sold out.

Jinan – property under development or held for development

One property with total GFA 294,849 sq. m.



Jinan – completed investment property

One property with total GFA 6,512 sq. m.

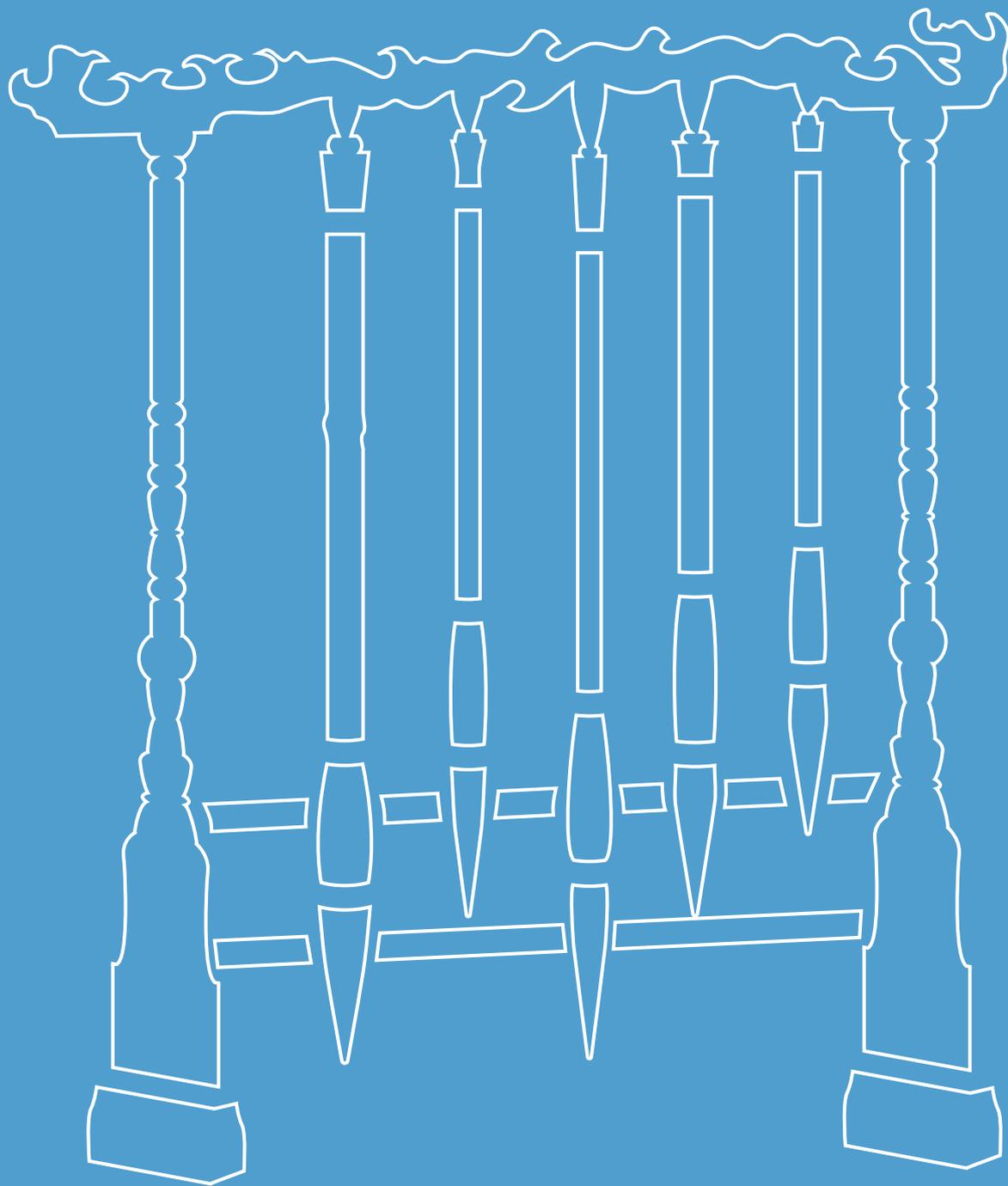




NEW Way to Work

We feel completely at home in our new office. The facilities and services are simply superb and up to international standard, just as those in international financial centres like Hong Kong, London or New York. It makes our work day a whole lot easier and downright more efficient.





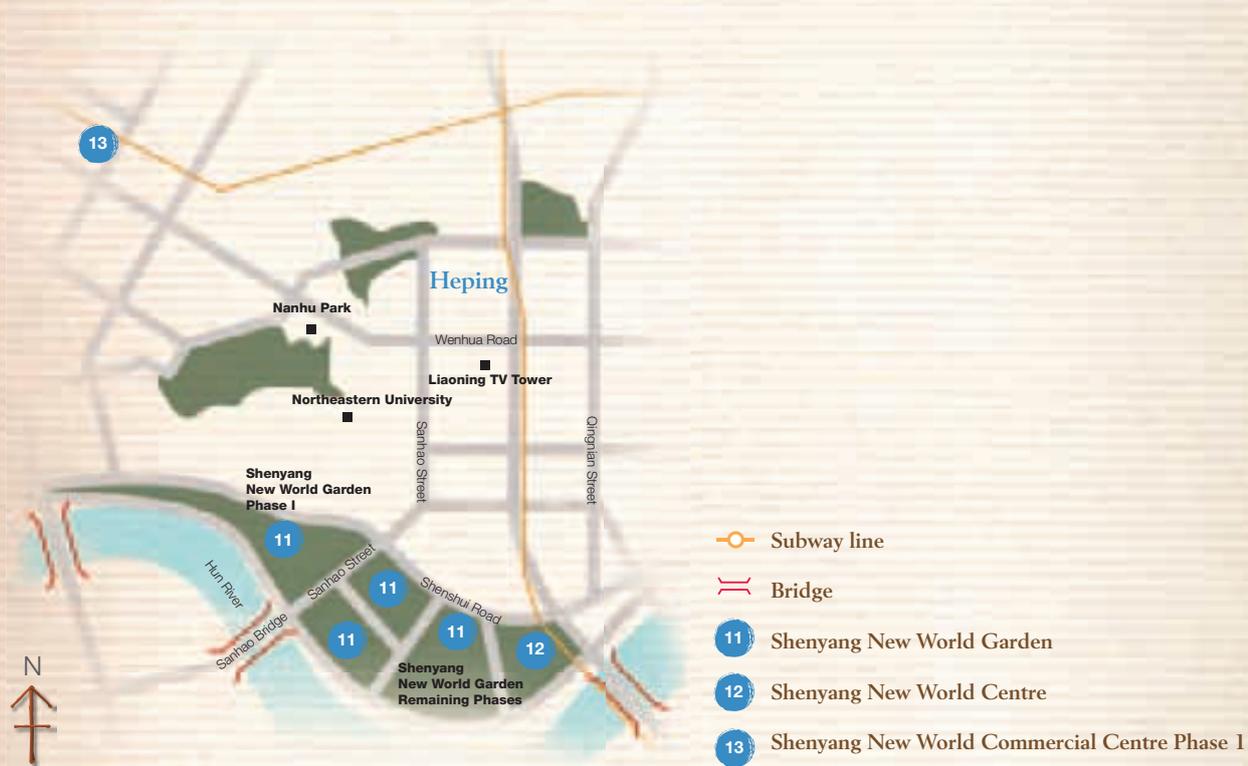
SHENYANG

Highlights

The Outline for the Overall Urban Planning for Shenyang (2010–2020) has been put to implementation. The existing plan recognises Shenyang’s position as the capital of Liaoning Province, a central city of Northeastern China and a key industrial base on a national basis. Under the new planning, Shenyang is positioned as the capital of Liaoning Province, a central city of the PRC, and an advanced manufacturing base and a historic and cultural city of the PRC. The status of Shenyang has obviously been uplifted, from a central city in Northeastern China to a central city of the whole country.



Perspective of Shenyang New World Centre



As planned for the next two decades, the city of Shenyang will have an expanded area of 1,866 sq. km. compared to 1,150 sq. km. under the existing plan. The city of Shenyang will be extended to the east all the way up to the boundary of Fushun. It is anticipated that in 2020, the city area will have a planned population of permanent residents of 10.5 million; the town area will have a planned population of permanent residents of 9.15 million; and the central core area will have a planned population of 7.1 million. By 2030, it is expected that permanent residents will reach 12 million. Urbanisation of Shenyang is expected to reach around 90% in 20 years' time under the new town planning layout which features "One City and Six Axes". It is by such development that Shenyang will be able to achieve total urbanisation and highlight the development goal as positioning Shenyang economic zone as a core city, a central city of the country and a key city in Northeastern Asia.



The interior design of Shenyang Hui Jing Xin Shi Jie

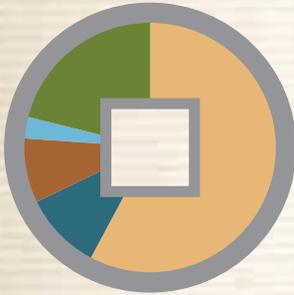


Perspective of Shenyang New World Commercial Centre Phase I

Business Review - Shenyang

Shenyang – properties under development or held for development

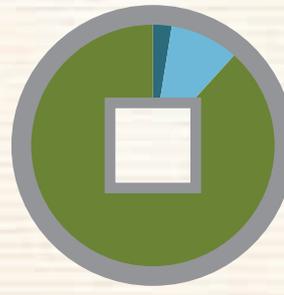
Three major properties with total GFA 3,277,189 sq. m.



- Residential 58%
- Commercial 10%
- Office 8%
- Hotel 3%
- Carpark 21%

Shenyang – completed investment and hotel properties

Two major properties with total GFA 225,990 sq. m.



- Commercial 3%
- Hotel 9%
- Carpark 88%

In 2011, which is the first year of the Twelfth Five-Year Period, Shenyang will, in addition to expediting the integration of its industrialisation and IT development, further enhance its overall industrial attainment and competitiveness, and also continue to expand the scale of its service industry, with a view to enhancing the development level of its modern service industries on a full scale and improve its functions as a central city. It will focus on pushing ahead the construction of key service cluster area, seeking to achieve more than RMB5 billion in revenue in the five cluster areas namely North Station Financial Cluster, Heping Finance Street, Dazhonghua Trade and Culture Clusters, Taiyuan Metropolitan Trade Centre and Beiyi Road Steel Logistics Industrial Belt, and further raise the level of cluster development of those commercial street clusters including Taiyuan Street, Zhong Street, Dongzhong Street and Changjiang Street.



Shenyang New World Garden is located at the riverside of Hun River

2,776 high-rise residential units have been successively launched at Hui Jing Xin Shi Jie (匯景•新世界), the latest cluster of Shenyang New World Garden, a residential project of the Group situated in Heping District, since September 2009. As the region where the project is located is not subject to any purchase restrictions, and the project commands a superb riverbank landscape and building quality, in addition to the comprehensive supporting facilities for working and living, it is widely accepted by both new and existing buyers. At present, over 85% have already been sold.

Shenyang New World Centre, which is located at the southern tip of the Golden Corridor, is a project of landmark building complex. It is conveniently located near Qingnian Main Street and Second Ring Road which are in close proximity to main roads of the city. The total GFA of the project is approximately 1.3 million sq. m. Phase I of the project includes a luxurious hotel and an exhibition hall to hold major exhibitions and will be opened in mid-2013.

Shenyang New World Commercial Centre Phase I, which is located in Taiyuan Street commercial circle, is scheduled to be launched to the market in mid-2012. The project will be developed into a 35-storey service apartment named New World The Elite (新世界•名匯) together with a commercial podium. The project is adjacent to Shenyang Metro Line No. 1. Supported by the enormous development potential of the commercial circle, the building is expected to become a key commercial complex in the region upon completion.

Shenyang — Completion Schedule			sq. m.
FY2011	Shenyang New World Garden Phase IIA	Residential, Commercial, Office	473,829
	Total		473,829
FY2013	Shenyang New World Garden Phase IIB	Residential	38,452
	Shenyang New World Commercial Centre Phase I	Residential, Commercial	71,987
	Total		110,439



ANSHAN

Highlights

The overall economic strength of Anshan has grown substantially in recent years. Compared to the Tenth Five-Year Period, the Eleventh Five-Year Period saw the city's GDP growing by 1.2 times, and a fixed asset investment for the whole society growing by 3.8 times. Efforts are on the rise to make the city more open than ever, with the utilisation of foreign direct investment growing by 9.6 times, domestic investment growing by 6.5 times. It is envisaged that during the Twelfth Five-Year Period, the primary goal of the city's economic and social development is to build Anshan into a world-class processing base for fine steel and specialty steel, a hot-spring resort city in Asia and a steel logistics centre in Northeastern China.



Anshan New World Garden



In October 2010, regional planning for Anshan was adjusted to expand the existing area of the High-Tech Zone from 14.7 sq. km to 104 sq. km. The new regional planning is to bring forth precious space for development for High-Tech Zone. In the meantime, the “Integration of Production and Town Development” Planning for Anshan was put to refinement, formulating plans for the geographical distribution of new and hi-tech industries by taking Wanshui River as the boundary line. It is intended to build the High-Tech Zone into a modern new city which is both ecologically suitable for living and contains elements of high technology.

The Document Concerning Targeted Responsibilities for Administering the Construction of Road and Highway Transportation during the Twelfth Five-Year Period in Liaoning Province further clarified the situation with roads and highway construction in the next five years. During the Twelfth Five-Year Period, the overall goal of transportation development in Anshan would be to invest in RMB19.07 billion as planned. In particular, Danhai Expressway Anshan section is expected to be completed and become operational in October 2011. The construction of the expressway linking Anshan to Taian will fully commence in 2011. Land reclamation and demolition works will commence in 2011 for the Beijing-Harbin Expressway Anshan section. The further improvement of road network will strengthen Anshan’s position as the main hub of highway transportation in Northeastern China.



Perspective of Anshan Xin Shi Jie Yu Long Hao Yuan

Business Review - Anshan

Anshan — Completion Schedule

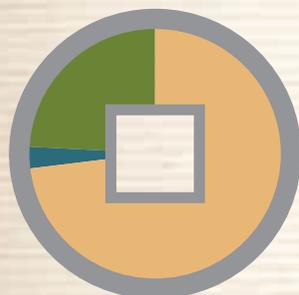
			sq. m.
FY2011	Anshan New World Garden Phase IA	Residential, Carpark	110,132
	Total		110,132
FY2013	Anshan New World Garden Phase IA & IIA	Residential	136,993
	Total		136,993

Anshan New World Garden, which is the Group's residential project situated in the core area of the High-Tech Zone, has drawn much attention from all walks of life in Anshan. The first phase named Xin Shi Jie Jun Yi Hua Ting (新世界•君頤華庭) boasts beautiful natural landscape and convenient transportation with a comprehensive range of supporting facilities, catering to the demand of mid to high-end home purchasers. The project was launched to the market in 2010 and occupancy started in mid-May of 2011. A total of 484 residential units were launched under the first batch and currently over 60% have already been sold out.

In addition, Anshan New World Garden Phase II named Xin Shi Jie Yu Long Hao Yuan (新世界•御龍豪園) is under construction. The project is situated at the foot of Elongshan which is a branch of Yufoshan in Anshan, boasting beautiful scenery and superior geographical location. The project is expected to be launched for sale in the fourth quarter in 2011.

Anshan – property under development or held for development

One property with total GFA 1,136,143 sq. m.



Residential 73% Carpark 24%
Commercial 3%

Anshan – completed investment property

One property with total GFA 34,442 sq. m.



Carpark 100%



The spacious living room of Anshan Xin Shi Jie Jun Yi Hua Ting



The deluxe interior design of Anshan Xin Shi Jie Jun Yi Hua Ting

DALIAN

Highlights

The Twelfth Five-Year Period represents an important stage for Dalian to demonstrate its position as the economic core in the region. On the meetings of the NPC and CPPCC in 2011, Dalian was positioned by the PRC as a leader in revitalising the old industrial base of Northeastern China and a national core city for developing and opening up the strategic coastal economic areas in Liaoning. Such policy support will become the driving force for the sustainable economic development of the city.

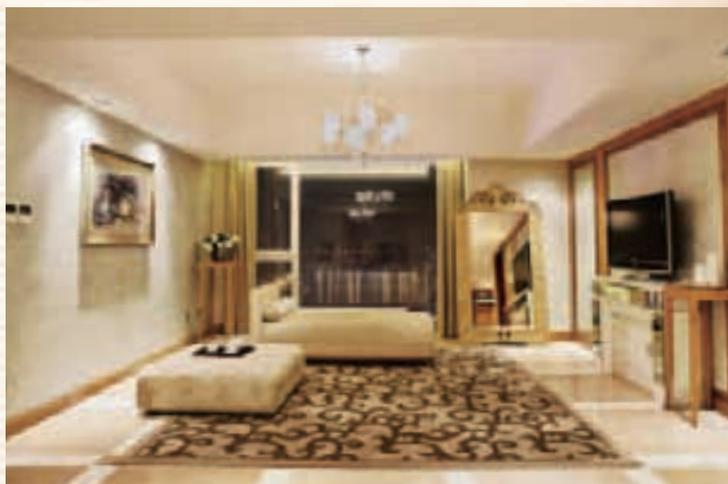


The Galleria, Dalian

Business Review - Dalian



Harbin-Dalian Passenger Railway Line, also known as the “Top-speed Express Railway in Northeastern China”, is currently under immense construction. Harbin-Dalian Passenger Line links up Harbin in Heilongjiang to Dalian in Liaoning. It forms part of the Beijing-Harbin Railway Passenger Line and runs through 10 major cities including Shenyang, Anshan and Changchun in the three provinces of Heilongjiang, Jilin and Liaoning. The Passenger Railway Line is expected to become fully operational by the end of 2011. By then, the spatial distance as well as travelling time among major cities in the three northeast provinces will be shortened. This will play an important role for the interaction and economic linkage among cities in the region.



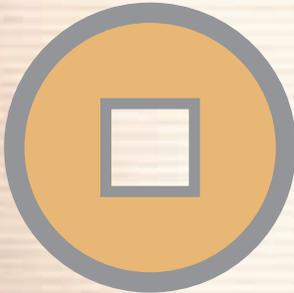
The Pinnacle Apartment, Dalian

In 2010, Dalian became the first batch of cities in the PRC to be included as one of the bases for hi-tech service industry of the PRC. Designated as the place of headquarters of IBM China region, commencement of projects of Intel and Mine Energy Optoelectronic, etc, and the smooth progress made for the role-model construction of the Dalian Technological Innovation Park under China Academy of Science, Dalian Testing Technology Park, Ocean Economic Industry Park, etc also signifies the achievements of Dalian in cultivating and developing emerging industries.

During the Twelfth Five-Year Period, the strategic emerging industry of Dalian recorded a growth of more than 30%. Efforts were made to develop a batch of leading enterprises in the strategic emerging industries and strategic emerging industry clusters. This will make the strategic emerging industries become important drivers and support for the city’s economic development, driving the full-scale transformation of Dalian’s economy as headed by emerging industries.

Dalian – property under development or held for development

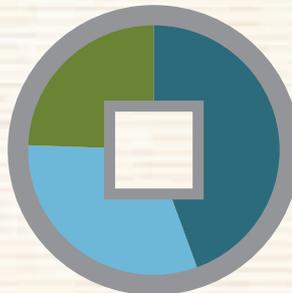
One property with total GFA 83,571 sq. m.



● Residential 100%

Dalian – completed investment and hotel properties

Three major properties with total GFA 171,426 sq. m.



● Commercial 45% ● Carpark 24%
● Hotel 31%

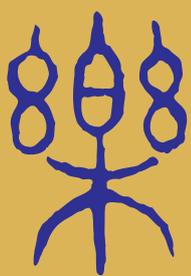
Dalian New World Tower, which is situated on Renmin Road in the city centre of Dalian, represents the convergence of five-star hotels, high-end shopping malls and luxury residences. In early 2010, the Group launched the upper-half residential project named The Pinnacle Apartment (驪高新世界) on the west tower providing 217 service apartments in which 85% have been sold.

Commercial project named The Galleria is located at the podium of Dalian New World Tower, comprising a variety of top-class well-known domestic and international brands, some of which have established their Northeastern China flagship stores, enabling The Galleria to achieve its position as a new shopping spotlight for Dalian's fashion and trendy people.

Dalian — Completion Schedule			sq. m.
FY2013	Dalian New World Tower Remaining Portion	Residential	83,571
	Total		83,571

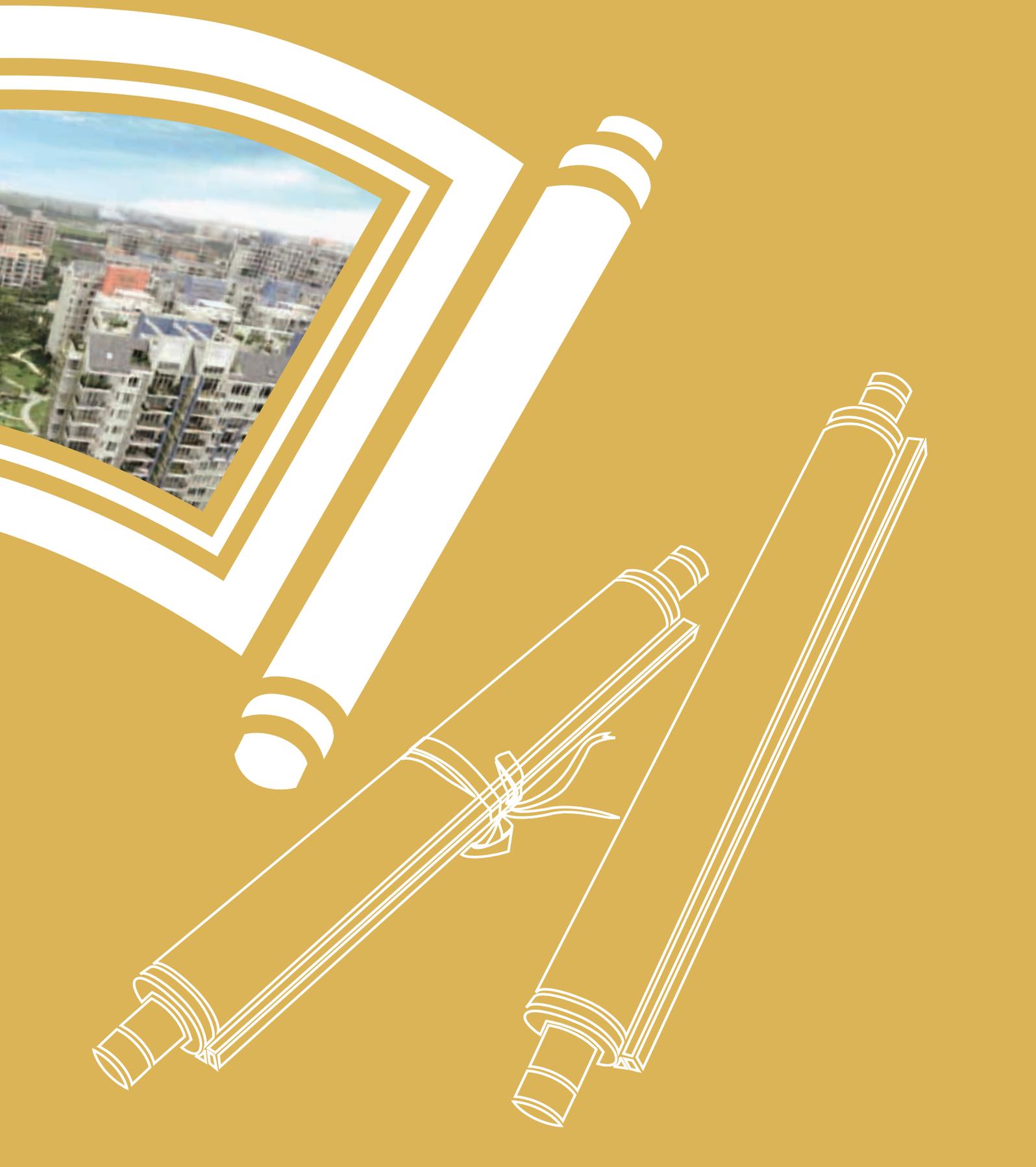


Indoor swimming pool of New World Dalian Hotel



NEW Culture and Entertainment

This is my best choice of rendezvous during the day. Shopping, groceries and other daily activities could all be conveniently conducted in this community commercial centre. I usually run into some of my friends and neighbours and we have a pleasant afternoon having tea and chat together.



WUHAN

Highlights

During the Eleventh Five-Year Period, the opening up of Wuhan has demonstrated a new landscape with satisfactory performance in attracting trade and investment. Five-year accumulated utilisation of foreign investment was USD13.05 billion with an annual growth rate of 14%. A total of 81 global-500 enterprises invested in Wuhan, which was 21 more than the corresponding figure in 2005. In 2010, export trade amounted to USD8.75 billion, which was three times the corresponding figure in 2005. In 2011, Wuhan will continue to step up its efforts in attracting foreign trade and investment and expedite the development of an open economy, utilisation of foreign investment shall increase by 12% on an annual basis, whereas total export trade shall exceed USD10 billion, representing an annual growth rate of 15%.



Perspective of Wuhan Guanggu New World Centre



- Railway
- ⊙ Railway Station
- Subway line
- ≡ Bridge
- ▬ Embankment
- ⋯ Tunnel
- 16 Wuhan Menghu Garden
- 17 Wuhan Changqing Garden
- 18 Wuhan New World Centre
- 54 Wuhan New World International Trade Tower
- 55 Wuhan K11 Gourmet Tower
- 56 Wuhan Xin Hua Garden
- 64 New World Wuhan Hotel

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According to the Plan for the Industrial Development of Donghu National Self-contained and Innovative Model Area (2010–2020), the spatial layout of Donghu Model Area will be in the form of “One Centre, One Axis, Five Areas and Multiple Parks”, being led by hi-tech industries and by constructing and upgrading a number of specialised park areas, taking the development model of one-area-multiple-parks, and leveraging upon the radiating effect of such a layout. By 2020, the total revenue of Donghu Model Area is expected to reach RMB3 trillion, where the newly-added technological enterprises as a proportion to the total number of enterprises in the park area every year would exceed 20%.

According to the plan, Donghu Model Area will be built into a “special financial zone”, seeking to accommodate 300 publicly listed enterprises, and having approximately 40 local enterprises in the scale of more than RMB10 billion, more than 100 Fortune-500 enterprises establishing their branches in the area, and 30 establishments of financial institutions or regional headquarters by 2020. In order to further absorb high-calibre people, Donghu Model Area will gear up in developing its “special people zone” by constructing a base for overseas high-calibre people to do their venture business and as their ideal place of living. It will seek to accumulate a pool of 10,000 high-calibre talent from overseas source by 2020.



Wuhan New World International Trade Tower

Business Review - Wuhan



Wuhan Changqing Garden



Perspective of Wuhan Guanggu New World Centre

In the midst of rapid urban development, Wuhan has in recent years been committed to accomplishing a series of infrastructure construction for transport network. From 2012 onwards, each year shall see the commencement of operation of a new metro line. By 2015, six metro lines will have become operational. More remote city areas will basically be in connection with the core city centre by railway. In the meantime, the construction of river-crossing corridors will be stepped up to alleviate the existing pressure in river-crossing traffic. By 2015, 12 corridors crossing Yangtze River and 10 corridors crossing Han River will have been constructed within the core city centre.

The Group's Wuhan Changqing Garden, a large-scale residential community in Wuhan, is supported by increasingly improved facilities and covers a commercial portion with an area of 300,000 sq. m. which is currently under planning. The project covers two stations of and various exits from Metro Line No. 2 which is currently under construction and is expected to become operational in 2012. During the year under review, sales performance was satisfactory.

Changqing Nanyuan (常青南園), a brand-new residential project of the Group in Wuhan, is situated at the northern part of Hankou and to the south of Third Ring Road, and in close proximity to an exit of Metro Line No. 2 of Wuhan. The project was highly sought after by home buyers. During the year under review, residential units already launched were basically sold out.

Wuhan Guanggu New World Centre, situated next to the main road where Donghu Model Area is located, already commenced construction in October 2010. The project will be built into a large-scale, multi-modal and high-end building complex, comprising premium residential housing, five-star hotels, Grade A office buildings, high-end commercial plazas, finely-constructed commercial apartments, which is expected to become a landmark construction in Guanggu upon completion.

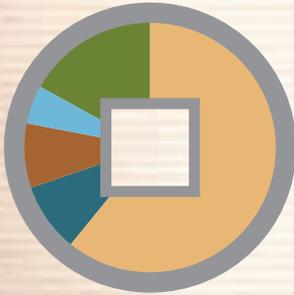
Wuhan New World International Trade Tower, the Group's Grade A office building situated at Wuhan's finance street, continued to maintain nearly 100% occupancy rate for the year under review. It has attracted foreign government bodies to establish their presence here. The Group's another major rental project, Wuhan New World Centre Office Tower, is well-received by domestic and foreign companies. All units of the project have been rented out.

The Group's commercial project in the city centre of Hankou namely Wuhan K11 Gourmet Tower opened during the year under review. The project houses various international cuisines to satisfy various requirements from banquets, appointment to fast food.

Meanwhile, we acquired the parcel of land adjacent to Wuhan New World Centre project. The acquisition will enable extension of the project, which is planned to include a building complex with high-end commercial and office buildings.

Wuhan – properties under development or held for development

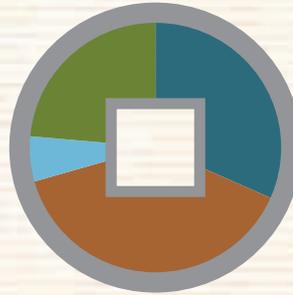
Four major properties with total GFA 2,376,954 sq. m.



Residential 61%
Commercial 9%
Office 8%
Hotel 5%
Carpark 17%

Wuhan – completed investment and hotel properties

Six major properties with total GFA 491,990 sq. m.



Commercial 32%
Office 39%
Hotel 6%
Carpark 23%

Wuhan — Completion Schedule

			sq. m.
FY2011	Wuhan Changqing Garden Phase VII	Residential, Commercial	147,644
	Total		147,644
FY2012	Wuhan Guanggu New World Centre	Residential, Commercial, Carpark	312,850
	Wuhan Menghu Garden Phase IIIC	Residential	25,900
	Wuhan Changqing Garden Phase VII	Residential, Commercial, Carpark	54,032
	Total		392,782
FY2013	Wuhan Menghu Garden Phase IIID	Residential	38,895
	Wuhan Changqing Garden Phase VIII	Residential, Commercial	249,171
	Total		288,066



Wuhan New World Centre & Wuhan K11 Gourmet Tower

SHANGHAI

Highlights

The success of the 41st World Expo in Shanghai in 2010 has vividly interpreted the theme of “Better City Better Life”. Attracting 246 official exhibitors and more than 73 million visitors, the Shanghai World Expo is regarded as the most widely participated in the history of World Expo. The grand occasion of this Shanghai World Expo not only uplifted the international status of the PRC as well as Shanghai, but also drove the economic and social development of Shanghai. The GDP of Shanghai had an annual growth rate of approximately 10% in 2010, and retail sales of consumer goods grew by 18% per annum. Total fixed asset investment for the whole society remained at a high level.



Shanghai Hong Kong New World Tower dominates the skyline of Puxi



The Proposed Plan for the Twelfth Five-Year Period for the Economic and Social Development of Shanghai was duly announced in December 2010. According to the nation's strategic positioning and requirements on Shanghai, by 2020, Shanghai will basically be built into a centre in four areas namely international economy, finance, trade and shipping, having the capability to deploy global resources and matching with the economic competence and international position of the PRC. It will become a metropolitan city with sound economic performance and social harmony, contributing to the building up of the city clusters around Yangtze River Delta with strong international competitiveness.

In recent years, the construction of the "Four Centres" has carried on in an accelerated pace and the combined service capability of the city has been enhancing. In particular, the construction of Shanghai as an international trade centre has fully commenced. Hongqiao Business Area and Waigaoqiao International Trade Model Area are being constructed in an accelerated pace, while new international trade pilot points have started to be put to implementation. On an annualised basis, total commodity sales amounted to RMB3.7 trillion or an annual growth rate of 24%. The idea of the "Four Centres" is gaining shape and the day for Shanghai to become a modern and international metropolitan with international competitiveness and influence should not be too far away.

Business Review - Shanghai



The grand main entrance of Shanghai Hong Kong New World Tower

During the year under review, economic development of Mainland China was on the rise and the market of Grade A office buildings in Shanghai was also on a steadily rising trend. With the accelerated pace of making Shanghai a truly international place, landmark projects of office buildings are seeing increasing demand on the rental market. Situated at the prime location of commercial landmarks in Puxi, Shanghai Hong Kong New World Tower currently has an overall occupancy rate of 94% in its office building, together with satisfactory performance in rental rates.

Completion check for Shanghai Zhongshan Square, which is situated in Changning District in Puxi, was finished in the second half of 2010. The project primarily comprises two high-rise office buildings and a podium shopping mall. In May 2011, it was sold in its entirety at RMB3.2 billion. Further, renting for Belvedere Service Apartments was satisfactory during the year under review, thanks to the opportunities brought by Shanghai World Expo.

Shanghai – completed investment and hotel properties

Six major properties with total GFA 287,166 sq. m.



- Residential 13%
- Hotel 21%
- Commercial 20%
- Office 28%
- Carpark 18%

Shanghai — Completion Schedule			sq. m.
FY2011	Shanghai Zhongshan Square	Commercial, Office, Carpark	142,184
Total			142,184

CHANGSHA

Highlights

The economic and social development of Changsha has entered a stage of rapid development. In 2010, it registered a GDP of RMB450 billion, fixed asset investment for the whole society exceeding RMB320 billion, with an annual growth rate of 16% and 32% respectively. Strong economic performance has highlighted the key strategic value of Changsha among other cities in the central part of China. According to the research by China Academy of Social Sciences, Changsha was on a national basis ranked No. 9 in 2010 in terms of comprehensive competitiveness, jumping sharply from the previous ranking of No. 17.



Changsha La Ville New World

Business Review - Changsha



As the first year of the Twelfth Five-Year Period, 2011 witnesses Changsha's expedition in its construction of major projects. That would include pushing ahead such cross-provincial and cross-city projects as Shanghai-Kunming High-speed Train, Inter-city Railway, Changsha-Liuyang Expressway, Changsha-Shaoshan-Loudi Expressway. In particular, according to rail transportation planning, it is intended that the first phase of Line No. 1 and No. 2 of Changsha's Metro will be completed by 2015. Metro Line No. 1 and No. 2 form the shape of a big cross running through the central core area of Changsha. The two lines together with Metro Line No. 3, No. 4 and No. 5 to be constructed in 2011 will form a comprehensive city rail network for Changsha covering major locations in the city.

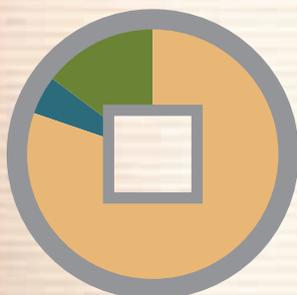
The capacity expansion of Zoomlion, SANY and major industrial projects including Guangzhou Auto-Fiat and BYD shall be the focal point of Changsha, which will seek to implement 463 key projects involving a total investment of RMB184.8 billion in 2011. In particular, it shall continue to strenuously develop the automobile industry. At present, automobile production capacity in Changsha covers six categories of automobile and the city has sought to become one of the five production bases in the PRC for electric vehicles. It is expected that by 2015, the production capability of the automobile industry shall reach 1.2 million units. By then, the sales revenue of the industry of auto and parts manufacturing is expected to reach RMB250 billion.



Changsha La Ville New World

Changsha – property under development or held for development

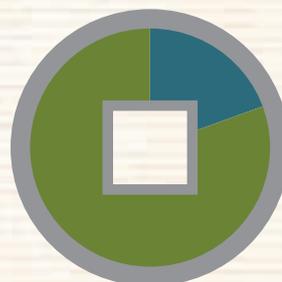
One property with total GFA 997,421 sq. m.



● Residential 80% ● Carpark 15%
● Commercial 5%

Changsha – completed investment property

One property with total GFA 29,640 sq. m.



● Commercial 20% ● Carpark 80%

Changsha — Completion Schedule			sq. m.
FY2012	Changsha La Ville New World Phase IIB	Residential, Carpark	121,563
	Total		121,563
FY2013	Changsha La Ville New World Phase IIA & IIIA	Residential, Commercial, Carpark	287,729
	Total		287,729

Changsha La Ville New World, the Group's residential project located in Wuguang New City in Yuhua District, has attracted the attention of home buyers since its launch to the market in January 2007. It has been granted industry awards for a number of times. More than 3,700 residential units have been launched under Phase I and Phase II since the launch of sale, and to date more than 94% have been sold.



The garden of Changsha La Ville New World



The spacious living room of Changsha La Ville New World

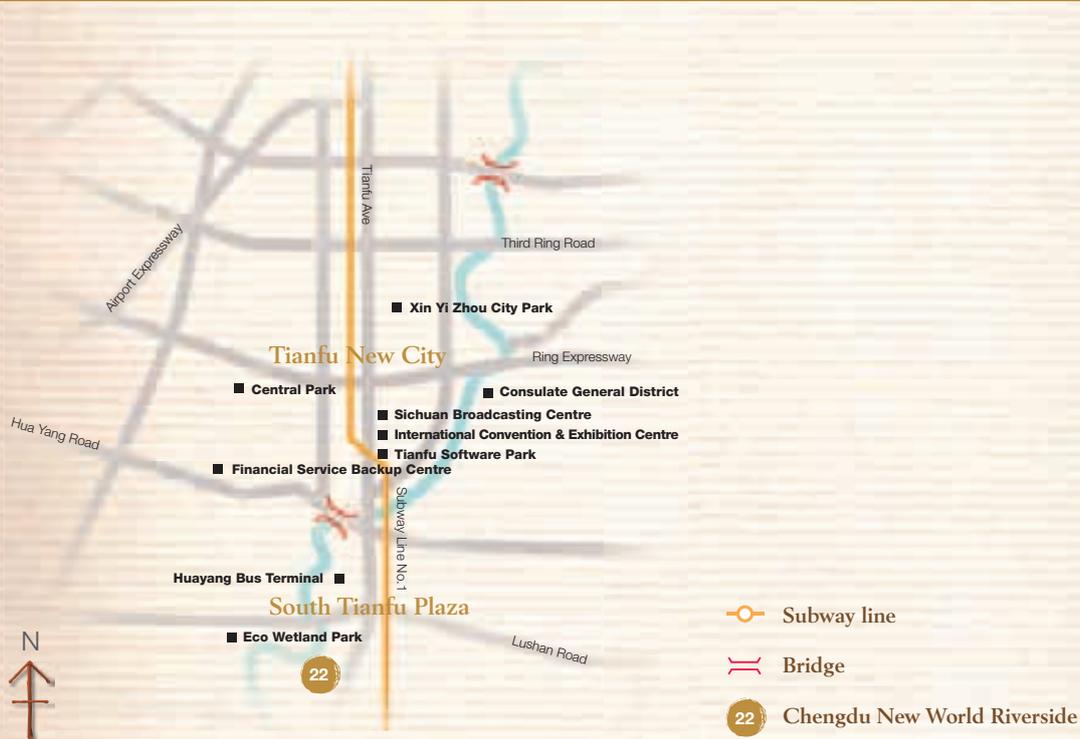
CHENGDU

Highlights

As a strategic core city for trade in Western China, Chengdu has in recent years gained its breakthrough progress in attracting trade and investment. In 2010, the utilisation of foreign investment of Chengdu ranked No. 1 among cities in Western and Central China, amounting to USD6.41 billion or an annual growth rate of 43%. Major projects in respect of which contracts were newly signed totalled 374, via which globally renowned enterprises including Texas Instruments, Dell, Lenovo, SK Group of Korea and Foxconn were successfully introduced. As at May 2011, a total of 194 global-500 enterprises established their branch companies or branch offices in Chengdu. The full-scale acceleration of the pace of Chengdu's development has put the city on No. 1 on the list of globally fastest growing city in the next decade by Forbes in 2010.



Perspective of Chengdu New World Riverside



In 2011, Chengdu will pay special attention to the development of major projects by pushing ahead the commencement of operation of Lenovo, Foxconn, Compal and Wistron; fostering the expedition of construction of major projects regarding new material bases for Pengzhou Petroleum, Phase II of FAW-Volkswagen, Volvo, Sinotruk Wangpai, China National Blue Chenguang; and promoting the commencement of operation of major projects including Dell and China Railway Rail Transportation Hi-Tech Industrial Park, with a view to further growing the economic strengths of Chengdu.

To support the rapid urban development of Chengdu, the construction of the city's comprehensive transport hub will be expedited. In particular, the East Station of Chengdu Railway already became operational in May 2011. Cheng-guan Line of the Chengdu's City Railway and Metro Line No. 1 became operational in May and September 2010 respectively, whereas Cheng-peng Line, Cheng-pu Line, Metro Line No. 2, No. 3 and No. 4 are currently under construction and are expected to be completed and ready for service at some points between 2011 and 2013. By then, the spatial distance and travelling time among various districts in the city of Chengdu will be greatly reduced.

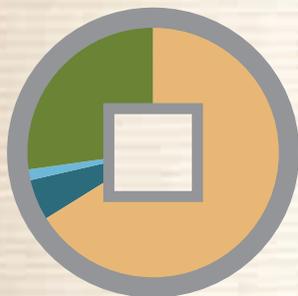


Chengdu New World Riverside has a spectacular view of Fu River

Business Review - Chengdu

Chengdu – property under development or held for development

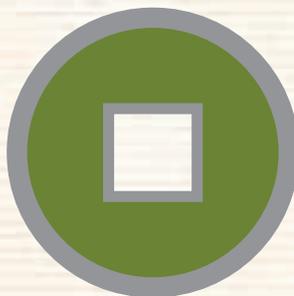
One property with total GFA 3,626,023 sq. m.



Residential 66%
Commercial 5%
Hotel 2%
Carpark 27%

Chengdu – completed investment property

One property with total GFA 76,561 sq. m.



Carpark 100%

Chengdu New World Riverside, the Group's large-scale community development project located at the southern extension line of southern Chengdu and boasting spectacular view of a river, is a well-planned international community with comprehensive supporting facilities in the region. Since its launch, the project has been popular among home buyers and recorded satisfactory sales. Up to date, a total of 1,428 high-rise residential units have been launched, among which 80% have been sold. The launch of the first phase of villas were already sold out.

Chengdu — Completion Schedule			sq. m.
FY2011	Chengdu New World Riverside Phase I	Residential	140,684
	Total		140,684
FY2012	Chengdu New World Riverside Phase IB	Residential	142,895
	Total		142,895
FY2013	Chengdu New World Riverside Phase II	Residential	149,373
	Total		149,373



Perspective of Chengdu New World Riverside's grand club house



The deluxe living room of Chengdu New World Riverside

GUIYANG

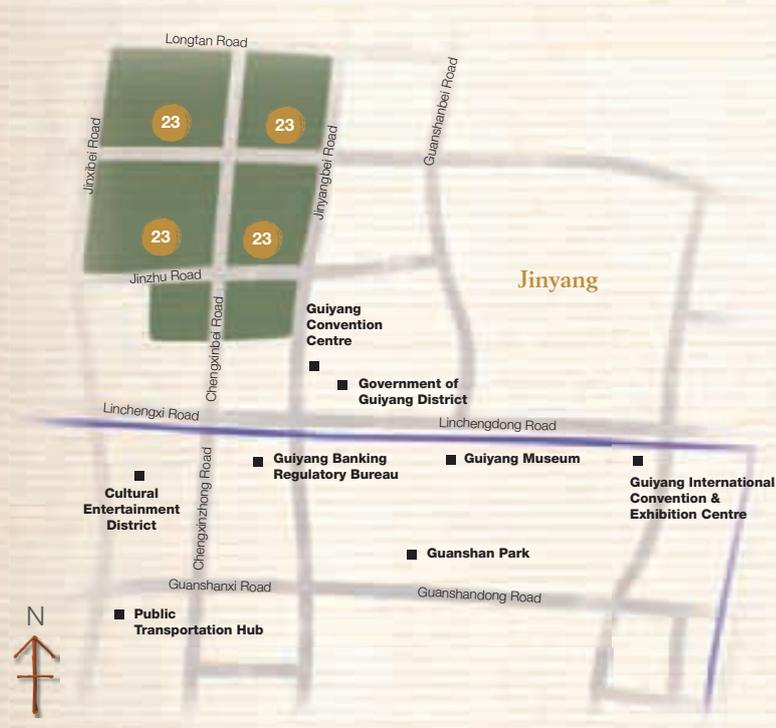
Highlights

Blessed with its advantage of location, Jinyang New District's population keeps growing and the quality of its service industry clusters kept improving; the well-connected transportation network closely links the new district to major cities within and outside the province, developing Jinyang New District into a core city with strategic value in Western China. Over the past two years, the fixed asset investment of Jinyang New District has accumulated to approximately RMB 32.6 billion, with an annual growth rate of 40%. As of now more than 20 domestic top 500 enterprises of the country, including Datang Power and Kweichow Moutai, have established their presence in Jinyang.



Perspective of Guiyang Jinyang Sunny Town commercial hub

Business Review - Guiyang



—○— Light rail (under construction)

23 Guiyang Jinyang Sunny Town

During the Twelfth Five-Year Period, Jinyang New District will capture the development blueprint of “Four Centres and Five Commercial Circles” and endeavour to attract foreign trade and investments, more international enterprises will have their headquarters established in the new district, forming industrial clusters of headquarters, in an effort to build Jinyang into a service base for Guizhou’s industrial development and Guiyang’s industrial revitalisation, with 50 enterprise headquarters coming to do business in the next two years. It is expected that the Twelfth Five-Year Period will witness fixed asset investment reaching more than RMB200 billion.

Guiyang has gradually become a major tourist destination and a travel service centre in Southwestern China. The city’s total tourism income during the Eleventh Five-Year Period increased from RMB6.04 billion to RMB42.59 billion. In 2011, the construction of brand name hotels such as Hyatt, Shangri-La, Marriott, Intercontinental and Wyndham in Guiyang will be expedited, striving for the opening of two to four five-star hotels. A number of world-renowned hotels, such as Sofitel, Westin and Renaissance, have already targeted such business opportunities.

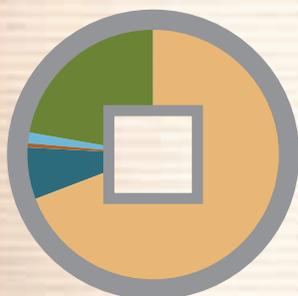
Guiyang Jinyang Sunny Town, a large-scale residential community situated at the north-west corner of Jinyang New District and adjacent to the commercial and financial centre planned for Guiyang New District, commands ample potential of development. During the year under review, 167 residential units of Guiyang Jinyang Sunny Town’s new phase named Shui Lin Jing (水臨境) were launched and recorded satisfactory sales figures.



Guiyang Jinyang Sunny Town

Guiyang – property under development or held for development

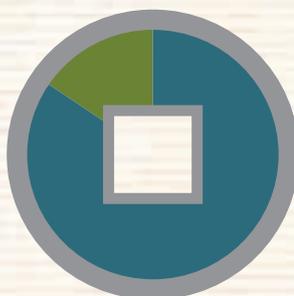
One property with total GFA 3,517,822 sq. m.



- Residential 69%
- Commercial 7%
- Office 1%
- Hotel 1%
- Carpark 22%

Guiyang – completed investment property

One property with total GFA 22,448 sq. m.



- Commercial 85%
- Carpark 15%

The Shopping Arcade of Guiyang Jinyang New World Commercial Centre is situated at the core of Jinyang New District, in close proximity to Guiyang's Administration Centre and Line No. 1 of the Light Rail to be completed soon. The project is set to become a large-scale commercial city complex in the region. Construction work which commenced in December 2009 is having satisfactory progress.

Guiyang — Completion Schedule			sq. m.
FY2011	Guiyang Jinyang Sunny Town Phase I	Residential, Commercial, Carpark	154,598
	Total		154,598
FY2012	Guiyang Jinyang Sunny Town Phase I	Residential, Commercial, Carpark	428,658
	Total		428,658
FY2013	Guiyang Jinyang Sunny Town Phase II	Residential	57,349
	Total		57,349



Perspective of Guiyang Jinyang Sunny Town



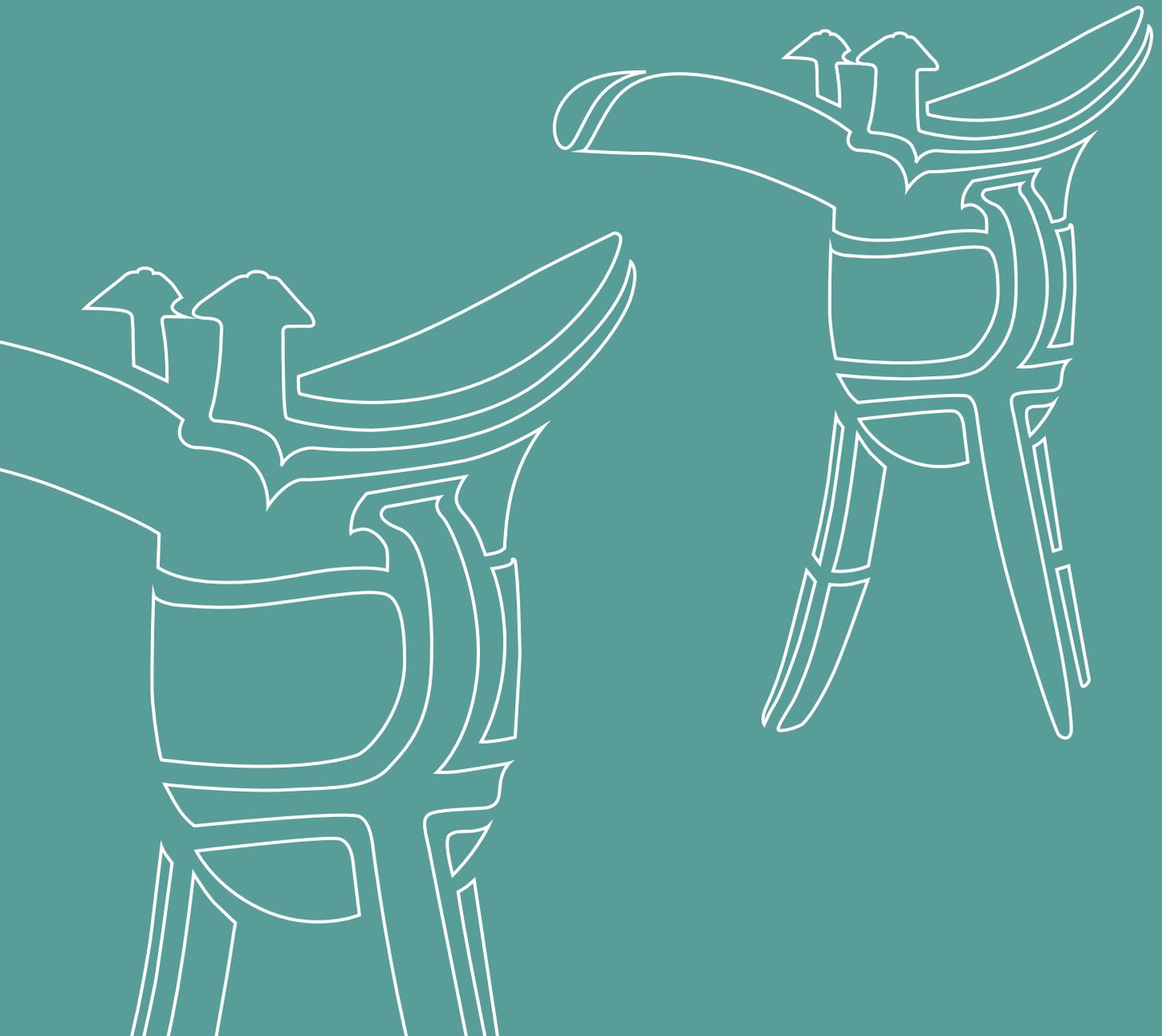
The interior design of Guiyang Jinyang Sunny Town





NEW Style of Leisure

You can't imagine the fun the kids are having when they harvest the vegetables they have planted by their own. I used to think weekend golfing is mundane activity for my husband, surprisingly there are a lot more going on than I expected. The spa treatment I get under the palm tree is just amazing. Weekend will never be the same again.



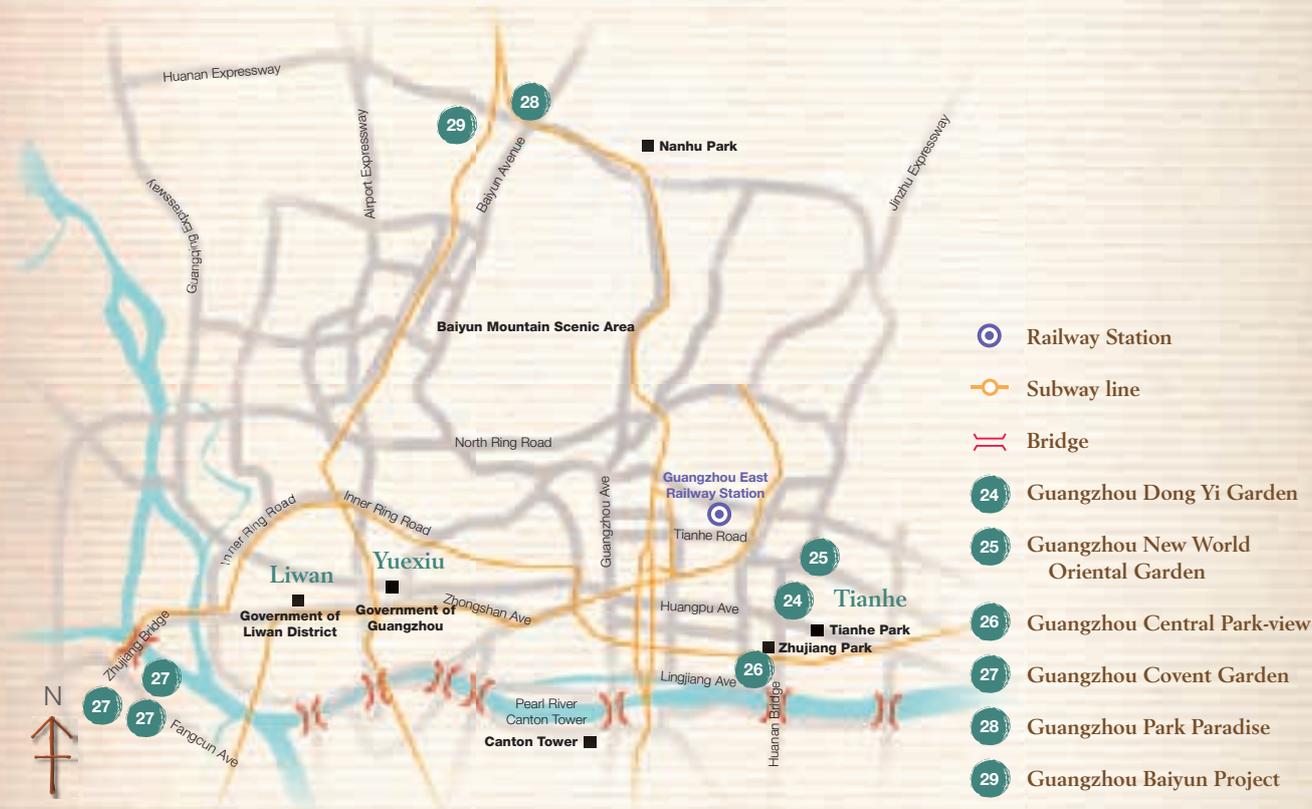
GUANGZHOU

Highlights

Guangzhou hosted the 16th Asian Games successfully, that has driven the city's rapid economic development, led to earthshaking changes in urban construction, and contributed to the substantial improvement in the urban popularity of the city. With the advent of 2011, Guangzhou's "Post-Asian Games Era" commenced. The city will focus on establishing a commercial structure of "Four Lines and Three Circles, Two Axes and One Zone" which is common in a modern international metropolitan, and has formulated the commercial network development plan of "propelling in the east, sprawling in the west, expanding in the south, cultivating in the north and enhancing in the centre". It is estimated that Guangzhou will enter another stage of rapid growth in terms of economic development and urban construction.



Guangzhou Central Park-view



As a pillar city of the country, the development of Guangzhou has escalated to a level of national strategy, where the construction of modernised major infrastructure such as airport, seaport, rail port and information port has accelerated at full throttle. In 2010, the city's airport passenger throughput was in excess of 40 million, becoming one of the world's top 15; seaport cargo and container throughput was in excess of 400 million tonnes and 12 million TEUs respectively, both ranking the sixth in the world; expressways and metro networks are well-developed, with eight metro lines currently covering the whole city; the Guangzhou-Foshan Metro Line and the Guangzhou-Zhuhai Inter-city Light Rail commenced operation, which connected urban places of the Pearl River Delta via a one-hour living circle. The urban comprehensive service function has been enhanced in full swing and the carrying capacity for development has been significantly boosted.



The full view of Guangzhou Central Park-view

The Asian Games has attracted the world's attention and Zhuziang New Town, where the opening of the Asian Games took place, became a spotlight of Guangzhou. After nearly 20 years of development, Guangzhou municipal government invested RMB180 billion in municipal construction before the Asian Games. The seven landmarks including Canton Tower, West Tower and Guangzhou Opera House were completed in succession, such that Zhuziang New Town could reveal its full-fledged glamour to the world during the hosting of the Asian Games. In addition, "Bai-e-tan Economic Area", situated in the west of Guangzhou's central urban area, had gradually become the new limelight of Guangzhou's urban development while the community development was getting mature.

Business Review - Guangzhou



New World Canton Bay is located right next to Pearl River

Guangzhou Central Park-view, a high-end residential community developed by the Group and situated at the core of Guangzhou Zhujiang New Town Commercial Centre Area, has attracted the attention of the market with its excellent comprehensive quality, high investment and high residence value. 255 residential units were launched during the year and about 70% have been sold.

Guangzhou Convent Garden, located in Bai-e-tan Economic Area and the core of Guangzhou and Foshan, benefited from the planning of the city's western gateway. As Liwan District's chief landscaped community, 786 residential units of Lang Yi Ting (朗逸廷) have been launched and sold out, and were delivered during the year. A new cluster named New World Canton Bay (新世界•凱粵灣) located right at the coastal frontier line is being launched with encouraging market response.

Guangzhou New World Oriental Garden is the most well-developed high-end residential community in the core segment of Tianhe Park. The residential units of Phase II have been sold out.

Benefiting from the northward urban expansion of Guangzhou, 288 residential units were launched in 2010 as part of the Ying Yue Yuan (映悦園) cluster under Guangzhou Park Paradise which is centrally located within Baiyun New Town, and have been basically sold out in 2010. New World Caring Mansion (嘉雲府), a villa garden residence, was launched during the year under review and more than 50% were sold on the day of its launch.

250 residential units were launched under Guangzhou Xintang New World Garden during the year under review. To date, about 90% have been sold.

PEARL RIVER DELTA

Highlights

Following the pilot CEPA services in Guangdong Province, the signing and implementation of the Framework Agreement on Hong Kong/Guangdong Co-operation, and the national Twelfth Five-Year planning which listed the integrated development of Guangdong and Hong Kong as an important part of the Country's development strategy, regional cooperation and development have stepped into a new era. In the future, 100 or so towns surrounding Guangdong, Hong Kong and Macau will be incorporated into the same three-hour transportation circle, and the outward economic development of the Greater Pearl River Delta Region will accelerate.



Huiyang Palm Island Resort



The development of the Guangzhou, Foshan and Zhaoqing economic circle has achieved initial success. The three municipals are actively promoting the coordinated development of infrastructure, close industrial collaboration, strengthening of joint efforts in environmental issues and expansion of cooperation in public services, which in turn effectively drove the process of the Pearl River Delta's integration. In accordance with the plan, 2012 will witness the basic integration of Guangzhou and Foshan, and the effective progress made in the integration of Guangzhou, Foshan and Zhaoqing, with a significantly enhanced capability in driving the integrated development of the Pearl River Delta. 2015 will see the full integration of Guangzhou and Foshan and the basic integration of Guangzhou, Foshan and Zhaoqing. By 2020, the integration of Guangzhou, Foshan and Zhaoqing will be fully completed, and the Guangzhou, Foshan and Zhaoqing economic circle will become the most dynamic and competitive metropolitan in the Asia-Pacific Region. In The Key Work Plan 2011 for the Formation of the Guangzhou-Foshan-Zhaoqing Economic Circle announced previously, in 2011, the three places will focus on building infrastructure, including the projects to connect the respective light rails and bus stops between Foshan and Zhaoqing and the new construction of Zhaoqing-Foshan secondary highways. These will set a solid foundation for the full integration of Guangzhou-Foshan-Zhaoqing area.



Zhaoqing New World Garden

Business Review - Pearl River Delta

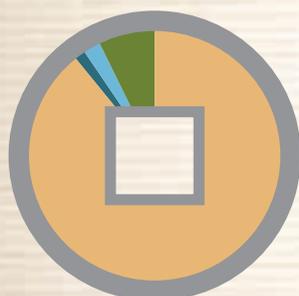
The development of the Shenzhen, Dongguan and Huizhou economic circle is also in full swing. The three municipals are incorporating local conditions to fully promote the transformation and upgrading of industries, foster the coordinated development of industries and the integration of public services. Since 2010, Shenzhen, Dongguan and Huizhou have signed various cooperating agreements and jointly-issued governmental documents in respect of industries and public services, deepening the regional cooperation of the east bank of Pearl River. During the fifth joint conference of the three municipals, several key issues such as the acceleration of integration in transportation for Shenzhen, Dongguan and Huizhou, the fostering of the coordinated development of industries and the integration of public services have been raised. The full implementation of these projects will further bring the level of cooperation of the three municipals to a new height.

Located at the centre of Danshui, Huiyang Palm Island Resort is the principal luxurious residential community in the region with ample supporting facilities. Situated in the centre area of the golf course, this top-grade luxurious residential development project Zhen Shu (臻墅) is popular among people in the region and its periphery.

The Group's top-grade residential project in Shunde, namely Shunde New World Centre Phase III, was launched for sale in the market in September 2010. The 489 residential units offered in its first sale have received positive market response.

Pearl River Delta – properties under development or held for development

Eight major properties with total GFA 2,223,254 sq. m.



Residential 89% Hotel 3%
Commercial 1% Carpark 7%

Pearl River Delta – completed investment and hotel properties

Five major properties with total GFA 145,393 sq. m.



Commercial 48% Carpark 27%
Hotel 25%

During the year under review, Phase III residential units of Huizhou Changhuyuan were newly launched for sale. The 235 residential units offered in the project recorded satisfactory sale figures, and more than 70% have been sold to date. In addition, 524 residential units of Zhaoqing New World Garden have also been launched for sale, with more than 94% being sold to date.

Embraced with the natural scenery of Baoan Park and Forest Park, the Group's Jian Gang Shan Project in Baoan District, Shenzhen, is a rare ultra-low-density luxurious villa in the region. The construction work of the project has commenced and is expected to be completed by the end of 2012.

Pearl River Delta — Completion Schedule			sq. m.
FY2012	Huiyang Palm Island Resort Phase VI	Residential	17,531
	Zhaoqing New World Garden Phase III	Residential, Commercial, Carpark	92,271
	Total		109,802
FY2013	Shenzhen Jian Gang Shan Project	Residential	59,202
	Huizhou Changhuyuan Phase III	Residential, Commercial, Carpark	148,307
	Zhaoqing New World Garden Phase IV	Residential	13,982
	Total		221,491

HAIKOU

Highlights

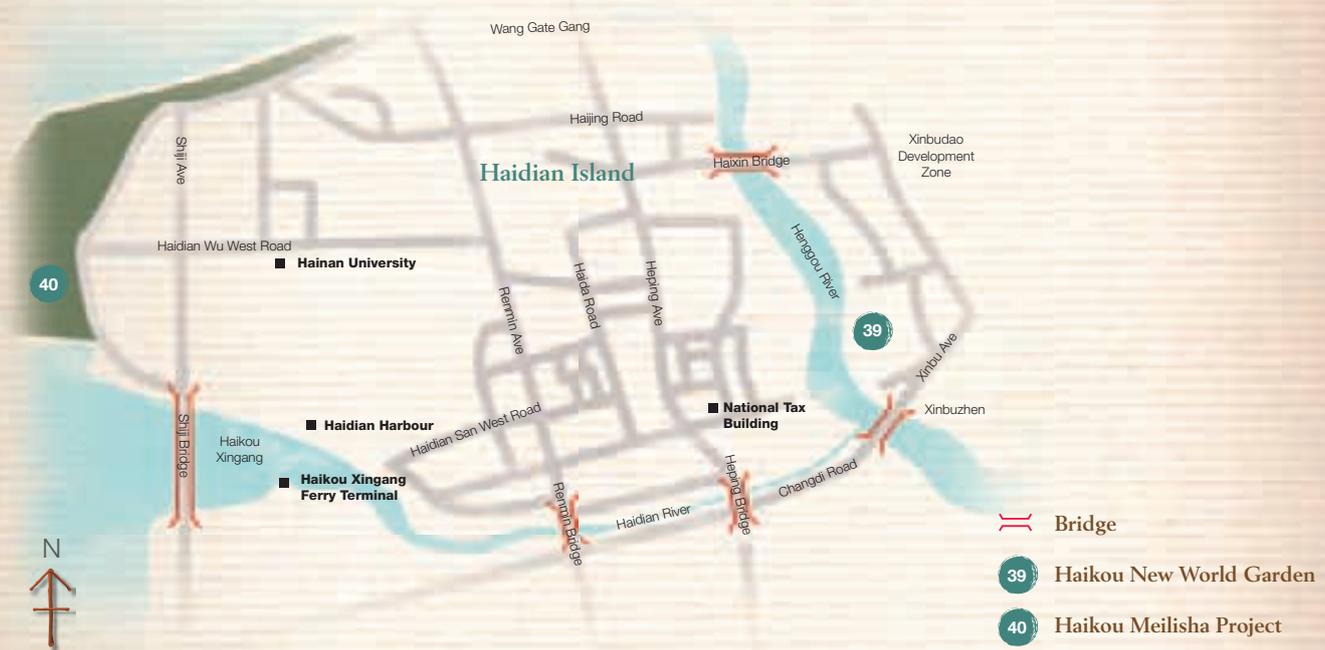
Grasping the opportunity brought by the building of the International Resort Island, 2010 witnessed good momentum of rapid development for Haikou's economy. The aggregate GDP amounted to RMB59.06 billion with an annual growth rate of 18%, which was higher than the average annual growth rate of 12% during the Eleventh Five-Year Period. In recent years, Haikou has also been gradually expanding its opening-up and taken the initiative to integrate into the regional cooperation of the Pan-Pearl River Delta, North Bay and the ASEAN. During the Eleventh Five-Year Period, the actual utilisation of foreign investment increased by 44% when compared to that during the Tenth Five-Year Period.



Perspective of Haikou New World Garden Phase III

Business Review - Haikou

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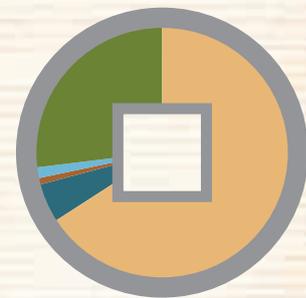


The core planning target during the Twelfth Five-Year Period is to build Haikou into the best provincial capital city suitable for living, working, learning and visiting. The “Haikou City Master Plan (2011–2020)” has centred at the main city area and complemented by the main transportation network, a coordinated development of urban-rural planning could be fostered. By 2015, the city’s GDP will amount to over RMB100 billion, with an average annual growth rate of approximately 13%; total financial revenue will amount to RMB30 billion, with an average annual growth rate of approximately 15%; disposable income per capita of urban residents will increase to over RMB30,000. By 2020, the number of permanent residents in the main city area is expected to increase to 1.8 million. With the optimisation of urban space together with favorable factors such as population growth, the upgrading of the city function of Haikou will be accelerated.

With a total investment of approximately RMB20 billion, the Hainan East Ring Railway has officially become operational since the end of December 2010. Its 308 km-long rail starts from Haikou in the north and travels along the East coast of Hainan to reach Sanya. Being the main component of the Hainan railway network, it links to the Hainan East Ring Railway to form a circular rail route for Hainan. Complementing with the Guangdong-Hainan Railway which became operational in 2004, Hainan’s transportation closely connects to the national railway network of China, fostering the economic and cultural exchange of Hainan with inland provinces.

Haikou – properties under development or held for development

Two major properties with total GFA 2,671,049 sq. m.



- Residential 66%
- Commercial 5%
- Office 1%
- Hotel 1%
- Carpark 27%



Perspective of Haikou Meilisha Project

Haikou New World Garden, which is located at the southern tip of Xinfu Island where Nandu River enters the sea, and having Nandu River to the west and Qiongzhou Strait to the north, is a top-notch community in Haikou offering quality of life. At present, Phases I and II of the project have been completed and sold out, whereas sales has commenced for Phase III Yue Jiang Ting (悦江庭) in May 2011. The offerings of unit types cater to the needs of local home purchasers and have received encouraging response from the market.

The Group's Meilisha Project, which is situated in the prime coastal area in Haikou, is the only frontier sea-view residential development in the region. The project will be developed into an international coastal community with a mixture of resorts, leisure, entertainment, business and residential development.

Management Discussion and Analysis

Business Review

In 2010, the China property market continued to expand with its economic growth since the market rebound in the second quarter of 2009. The soaring property prices and transaction volumes led the Central Government to launch a series of property tightening measures in April 2010 in an effort to contain property prices and second round of tightening measures were launched when the property market revived again in September 2010. Faced with the pressure of market tightening policies, the Group's secured contracted sales volume dropped by 19% to approximately 1,065,000 sq. m. gross floor area ("GFA") during the year under review compared to contracted sales secured in last year. Nevertheless, gross sales proceeds of contracted sales during the year increased by 31% to RMB13.325 billion despite the drop in GFA sold reflected the overall market price surge predominately in first-tier cities such as Beijing, Shanghai and Guangzhou. Included in the contracted sales secured during the year, approximately 326,000 sq. m. with gross sales proceeds of approximately RMB4.759 billion are for those projects scheduled to be completed within the next 12 months and their corresponding sales revenues shall be recorded in the consolidated income statement of FY2012.

During the year under review, the Group recorded a net profit of HK\$3.146 billion which represents a year-on-year increase of 19% from a net profit of HK\$2.641 billion achieved in FY2010. The Group's core profit for the year, excluding various fair value gains and non-recurring items, was HK\$2.903 billion, had increased substantially by more than three folds comparing to last year's HK\$0.709 billion. The leading factors contributing to the increase in core profit were the improvement in operating results from sale of properties and hotel operation as well as recognition of exchange gains resulted from appreciation of Renminbi by approximately 5% during the year under review. Whereas, for FY2010, the net profit achieved consist of a substantial amount of fair value gains arose from a number of equity buyout exercise undertaken last year. The Group's attributable operating profit ("AOP") before finance costs and taxation charge during FY2011 recorded a substantial increase of 137% to HK\$4.296 billion from HK\$1.812 billion recorded last year which was mainly attributable to great performance in property sales operation as a result of 26% increase in recorded property sales volume with the increase in project completion and the improvement in overall gross profit margin by 7 percentage points.

Analysis of Attributable operating profit

	FY2011 HK\$'000	FY2010 HK\$'000
Property sales	3,993,160	1,450,077
Rental operation	442,127	489,623
Hotel operation	(56,017)	(97,728)
Property management services	(23,058)	(37,214)
Hotel management services	(63,882)	6,627
Other operations	3,883	706
AOP before finance costs and taxation charge	4,296,213	1,812,091
Finance costs — project loans	(248,896)	(183,191)
Corporate income tax and land appreciation tax, net of tax indemnity	(1,353,562)	(511,913)
AOP after finance costs and taxation charge	2,693,755	1,116,987
Net foreign exchange gains/(losses)	627,531	(1,846)
Bank and other interest income — corporate	4,941	5,944
Finance costs — corporate loans	(50,172)	(139,992)
Deferred tax on undistributed profits	(161,816)	(89,052)
Corporate administrative expenses	(210,939)	(182,599)
AOP after corporate items	2,903,300	709,442
Changes in fair value of investment properties, net of deferred taxation	119,883	57,737
Gain on disposal of available-for-sale financial assets	24,875	—
Gain/(loss) on repurchase/early redemption of convertible bonds	1,268	(162,227)
Write back of provision for amount due by a jointly controlled entity	1,000	—
Provision for amount due by a jointly controlled entity	(24,500)	(12,000)
Gain on remeasuring previously held interests of jointly controlled entities at fair value upon further acquisition as subsidiaries	—	1,332,086
Excess of fair value of net assets acquired over cost of acquisition of interests in subsidiaries	—	732,125
Write back of provision for properties held for development	—	54,000
Loss on disposal of non-current assets held for sale	—	(15,364)
Impairment of goodwill	—	(59,372)
	122,526	1,926,985
Profit attributable to equity holders of the Company	3,025,826	2,636,427

Management Discussion and Analysis

Property Sales

During the year under review, the Group's AOP from property sales rose 175% from an AOP of HK\$1,450.08 million achieved in FY2010 to HK\$3,993.16 million. The significant increase in AOP from property sales was mainly attributable to increase in both recorded sales volume, largely from sales of Shanghai Zhongshan Square, Shenyang New World Garden, Wuhan Changqing Garden, Guangzhou New World Oriental Garden and Guangzhou Covent Garden, and continuous improvement in overall gross profit margin comparing to last year. During the year under review, the Group's recorded property sales volume reached 1,307,329 sq. m., a 26% year-on-year increase with gross sale proceeds increased by 63% to approximately RMB12.971 billion. The AOP from property sales in FY2011 have not been much affected by the property tightening measures rolled out during the year under review as over one-third of the property sales revenue were secured after the market rebound in the second quarter of 2009 and before April 2010 when the property market was heated with domestic and foreign demands. Furthermore, the market revival in September 2010 after four months of slow activity boosted the Group's recorded property sales further in the fourth quarter of 2010 and months before the financial year end of 2011.

In FY2011, the Group's overall gross profit margin had improved to 33%, an increase of 7 percentage points from a gross profit margin of 26% achieved in FY2010. The improvement in achieved gross profit margin was mainly attributable to the surging selling price due to improved market sentiment, and difference in sales mix between the two financial years where the residential projects completed and recorded in FY2010 were mainly located in the second-tier city such as Chengdu, Changsha and Guiyang which were lowered-priced.

In FY2011, the Group has completed 10 property development projects in Shenyang, Anshan, Shanghai, Wuhan, Chengdu, Guangzhou and Guiyang with a total GFA of 1,364,214 sq. m., representing an 86% increase year-on-year.

Development property projects completed in FY2011	Usage	Total GFA (sq. m.)	NWCL's interest
Shenyang New World Garden Phase IIA (瀋陽新世界花園二期A)	R, C, O	473,829	90%
Anshan New World Garden Phase IA (鞍山新世界花園一期A)	R, C	110,132	100%
Shanghai Zhongshan Square (上海中山廣場)	C, O, P	142,184	100%
Wuhan Changqing Garden Phase VII (武漢常青花園七期)	R, C	147,644	60%
Chengdu New World Riverside Phase I (成都河畔新世界一期)	R	140,684	30%
Guangzhou New World Oriental Garden Phase II (廣州東方新世界花園二期)	R	57,337	100%
Guangzhou Covent Garden Phase III (廣州逸彩庭園三期)	R	75,471	100%
Guangzhou Park Paradise Phase IIE (廣州嶺南新世界二期E)	R	33,819	100%
Guangzhou Xintang New World Garden Phase V (廣州新塘新世界五期)	R	28,516	63%
Guiyang Jinyang Sunny Town Phase I (貴陽金陽新世界一期)	R, C, P	154,598	50%
Total		1,364,214	

R: Residential
C: Commercial
O: Office
P: Carpark

Rental operation

In FY2011, the Group's rental operation recorded an AOP of HK\$442.13 million, a 10% decrease compared to FY2010. The decrease in AOP from rental operation was mainly due to reduction of turnover rent rate upon renewal of tenancy at Beijing New World Centre shopping mall and decrease in rentable area of service apartment and office space at Beijing New World Centre upon sales. Meanwhile, massive renovation of shopping arcade of Shanghai Hong Kong New World Tower undergoing during the year, and the pre-matured operating results of Wuhan K11 Gourmet Tower and Beijing Baoding Tower shopping mall also led to the decrease in AOP from rental operation of the year under review.

Hotel operation

During the year under review, the AOP from hotel operation recorded at a loss of HK\$56.02 million as compared to a loss of HK\$97.73 million recorded last year. The continuing improvement in operating results from hotel operation was attributable to the continuing growth in hotel performance and gross operating profit of the Group's hotels.

The Group's hotel portfolio currently comprises seven hotels with 2,547 rooms.

Hotel portfolio	Number of rooms
pentahotel Beijing (北京貝爾特酒店) (formerly known as Courtyard by Marriot Beijing)	299
New World Shanghai Hotel (上海巴黎春天新世界酒店)	605
pentahotel Shanghai (上海貝爾特酒店)	259
New World Shenyang Hotel (瀋陽新世界酒店)	258
New World Dalian Hotel (大連新世界酒店)	429
New World Wuhan Hotel (武漢新世界酒店)	327
New World Shunde Hotel (順德新世界酒店)	370
Total	2,547

Hotel management services

During the year under review, the AOP from hotel management services recorded at a loss of HK\$63.88 million as opposed to a profit of HK\$6.63 million achieved in FY2010. The continuous growth in gross hotel management fee had mitigated the effect of increase in operating costs. However, the AOP from hotel management services posted a larger loss comparing to last year was mainly due to fee for buyout of hotel management contracts incurred during the year.

Management Discussion and Analysis

In FY2012, the Group plans to complete 11 projects with a total GFA of 1,398,667 sq. m..

Properties to be completed in FY2012	Usage	Total GFA (sq. m.)	NWCL's interest
Wuhan Guanggu New World Centre Phase I (武漢光谷新世界中心一期)	R, C, P	312,850	100%
Wuhan Changqing Garden Phase VII (武漢常青花園七期)	R, C, P	54,032	60%
Wuhan Menghu Garden Phase III (武漢夢湖香郡三期)	R	25,900	100%
Changsha La Ville New World Phase IIB (長沙新城新世界二期B)	R, P	121,563	48%
Chengdu New World Riverside Phase I (成都河畔新世界一期)	R	142,895	30%
Zhaoqing New World Garden Phase III (肇慶新世界花園三期)	R, C, P	92,271	100%
Guiyang Jinyang Sunny Town Phase I (貴陽金陽新世界一期)	R, C, P	428,658	50%
Guangzhou Central Park-view Phase II (廣州凱旋新世界二期)	R, C, P	125,664	91%
Guangzhou Park Paradise Phase IIE (廣州嶺南新世界二期E)	R, C, P	50,483	100%
Guangzhou Park Paradise Phase IV (廣州嶺南新世界四期)	R, P	26,820	100%
Huiyang Palm Island Resort Phase VI (惠陽棕櫚島六期)	R	17,531	59%
Total		1,398,667	

Liquidity and Capital Resources

As at 30th June 2011, the Group's cash and bank deposits amounted to HK\$10,651 million (30th June 2010: HK\$7,976 million).

The Group's consolidated net debt (aggregate of borrowings, net of cash and bank balances) amounted to HK\$10,253 million (30th June 2010: HK\$10,435 million), translating into a gearing ratio of 23% (30th June 2010: 26%). The gearing ratio is calculated on the basis of net debts over total equity.

The Group's borrowings from banks and fellow subsidiaries and liabilities of convertible bonds as at 30th June 2011 totalled HK\$19,110 million (30th June 2010: HK\$16,672 million) of which 22% were secured by way of charges over assets and 78% were unsecured.

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

	As at 30th June 2011 HK\$'million	As at 30th June 2010 HK\$'million
Repayable:		
Within one year	6,753	2,335
Between one and two years	4,110	7,430
Between two and five years	6,086	4,927
Over five years	2,161	1,980
Total	19,110	16,672

As at 30th June 2011, the Group's committed unutilised bank loan facilities amounted to HK\$5,821 million (30th June 2010: HK\$4,548 million).

Capital expenditure commitments

The capital expenditure commitments of the Group as at 30th June 2011 were HK\$2,271,422,000 (30th June 2010: HK\$475,064,000) of which HK\$2,163,422,000 (30th June 2010: HK\$367,064,000) were contracted but not provided for in the financial statements and HK\$108,000,000 (30th June 2010: HK\$108,000,000) were authorised but not contracted for. The Group's share of capital expenditure commitments of jointly controlled entities amounted to HK\$229,597,000 (30th June 2010: HK\$12,843,000). The sources of funding for capital commitments are internally generated resources and bank loan facilities.

Foreign currency exposure

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

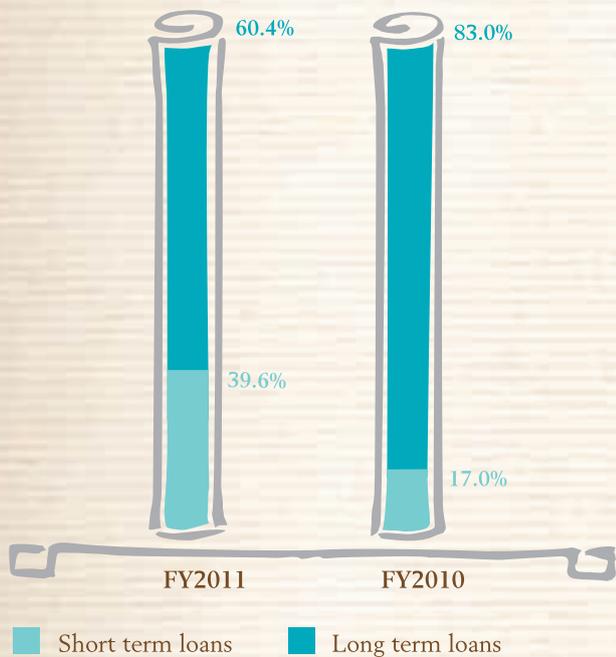
Contingent Liabilities

As at 30th June 2011, the Group has contingent liabilities of approximately HK\$2,254,955,000 (30th June 2010: HK\$2,340,179,000) relating to corporate guarantees given in respect of bank loan facilities extended to certain jointly controlled entities.

As at 30th June 2011, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group amounting to HK\$1,714,890,000 (30th June 2010: HK\$1,654,666,000).

Management Discussion and Analysis

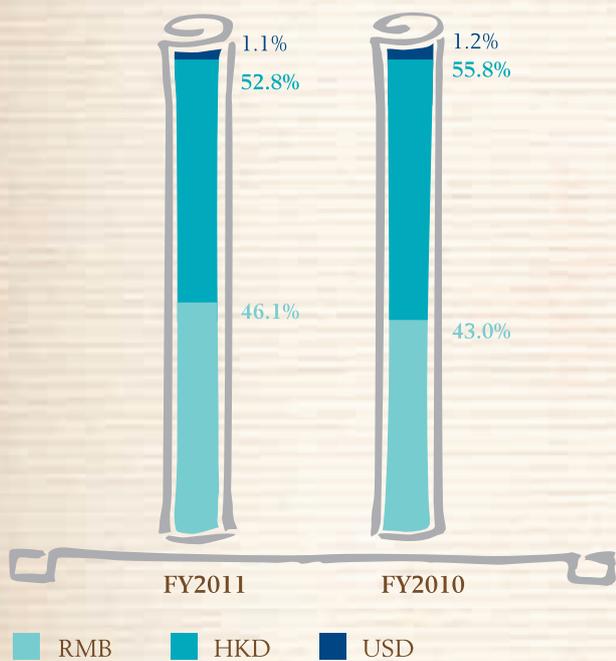
SOURCE OF BORROWINGS



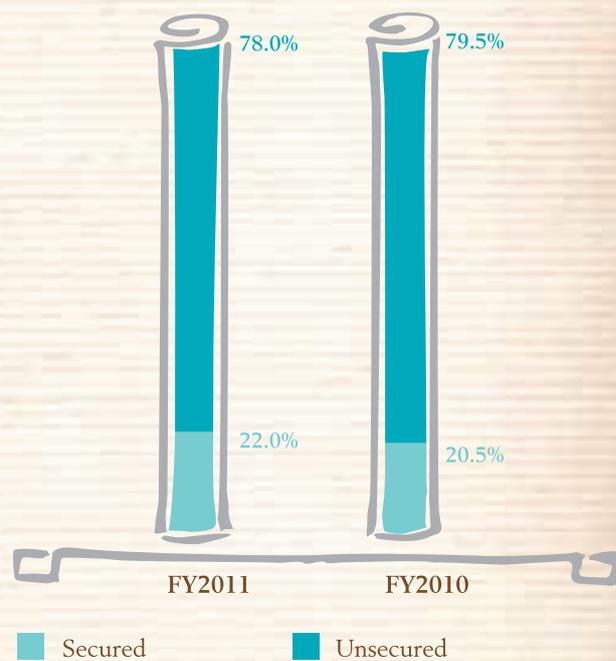
INTEREST RATE AND MATURITY PROFILE (HK'000)



CURRENCY PROFILE OF BORROWINGS



NATURE OF DEBT



Details of Charges on Group's Assets

As at 30th June 2011, the Group's property, plant and equipment, investment properties, land use rights, properties held for development, properties under development and bank deposits of HK\$461,162,000 (30th June 2010: HK\$461,243,000), HK\$4,527,171,000 (30th June 2010: HK\$3,475,598,000), HK\$239,538,000 (30th June 2010: HK\$231,909,000), HK\$1,067,140,000 (30th June 2010: HK\$732,443,000), HK\$2,395,669,000 (30th June 2010: HK\$4,217,853,000) and HK\$10,355,000 (30th June 2010: HK\$10,471,000) respectively have been pledged as securities for short term and long term bank borrowings.

Major Acquisition or Disposal

During the year under review, there was no major acquisition or disposal undertaken by the Group.

Employees and Remuneration Policy

As at 30th June 2011, the Group has 5,771 full-time employees. Total staff related costs incurred during the year under review were HK\$369.06 million (2010: HK\$289.25 million), of which retirement benefits were included. Remuneration of employees is reviewed annually based on assessment of individual performance. Discretionary year-end bonus was paid to employees based on individual performance.

Corporate Governance Report

The Board believes a good corporate governance practice can facilitate the Company in rapid growth under a healthy governance structure and strengthen the confidence of shareholders and investors. The Board will continue to improve the Company's corporate governance practices in response to changing business environment and regulatory requirements with the objective of achieving sustainable development, protecting shareholders' interest and enhancing shareholders' value.

The Company has complied throughout the year with the Code on Corporate Governance Practices ("the Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), except for the deviation with considered reason as explained below.

Directors and Board Practices

Composition and responsibilities

The Company is headed by the Board which currently comprises fourteen directors, including seven executive directors, four non-executive directors and three independent non-executive directors. The names, biographical details and relationship amongst them, if any, are set out on pages 81 to 87 of this annual report.

The Board, led by the Chairman, is collectively responsible for the management and operations of the Company. In particular, it is responsible for setting the business and strategic direction, financial performance of the Group and oversight of the management and is positioned to approve the interim and annual financial statements, annual budgets, business plans and other significant operational matters. The running of the day-to-day businesses of the Company is delegated by the Board to the management who is working under the leadership and supervision of the Managing Director and the Executive Committee to implement the policies laid down by the Board in connection with the conduct of the businesses of the Group.

Chairman and Managing Director

Dr. Cheng Kar-shun, Henry is the Chairman and Managing Director of the Company. In his dual capacity as Chairman and Managing Director, Dr. Cheng Kar-shun, Henry is responsible for effective running of the Board and formulating business strategies. He also provides leadership for effective running of the Company's business and implementing the policies devised by the Board.

The Code provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, the Board believes that Dr. Cheng Kar-shun, Henry, in his dual capacity as the Chairman and Managing Director, will provide strong and consistent leadership for the development of the Group.

Independent non-executive directors

Independent non-executive directors ("INED") have a significant role in the Board by virtue of their independent judgement and their views carry significant weight in the Board's decisions. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control, and take the lead where potential conflicts of interest arise.

During the year, the Company has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules regarding the appointment of sufficient number of INED and is having INED with relevant professional qualifications or accounting or relating financial management expertise. A written annual confirmation of independence was received from each of the INED pursuant to Rule 3.13 of the Listing Rules and the Company considers each of the INED to be independent.

Appointment of directors

The Board as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of directors, monitoring the succession planning of directors and assessing the independence of independent non-executive directors. No nomination committee has been established by the Company.

On 1st January 2011, Mr. Chow Yu-chun, Alexander, previously the executive director, was re-designated as a non-executive director of the Company.

In evaluating whether an appointee is suitable to act as a director, the Board will consider the experience, qualification and other relevant factors. An induction will be given to the newly appointed director to provide information regarding the businesses and operation of the Company as well as his/her responsibilities under the statutes, rules and regulations. The re-designation of director represented a change in the duties and responsibilities of the relevant director in the Company who will continue to scrutinise the Company's performance and bring in his knowledge and experience relevant to the business of the Company.

Rotation of directors

In accordance with the Company's articles of association, all directors are subject to retirement by rotation at least once every three years and each newly appointed director is subject to re-election by the shareholders at the first general meeting after his/her appointment. The names of directors who are eligible for re-election will be disclosed in the notice of the relevant general meetings and their biographical details will be provided in the accompanying circulars.

The Code provides that non-executive director should be appointed for a specific term, subject to re-election. In this regard, the Company entered into service contracts with the non-executive directors (including the independent non-executive directors) of the Company for a term of three years subject to retirement by rotation and re-election at least once every three years at the annual general meetings of the Company in accordance with the Company's articles of association.

Corporate Governance Report

Meetings

The Board meets regularly to discuss the overall strategy as well as the operation and financial performance of the Group. Matters which are material and may cause potential conflict of interest will be dealt with at board meetings instead of by way of circulation or by a committee. Directors may participate either in person or through electronic means of communications. Four full board meetings were convened in the year under review, these were regular board meetings for reviewing and approving the financial and operating performance of the Group. The attendance of each individual director at these board meetings is set out in the following table:

	Number of board meetings attended/held
Executive directors	
Dr. Cheng Kar-shun, Henry (Chairman)	4/4
Mr. Cheng Kar-shing, Peter	2/4
Mr. Cheng Chi-kong, Adrian	3/4
Miss Cheng Chi-man, Sonia	4/4
Mr. Cheng Chi-him, Conrad	4/4
Mr. Fong Shing-kwong, Michael	4/4
Ms. Ngan Man-ying, Lynda	4/4
Non-executive directors	
Mr. Doo Wai-hoi, William (Vice-Chairman)	4/4
Mr. Leung Chi-kin, Stewart	4/4
Mr. Chow Kwai-cheung	1/4
Mr. Chow Yu-chun, Alexander	4/4
Independent non-executive directors	
Dr. Cheng Wai-chee, Christopher	4/4
Mr. Tien Pei-chun, James	2/4
Mr. Lee Luen-wai, John	4/4

All directors are supplied with relevant materials relating to the matters brought before the meetings at least 3 days before the meetings to ensure that the directors are given sufficient review time. They have separate access to the senior management and the Company Secretary at all time and may seek independent professional advices at the Company's expense. All directors have the opportunity to include matters in the agenda for board meetings. Reasonable notices of board meetings are given to the directors and board procedures are compliant with the relevant rules and regulations. The proceedings of the board meetings are normally conducted by the chairman of the Board who ensures that sufficient time is allowed for discussion among the directors and equal opportunities are being given to the directors to express their views and share their concerns. All minutes of board meetings are kept by the Company Secretary and are open for inspection at any reasonable time by the directors. Minutes record in sufficient detail the matters considered by the Board and the decisions reached.

Board committees

The Board has set up three committees, namely, the Executive Committee, the Audit Committee and the Remuneration Committee to oversee various aspects of the Group's affairs.

(i) *Executive committee*

The Executive Committee serves as an executive arm of the Board in implementing the policies laid down by the Board and handling the day-to-day businesses of the Company. They are responsible for overseeing the management of the Company, considering issues regarding finance, investments, merger and acquisition, corporate governance and corporate communication matters. Members of the Executive Committee currently include Dr. Cheng Kar-shun, Henry as Chairman, Messrs. Doo Wai-hoi, William, Cheng Kar-shing, Peter, Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda as members, with the resignation of Mr. Chow Yu-chun, Alexander as a member with effect from 1st January 2011. Meetings of the Executive Committee are held frequently as and when required.

(ii) *Audit committee*

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process, internal controls and review of the Company's financial statements. The Audit Committee meets regularly with the Company's external auditors to discuss the audit process and accounting issues. Their written terms of reference are in line with the Code provision and are available on the Company's website.

Members of the audit committee comprise three INEDs including Dr. Cheng Wai-chee, Christopher as Chairman, Messrs. Tien Pei-chun, James and Lee Luen-wai, John, as members.

The Audit Committee met two times during the fiscal year. During the meetings, the Audit Committee has reviewed the audit plans, internal control procedures and financial reporting system. They have also considered the interim and final results of the Group for the fiscal year as well as the audit report prepared by the external auditors relating to accounting issues and major findings in course of audit. They have also reviewed with the management the internal audit report in respect of certain property projects of the Group. Full minutes of the meetings are kept and sent to all members of the Committee.

The attendance of individual member of the Audit Committee at the meetings is set out in the following table:

Members of Audit Committee	Number of meetings attended/held
Dr. Cheng Wai-chee, Christopher	2/2
Mr. Tien Pei-chun, James	2/2
Mr. Lee Luen-wai, John	2/2

Corporate Governance Report

(iii) Remuneration committee

The Remuneration Committee is responsible for making recommendations to the board on the Company's policy and structure for all remuneration of the directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy. Their written terms of reference are in line with the Code provision and are available on the Company's website.

Members of the Remuneration Committee comprise three INEDs and one executive director including Dr. Cheng Wai-chee, Christopher as Chairman, Messrs. Tien Pei-chun, James, Lee Luen-wai, John and Ms. Ngan Man-ying, Lynda as members. Mr. Chow Yu-chun, Alexander ceased to be a member of the Remuneration Committee and Ms. Ngan Man-ying, Lynda was appointed as an additional member of the Remuneration Committee, with effect from 1st January 2011.

The Remuneration Committee convened one meeting during the fiscal year. The members have reviewed the remuneration policy of the Company and made recommendation to the Board regarding the amount of directors' fees for the fiscal year. They have also considered and approved the salary packages to the Executive Directors and senior management of the Company by reference to their duties and responsibilities with the Company, prevailing market situation and the Company's performance.

The attendance of individual member of the Remuneration Committee at the meeting is set out in the following table:

Members of Remuneration Committee	Number of meetings attended/held
Dr. Cheng Wai-chee, Christopher	1/1
Mr. Tien Pei-chun, James	0/1
Mr. Lee Luen-wai, John	1/1
Mr. Chow Yu-chun, Alexander #	1/1
Ms. Ngan Man-ying, Lynda*	0/0

ceased to be a member on 1st January 2011

* appointed as a member on 1st January 2011

Remuneration of directors

In recognition of their services with the Company, directors are paid directors' fees annually with the approval of the shareholders of the Company. Monthly salaries are also paid to directors commensurable with their duties in the Group. To provide an opportunity for the directors to participate in the equity of the Company as well as to motivate them to optimise their performance, most directors have been granted share options to subscribe for shares of the Company under the share option schemes of the Company. In addition, all directors are covered by appropriate insurance on directors' liabilities from their risk exposure arising from the management of the Group.

Model code for securities transactions by directors and by relevant employees

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") in Appendix 10 of the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiries, all directors confirmed that they have complied with the standard set out in the Model Code, during the year under review.

The Company has established and adopted written guidelines, "Code for Securities Transactions by Relevant Employees and Officers", on no less exacting terms than the Model Code, for securities transactions by relevant employees and officers who are likely to be in possession of unpublished price-sensitive information of the Company.

Financial Reporting and Internal Control

Financial reporting

The Board, supported by the finance department, is responsible for the preparation of the financial statements of the Company and the Group. In preparing the financial statements, the generally accepted accounting standards in Hong Kong have been adopted together with the accounting standards issued by the Hong Kong Institute of Certified Public Accountants and appropriate accounting policies have been used and applied consistently.

The Board aims to present a clear, balanced and understandable assessment of the Group's performance in the annual and interim report to the shareholders, announcements and other financial disclosures. The annual and interim results are announced in a timely manner within the limits of 3 months and 2 months respectively after the end of the relevant periods.

The reporting responsibilities of PricewaterhouseCoopers, the Company's external auditor, are stated in the Independent Auditor's Report on pages 126 to 127 of this annual report.

Internal control system

The Board is responsible for internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensure the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance of applicable laws, rules and regulations. The procedures provide reasonable assurance against material errors, losses or fraud. The key procedures involved are as follows:

- (1) A defined organisational structure has been set up with clear line of responsibility and authority. Division heads are assigned to the property projects in the PRC on regional basis to oversee and control the operational and financial aspects of the projects. Systems are in place to review, approve, and administer contract works, capital expenditures, sales and rental arrangement of the property projects.
- (2) A comprehensive management accounting system has been adopted to provide financial and operational performance indicators to the management in a timely manner. Proper controls are in place for the recording and verification of accounting data to provide accurate and timely management information.
- (3) The financial results of the property projects are measured against the annual operational and financial targets. Variances against the budgets are analysed and explained to identify area of improvement and appropriate corrective actions to be taken.
- (4) Evaluation of the Group's internal control is conducted by the internal audit department on an on-going basis. The internal audit department performs risk-based audits to review the effectiveness of the Group's material internal controls so as to provide assurance that key business and operational risks are identified and managed. The work carried out by the internal audit department will ensure the internal controls are in place and functioning as intended. The internal audit department reports to the Board with its findings and makes recommendations to improve the internal control of the Group. The department also sent their reports to the Audit Committee for review and discussion.

During the course of audit performed by the external auditors, they will report on the weaknesses in the Group's internal control and accounting procedures which have come to their notice. Results of their finding and recommendations will be reported back to the Board through the Audit Committee which will monitor the corrective action to be taken.

The Board has also reviewed the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function and their training programmes and budget.

Corporate Governance Report

External auditors' remuneration

The external auditors' remuneration charged to consolidated income statement of the Group for the year ended 30th June 2011 amounted to HK\$12,036,000 of which a sum of HK\$7,739,000 was paid to PricewaterhouseCoopers for its auditing services and of HK\$787,000 for non-auditing services. The non-auditing services mainly consist of taxation, review and other reporting services.

Communication with Shareholders

The Company acknowledges the importance of communicating with shareholders, investors and the public. Various channels of communication have been established and maintained to ensure that they are kept abreast of the Company's latest news and development. Information relating to the Company's financial results, corporate details, notifiable transactions, property projects and major events are disseminated through publication of interim and annual report, announcements, circulars, press release and newsletters. These publications can also be obtained from the Company's website (www.nwcl.com.hk).

In addition, the Chairman, members of the Board and external auditor will attend the annual general meetings of the Company where the directors will answer questions raised by the shareholders on the performance of the Group. To ensure the general meetings are conducted in a fair and transparent manner, the Chairman has demanded voting by poll on each resolutions considered at the general meetings held in the past year and appointed the branch Share Registrars as the scrutineers to count the votes and explain to the shareholders at the meetings the procedures for voting by poll. The poll results were subsequently posted both on the websites of the Company and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

The Company also holds press and analysts conferences at least twice a year following the release of interim and full year results announcements at which the executive directors and senior management of the Group are available to answer questions regarding the performance of the Group. The Group has participated in a number of roadshows and meetings with investors and organised a number of site visits during the fiscal year 2011.

The Company is offering options to the shareholders and the non-registered shareholders to receive corporate communication of the Company by electronic means or in printed form. The Board believes that electronic means of communication will increase the efficiency in communication between the Company and the shareholders. The Company will review and improve the disclosure of information and effectiveness of communication with shareholders and the public from time to time.

Directors' Profile

Chairman and Managing Director

Dr. Cheng Kar-shun, Henry
GBS (Aged 64)



Dr. Cheng became the Chairman and Managing Director of New World China Land Limited in 1999. He is also a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Dr. Cheng is the Managing Director of New World Development Company Limited, a substantial shareholder of the Company, the Chairman of NWS Holdings Limited, the Chairman and Non-Executive Director of New World Department Store China Limited, the Chairman of International Entertainment Corporation as well as an Independent Non-Executive Director of HKR International Limited and a Non-Executive Director of Lifestyle International Holdings Limited, all being listed public companies in Hong Kong. He was also the Chairman of Taifook Securities Group Limited (now known as Haitong International Securities Group Limited), a listed public company in Hong Kong, up to his resignation on 13th January 2010. In addition, Dr. Cheng is the Managing Director of New World Hotels (Holdings) Limited and a Director of several substantial shareholders of the Company, namely Cheng Yu Tung Family (Holdings) Limited, Centennial Success Limited and Chow Tai Fook Enterprises Limited. He is the Chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of the People's Republic of China. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Dr. Cheng is the brother of Mr. Cheng Kar-shing, Peter, the brother-in-law of Mr. Doo Wai-hoi, William, the father of Mr. Cheng Chi-kong, Adrian and Miss Cheng Chi-man, Sonia, and the uncle of Mr. Cheng Chi-him, Conrad.

Vice-Chairman and Non-Executive Director

Mr. Doo Wai-hoi, William
JP (Aged 67)



Mr. Doo was appointed an Executive Director of New World China Land Limited in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 8th January 2010. He is the Vice-Chairman of the Company, a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Mr. Doo is currently the Deputy Chairman and Non-Executive Director of NWS Holdings Limited, an Executive Director of Lifestyle International Holdings Limited and an Independent Non-Executive Director of The Bank of East Asia, Limited and Shanghai Industrial Urban Development Group Limited, all being listed public companies in Hong Kong. He was also the Vice-Chairman of Taifook Securities Group Limited (now known as Haitong International Securities Group Limited), a listed public company in Hong Kong, up to his resignation on 13th January 2010. He is also a Director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. Mr. Doo has been serving as a Governor of the Canadian Chamber of Commerce in Hong Kong since 1995. In addition, he is a Member of the Standing Committee of the Eleventh Chinese People's Political Consultative Conference in Shanghai, and the Convener of the Shanghai Committee in Hong Kong and Macau. In 2005, he was appointed as the Honorary Consul of the Kingdom of Morocco in Hong Kong. In 2009, he was awarded the Chevalier de la Légion d'Honneur by the Republic of France. Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter, and the uncle of Mr. Cheng Chi-kong, Adrian, Miss Cheng Chi-man, Sonia and Mr. Cheng Chi-him, Conrad.

Directors' Profile



Executive Director

Mr. Cheng Kar-shing, Peter

(Aged 59)

Mr. Cheng was appointed an Executive Director of New World China Land Limited in June 1999. He is also a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Mr. Cheng also acts as a Non-Executive Director of New World Development Company Limited, a substantial shareholder of the Company, and an Independent Non-Executive Director of King Fook Holdings Limited and Symphony Holdings Limited, all being listed public companies in Hong Kong. In addition, he is a Director of several substantial shareholders of the Company, namely Cheng Yu Tung Family (Holdings) Limited, Centennial Success Limited and Chow Tai Fook Enterprises Limited, and a Director of NWS Service Management Limited, New World Hotels (Holdings) Limited and Polytown Company Limited. Mr. Cheng is a Fellow of The Hong Kong Institution of Engineers, a Fellow of The Hong Kong Institute of Arbitrators, an Accredited Mediator of Hong Kong Mediation Centre, a CEDR Accredited Mediator, HKIAC Accredited Mediator (General) and a panel mediator of Land (Compulsory Sale For Redevelopment) Ordinance Pilot Mediation Scheme of The Joint Mediation Helpline Office. He is the brother of Dr. Cheng Kar-shun, Henry, the brother-in-law of Mr. Doo Wai-hoi, William, the father of Mr. Cheng Chi-him, Conrad as well as the uncle of Mr. Cheng Chi-kong, Adrian and Miss Cheng Chi-man, Sonia.



Executive Director

Mr. Cheng Chi-kong, Adrian

(Aged 31)

Mr. Cheng was appointed an Executive Director of New World China Land Limited in March 2007. He is also a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Mr. Cheng is also an Executive Director of New World Development Company Limited, a substantial shareholder of the Company, New World Department Store China Limited and International Entertainment Corporation, all being listed public companies in Hong Kong. In addition, he is a Director of Centennial Success Limited and Chow Tai Fook Enterprises Limited, both substantial shareholders of the Company. Mr. Cheng has worked in a major international bank prior to joining the New World Group in September 2006 and has substantial experience in corporate finance. Mr. Cheng holds a Bachelor of Arts Degree (*Cum Laude*) from Harvard University. He is the Vice-Chairman of All-China Youth Federation, a Member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, a Consultant of the Beijing Municipal Committee of The Chinese People's Political Consultative Conference, the Chairman of China Young Leaders Foundation and the Honorary Chairman of Fundraising Committee, Wu Zhi Qiao (Bridge to China) Charitable Foundation. Mr. Cheng is the son of Dr. Cheng Kar-shun, Henry, the nephew of both Mr. Doo Wai-hoi, William and Mr. Cheng Kar-shing, Peter. He is also the brother of Miss Cheng Chi-man, Sonia and the cousin of Mr. Cheng Chi-him, Conrad.

Executive Director**Miss Cheng Chi-man, Sonia**
(Aged 30)

Miss Cheng was appointed an Executive Director of New World China Land Limited in January 2010. She joined the Group in February 2009 as Executive Vice Chairman of New World Hotel Management Limited (“NWHM”), a wholly-owned subsidiary of the Company, and is responsible for overseeing the Company’s hotel operations. She has been appointed the Chairman of NWHM with effect from 1st January 2011. She is currently a director of certain subsidiaries of the Company. Before joining the Group, she had worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Miss Cheng holds a Bachelor of Arts Degree in Applied Mathematics with concentration in Economics from Harvard University in U.S.A.. She is the daughter of Dr. Cheng Kar-shun, Henry, the niece of both Mr. Doo Wai-hoi, William and Mr. Cheng Kar-shing, Peter. She is also the sister of Mr. Cheng Chi-kong, Adrian and the cousin of Mr. Cheng Chi-him, Conrad.

Executive Director**Mr. Cheng Chi-him, Conrad**
(Aged 32)

Mr. Cheng was appointed an Executive Director of New World China Land Limited in January 2010. He graduated from University of Toronto in Canada with a Bachelor of Arts Degree in Statistics and has been specialising in project management of property projects in China since 2005. He is currently an executive director of International Entertainment Corporation, a listed public company in Hong Kong. He was also an Executive Director of New Times Energy Corporation Limited (formerly known as New Times Group Holdings Limited), a listed public company in Hong Kong, from 5th February 2008 to 19th October 2009. He is the son of Mr. Cheng Kar-shing, Peter, the nephew of both Dr. Cheng Kar-shun, Henry and Mr. Doo Wai-hoi, William. He is also the cousin of Mr. Cheng Chi-kong, Adrian and Miss Cheng Chi-man, Sonia.

Directors' Profile



Non-Executive Director

Mr. Leung Chi-kin, Stewart
(Aged 72)

Mr. Leung was appointed an Executive Director of New World China Land Limited in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 8th January 2010. He is a Non-Executive Director and the Principal Adviser of New World Development Company Limited (a listed public company in Hong Kong and a substantial shareholder of the Company) upon re-designation from Executive Director on 1st January 2011. He also acts as the Chairman of the Executive Committee of The Real Estate Developers Association of Hong Kong and is a member of the General Committee of The Chamber of Hong Kong Listed Companies.



Non-Executive Director

Mr. Chow Kwai-cheung
(Aged 69)

Mr. Chow was appointed an Executive Director of New World China Land Limited in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 8th January 2010. He is currently a Non-Executive Director of New World Development Company Limited, a listed public company in Hong Kong and a substantial shareholder of the Company. He is also a Director of Golden Land Property Development Public Company Limited, a public listed company in Thailand, and a Director of Hip Hing Construction Company Limited. Mr. Chow joined the New World Group in 1971 and has over 40 years experience in property development and investment businesses.

Non-Executive Director**Mr. Chow Yu-chun, Alexander**
(Aged 64)

Mr. Chow was appointed an Executive Director of New World China Land Limited in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 1st January 2011. Mr. Chow joined the New World Group in 1973 and was responsible for the financial operations of the Company and the New World Group prior to his re-designation as a Non-Executive Director of the Company. He is currently an Independent Non-Executive Director of Playmates Toys Limited, Top Form International Limited and China Strategic Holdings Limited, all being listed public companies in Hong Kong. He is a fellow of the Association of Chartered Certified Accountants (UK) and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and has over 30 years of experience in property development and investment in Hong Kong.

Executive Director**Mr. Fong Shing-kwong, Michael**
(Aged 63)

Mr. Fong was appointed an Executive Director of New World China Land Limited in January 2003. He is also a director of certain subsidiaries of the Company. Mr. Fong is an Independent Non-Executive Director of Chuang's Consortium International Limited, a listed public company in Hong Kong, and a Director of several unlisted companies, including NWS Service Management Limited, New World Hotels (Holdings) Limited and Kiu Lok Property Services (China) Ltd.. Mr. Fong joined the New World Group in 1978 and was appointed an Executive Director of New World Hotels International Limited from 1983 to 1997. He is responsible for hotel corporate management and project development of the Company and the New World Group. Besides his over 30 years experience in the hospitality industry, Mr. Fong has extensive experience in property development, asset & facility management and investment business in the PRC.

Directors' Profile



Executive Director

Ms. Ngan Man-ying, Lynda
(Aged 45)

Ms. Ngan was appointed an Executive Director of New World China Land Limited in January 2006. She is also a member of the Executive Committee and the Remuneration Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Ms. Ngan is an Executive Director of New World Department Store China Limited, a listed public company in Hong Kong. Ms. Ngan joined the Group in 1999 and is the Financial Controller and a committee member of the Group's Operation Committee responsible for overseeing the Group's financial accounting, treasury management and corporate governance monitoring. Prior to joining the Company, Ms. Ngan worked for an international accounting firm in Hong Kong and a tax consulting company in Australia. Ms. Ngan is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of United Kingdom and has over 24 years of experience in auditing, accounting, business advisory and tax consultancy. Ms. Ngan is the Company Secretary of New World China Land Limited.



Independent Non-Executive Director

Dr. Cheng Wai-chee, Christopher
GBS OBE JP (Aged 63)

Dr. Cheng was appointed an Independent Non-Executive Director of New World China Land Limited in June 1999. He also acts as the Chairman of the Audit Committee and the Remuneration Committee of the Board of Directors of the Company. Dr. Cheng is the Chairman of Wing Tai Properties Limited (formerly known as USI Holdings Limited) and Winsor Properties Holdings Limited. He is an Independent Non-Executive Director of NWS Holdings Limited and Kingboard Chemical Holdings Limited, all being listed public companies in Hong Kong, and an Independent Non-Executive Director of DBS Group Holdings Limited, a listed public company in Singapore. He is also a Non-Executive Director of Eagle Asset Management (CP) Limited (as manager of Champion Real Estate Investment Trust). He was an Independent Non-Executive Director of PICC Property and Casualty Company Limited, a listed public company in Hong Kong, up to his resignation on 23rd October 2009.

Dr. Cheng has a keen interest in the public services. He is currently the Chairman of the Governance Committee of the Hong Kong Government Exchange Fund Advisory Committee, a member of the Council of The University of Hong Kong and a steward of the Hong Kong Jockey Club. He also serves as a member of the board of Overseers at Columbia Business School, the board of Temasek Foundation CLG Limited, and a member on the President's Council on International Activities of the Yale University. Dr. Cheng is the former Chairman of the Hong Kong General Chamber of Commerce. Dr. Cheng holds a BBA from the University of Notre Dame, Indiana, USA, and an MBA from Columbia University, New York and was conferred the degree of Doctor of Social Sciences *honoris causa* by the University of Hong Kong.

Independent Non-Executive Director

Mr. Tien Pei-chun, James
GBS JP (Aged 64)



Mr. Tien was appointed an Independent Non-Executive Director of New World China Land Limited in June 1999. He is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company. Mr. Tien is Chairman of Manhattan Holdings Ltd., Manhattan Garments (International) Ltd., Manhattan Realty Ltd. and director of a number of private companies. Mr. Tien is also an Independent Non-Executive Director of Yeebo (International Holdings) Limited, a listed public company in Hong Kong. A legislative councillor from 1988 to 1991 and from 1993 to 2008, Mr. Tien is very active in the community and serves on government committees as well as non-government boards in Hong Kong. He is Chairman of the Hong Kong Tourism Board and a member of the Chinese People's Political Consultative Conference. Mr. Tien also serves as a member of the Hong Kong Trade Development Council, sits on the general committee of the Hong Kong General Chamber of Commerce and is a court member of the Hong Kong Polytechnic University.

Independent Non-Executive Director

Mr. Lee Luen-wai, John
BBS JP (Aged 62)



Mr. Lee was appointed an Independent Non-Executive Director of New World China Land Limited in December 2004. He is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company. Mr. Lee is the Managing Director and the Chief Executive Officer of Lippo Limited, an Executive Director and the Chief Executive Officer of both Lippo China Resources Limited and Hongkong Chinese Limited, and an Independent Non-Executive Director of New World Development Company Limited, a substantial shareholder of the Company, all being listed public companies in Hong Kong. He is also a Non-Executive Director of Export & Industry Bank, Inc., a listed company in the Republic of Philippines. He was a Non-Executive Director of Medco Holdings, Inc., a listed company in the Republic of Philippines, up to his resignation on 23rd July 2009. On 12th November 2010, Mr. Lee was appointed as a Non-Executive Director of Asia Now Resources Corporation, a listed public company in Canada. Mr. Lee is a Fellow Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and an Associate Member of The Institute of Chartered Accountants in England and Wales. He was a partner of Pricewaterhouse in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region in July 2011. He is an Honorary Fellow of the City University of Hong Kong. He serves as a member on a number of Hong Kong Government Boards and Committees including a member of the Hospital Authority and the Chairman of its Finance Committee. He is also the Chairman and the Trustee of the Hospital Authority Provident Fund Scheme as well as the Chairman of the Queen Elizabeth Hospital Governing Committee. In addition, Mr. Lee serves as a member of Non-local Higher and Professional Education Appeal Board.

Senior Management Profile



LEE Steward

(Aged 43)

Mr. Lee is a Deputy Regional Chief Executive of the Group. He is primarily responsible for assisting Mr. Wingo Chan in supervising the Group's projects in Beijing, Tianjin, Jinan, Tangshan and Langfang. Mr. Lee has worked for projects in regions such as Shenyang, Haikou, Guangzhou and Guiyang, and has more than 15 years of experience in property development in the PRC. Mr. Lee holds a Bachelor Degree in Accounting granted by Melbourne University, Australia and is an associate member of CPA (Aust) of CPA Australia and an associate member of The Association of International Accountants (AIA). Mr. Lee had once joined the New World Group in 1996. He has worked with the Group for more than 11 years.

WONG Siu-man, Simon

(Aged 42)

Mr. Wong is a Deputy Regional Chief Executive of the Group, responsible for projects in Central China. Mr. Wong graduated from the University of Hong Kong majoring in business administration. He possesses more than 15 years of working experience in the property development sector in the PRC. Mr. Wong joined the New World Group in 1996.

CHAN Chi-wing, Wingo

(Aged 49)

Mr. Chan is a Regional Chief Executive of the Group who primarily oversees the Group's projects in Beijing, Tianjin, Jinan, Tangshan and Langfang. Mr. Chan has more than 20 years experience in real estate development in Hong Kong and the PRC. Besides an honour degree in Architectural Studies from the University of Hong Kong, Mr. Chan has MBA, LLB (Hon) and LLM degrees. He has also been called to the Bar in England and Wales. Mr. Chan had once joined the New World Group in 1986. He has worked with the Group for more than 13 years.

FAN Chor-kwok, Ambrose

(Aged 67)

Mr. Fan is an Assistant General Manager and Regional Director – Central China of the Group, whose primary responsibility is to oversee the Group's projects in Central China including Wuhan and Changsha. Mr. Fan graduated from the University of Hong Kong with a Bachelor Degree in Architecture and the University of Toronto with a Master Degree in Business Administration. Mr. Fan is a Registered Architect in Hong Kong, Member of The Royal Architectural Institute of Canada and The Hong Kong Institute of Architects. Mr. Fan has more than 40

years of experience in architecture, project management and property development and has held a number of senior positions in international consulting firms, property development companies and financial institutions. Mr. Fan joined the New World Group in 1992, was appointed as a Director of New World Project Management Limited in 1993, Assistant General Manager of New World Development (China) Limited in September 1997 and Regional Director – Central China of New World China Land Limited in 2008.

GENG Shu-sen, Kenneth

(Aged 48)

Mr. Geng is a Regional Director – Southern China of the Group who primarily oversees the Group's projects in Guangdong (include Guangzhou, Foshan, Zhuhai, Huizhou, Zhaoqing), Hainan and Guiyang. Mr. Geng holds Bachelor and Master Degrees in Science and is also a certified engineer in both the PRC and Australia. Mr. Geng has over 20 years of experience in real estate development in Hong Kong and the PRC. Mr. Geng is the Committee Member of the 10th Chinese People's Political Consultative Conference of Guangdong, the 11th Chinese People's Political Consultative Conference of Guangzhou, Routine Vice-chairman of Guangzhou Overseas Friendship Association, the fourth batch of Most Honoured Citizens of Zhaoqing. Mr. Geng joined the Group in 1999.

LAU Chung-chun, Desmond

(Aged 64)

Mr. Lau is a Regional Chief Executive of the Group who primarily oversees the Group's projects in Shenyang and Anshan. Mr. Lau has over 20 years of experience in real estate development in Hong Kong and the PRC. Mr. Lau is a Model Worker of the City of Shenyang, an Honorary Citizen of the City of Shenyang, Vice-chairman of the Shenyang Real Estate Development Association, Committee Member of the 10th, 11th and 12th Chinese People's Political Consultative Conference of Shenyang, Standing Committee Member of the 13th Chinese People's Political Consultative Conference of Shenyang, Convenor (Shenyang Region) of Hong Kong CPPCC (Provincial) Members, Vice Chairman of the Membership Committee of Hong Kong CPPCC (Provincial) Members Association and Convenor (Shenyang Region) of Hong Kong CPPCC (Provincial) Members Association, Vice-chairman of the Overseas Chinese Congress in Liaoning Province and Vice-chairman of the Liaoning Real Estate Association. Mr. Lau joined the Group in 1996.

WONG See-yuen

(Aged 55)

Mr. Wong is a Regional Chief Executive of the Group who primarily oversees the Group's project in Chengdu. Mr. Wong holds a Bachelor Degree in Construction Management from Pacific Southern University and Master Degree in Business Administration from Seattle International University. Mr. Wong has over 28 years of experience in real estate management, leasing and project development and management of various projects in Hong Kong. Mr. Wong is the Vice-Chairman of Chengdu Association of Enterprises with Foreign Investment and The House and Real Estate Association of Chengdu. Mr. Wong joined the New World Group in 2002.

WAN Cho-kei, Rick

(Aged 54)

Mr. Wan is a Regional Chief Executive of the Group who primarily oversees the Group's projects in Guiyang. Mr. Wan has more than 20 years of experience in Real Estate Development and Facility Management in Singapore, South East Asia, and the PRC. Mr. Wan holds BSEE degree from the University of Hawaii of the United States, and he also holds Graduate Diploma in Business Administration in Singapore. Prior to joining the Group in 2011, Mr. Wan has worked for a few US, Singaporean, and Hong Kong listed companies.

CHAN Yiu-ho, Benny

(Aged 39)

Mr. Chan is a Deputy Regional Chief Executive of the Group who primarily assists Mr. Desmond Lau in overseeing the Group's projects in Shenyang. Mr. Chan holds a Bachelor Degree in Business Administration from the Chinese University of Hong Kong, and has over 10 years of experience in real estate development in the PRC. Prior to joining the Group, Mr. Chan worked for an international accounting firm in Hong Kong. Mr. Chan is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom.

Corporate Citizenship

Summary

During the past year, leveraging upon the overall development of the industry, NWCL facilitated research and exploration on low-carbon environmental products and designs. We also expressed our care for the large group of underprivileged construction workers by taking an active role in providing guidance to them, helping them to integrate into urban life and ensuring a sound working and living environment for those frontline construction workers. These initiatives could in turn contribute positively to the reliable quality in our construction products and properties.

As a city builder, NWCL has always been committed to its ongoing mission of maintaining the soundness of community environment and creating harmonious communities. We have worked together with various NGOs to explore the different aspects of living within the communities developed by the Group. Not only has it helped to establish a community exchange platform for everybody, but also introduced and promoted positive concepts such as energy-saving and low-carbon living as well as love and care amongst neighbourhood within the communities developed by the Group and the public at large, through the Group's employee voluntary services.

1 Community Recognition

NWCL garnered "2010 China Best Corporate Citizen Award"

On 3rd December 2010, NWCL garnered "2010 Best Corporate Citizen Award" at the ceremony of "The Seventh China Best Corporate Citizen Appraisal" initiated and hosted by 21st Century Business Herald and 21st Century Business Review of 21st Century, the national business media organisation. The Group is the only Hong Kong enterprise among the 30 domestic and international winners. It is the fourth time for NWCL to win this honorable title. The judging panel highly recognised NWCL's efforts in various aspects of corporate citizenship, persistence in managing good and harmonious communities, initiatives of energy-saving, low carbon drives and other environmental protection. What's more, as a rational city builder, NWCL's attention to local needs was also appreciated.

NWCL (Southern China) Clinched Award in the 13th "Real Estate Oscar"

On 25th March 2011, the results for the 13th "Real Estate Oscar" held by the Nanfang Media Group were released in Guangzhou. NWCL (Southern China) clinched the title of 2010 "Top 10 China Real Estate Enterprise (Southern China)". NWCL (Southern China) was highly regarded by the judging panel in terms of property development, management and services as well as corporate social responsibilities.



2 Philanthropy and Charitable Giving

NWCL (Southern China) held “Healthy New Life” Christmas charity race

On 25th December 2010, the “Healthy New Life” Guangzhou Christmas charity race, jointly hosted by NWCL (Southern China) and Guangzhou Charity Federation, was grandly held at the Canton Place of Guangzhou Central Park-view, raising more than RMB20,000 in total for the Charity Federation and those children with cancer in Guangzhou.

NWCL (Shanghai) donated to families in need

On 8th January 2011, the commendation ceremony of the first session of “Charity Star” of Luwan District and charitable fund-raising event hosted by Shanghai Charity Foundation Luwan Branch, the promotion department of district committee and Office of the Committee for Construction of Spiritual Civilisation was held at Luwan Youth Activity Centre theatre. NWCL (Shanghai) donated RMB100,000 to subsidise the living of those local families in financial difficulties.

NWCL (Shanghai) donated to Luwan (Shanghai) Red Cross

On 14th February and 19th May 2011, NWCL (Shanghai) donated over RMB30,000 and RMB50,000 respectively to Luwan (Shanghai) Red Cross, for subsidising charitable medical projects such as the purchase of cochlear implants for disabled children and hematopoietic stem cell transplantation for poor people, improving situation of the most vulnerable group and developing community services in humanitarian aspects.

3 Community Services and Employee Volunteering

New World Volunteer Teams visited the elderly

On 19th September 2010, Chengdu New World Volunteer Team visited the elderly at Longquan Xiangfu Senile Centre and brought them moon cakes, blankets and bed quilts, as well as warm greetings of the Mid-Autumn Festival. On 26th November 2010, 26 members of the Shunde New World Volunteer Team went to Shunde Fengcheng Seniors’ Home to visit 218 elderly people, bringing them hand-made neckerchiefs and daily necessities. On 27th February 2011, Guangzhou New World Volunteer Team paid a visit to the elderly in Qiaoyi Nursing Home in Tianhe District of Guangzhou, bringing them a well-prepared performance and re-painting the gate of the Nursing Home.

Shenyang New World Volunteer Team co-organised the “Third Shengjing Disabled Children Sports Game”

On 16th October 2010, the “Third Shengjing Disabled Children Sports Game” was held at Shenyang International School. Despite the freezing weather, 31 members of Shenyang New World Volunteer Team assisted in the preparation, organisation and hosting of the Game, showing care for the healthy upbringing of disabled children. This sports game included 20 competition items participated by over 150 children including both disabled and healthy ones. The volunteers contributing their hard work hoped that disabled children enjoyed the fun of sports from the game.



Corporate Citizenship

Guangzhou New World Volunteer Team volunteered for the opening ceremony of the Asian Games

On 12th November 2010, 63 members of Guangzhou New World Volunteer Team volunteered for the 16th Asian Games by participating in the rehearsal of the opening ceremony and providing voluntary services such as maintain order and road guide for the opening ceremony for 12 hours, contributing to the success of Guangzhou Asian Games.

Shenyang and Anshan New World Volunteer Teams cared for the children with Autism

On 4th December 2010, 12 volunteers from Shenyang and Anshan New World Volunteer Teams held the charity event of "Warm Winter with Hand Painting" in Anshan Angel Wings Training Centre for Children with Autism. Volunteers led the children with autism to participate in activities like colouring, origami and dough molding, bringing love and care to them. On 2nd April 2011, World Autism Awareness Day, Anshan New World Volunteer Team carried out promotional activities named "Love in New World Warms Lonely Hearts" at Anshan New World Plaza in collaboration with Anshan Disabled Persons' Federation and Angel Wings. Dozens of NWCL volunteers distributed leaflets and handled enquiries on autism, aiming to enhance people's understanding of the inner world of autistic children and raising the community's care for them.

Shenyang New World Volunteer Team showed love for sick and disabled small animals

On the China Youth Volunteer Day on 6th March 2011, Shenyang and Anshan New World Volunteer Teams paid a visit to Shenyang Wildlife Rescue and Rehabilitation Centre and launched the "Protect Animals and Coexist Harmoniously" activity which gave care for sick and disabled small animals. The volunteers assisted staff from the Centre in removing weeds in animal stocking area and feeding the animals. They also donated corn powder as well as animal supplies and medicines to the Centre.

NWCL (Guangzhou) held "Exploring a Beautiful Guangzhou" activities for the community

For three consecutive Sundays from 10th to 24th April 2011, Guangzhou New World Volunteer Team successfully launched a series of activities named "Exploring a Beautiful Guangzhou" in its community. 250 members from the communities of Central Park-view, New World Oriental Garden, Covent Garden, Park Paradise and Fengyuan Street as well as Guangzhou New World Volunteer Team visited cultural scenic spots and new buildings in Guangzhou, appreciating the latest changes in Guangzhou and exploring the beauty of it.



Chengdu New World Volunteer Team organised “Sign Language Training”

On 22nd May 2011, Chengdu New World Volunteer Team organised “Sign Language Training” with Young Men’s Christian Association of Chengdu and Young Women’s Christian Association of Chengdu. Teachers from the Disabled Persons’ Federation were invited to teach sign language for daily communications. The volunteers and young members of the Federation interacted actively during the training, with an aim to strengthen service skills of the volunteers and develop a wider scope of voluntary services in future.

Chengdu New World Volunteer Team organised Chengdu visit for the poverty-stricken children

From 28th to 29th May 2011, Chengdu New World Volunteer Team, together with members from Chow Tai Fook Jewellery, brought 30 children from the primary school in the poverty-stricken Bazhong Village to spend the June 1st Children’s Day in Chengdu together. Chengdu New World Volunteer Team led the teachers and students to visit the Polar Ocean Park and join the “Small Painters, Great Dreams” drawing competition at the marketing centre of Chengdu Riverside.

Chengdu New World Volunteer Team invited orphans to visit the Aquarium

Approaching 2011 Father’s Day, in order to bring the warmth of fathers’ love to those children who lost their parents in Sichuan massive earthquake, Chengdu New World Volunteer Team invited 67 earthquake orphans from Shuangliu Ankang Jiayuan to visit Chengdu Polar Ocean World, bringing them love and happiness.

Shenyang and Anshan New World Volunteer Teams assisted in the organisation of the “Fourth Shengjing Disabled Children Sports Game”

On 25th June 2011, the “Fourth Shengjing Disabled Children Sports Game” was held at Shenyang Chao Yang Jie Primary School. 18 members of Shenyang and Anshan New World Volunteer Teams assisted in the preliminary planning, hosting and organisation of the Game. The Game contained 20 competition items involving over 150 disabled and healthy children. The Game aimed at allowing the disabled children to communicate with other children, build up their confidence, and experience the happiness of sports.



Corporate Citizenship

4 Community Environmental Impact due to Operation

Renovation for LEED Gold Certification of Wuhan New World International Trade Tower and Wuhan New World Centre

In February 2011, Wuhan New World International Trade Tower, Wuhan New World Centre and AECOM Hong Kong, a consulting company, joined hands to work for the LEED Gold Certification. New World International Trade Tower and New World Centre are expected to complete the certification in February and May 2012 respectively. Pursuant to certification requirements and taking into account the current project status, there will be 18 renovation items for energy-saving and emission reduction at New World International Trade Tower and 12 at New World Centre. Upon completion and commencement of operation, total electricity reduction is estimated to be approximately 1,090,000 kWh per year (equivalent to approximately RMB1.01 million) while carbon reduction is estimated to be approximately 1,086 tonnes per year.

Chengdu New World Riverside sets up the First Intelligent Community with FTTH in Sichuan

In June 2011, Chengdu New World Riverside was chosen as the first intelligent community with fibre to the home (FTTH) in Sichuan. The Project covers seven blocks of residential buildings with 1,258 units in total, integrating advanced technologies, such as collection of power consumption information, EPON optical communication, electric vehicles charger and intelligent home, etc. Latest energy-saving facilities such as optical fibre low-voltage cable, intelligent electricity metre, intelligent interactive terminal, and the electric vehicles chargers were also installed in the Project, enhancing the efficiency of low carbon and energy conservation and guiding the future constructions of intelligent community.

企業公民



5 Community Environmental Campaign

Shenyang New World Garden held “Low Carbon Environmental Protection for a Green New World”

On 7th August 2010, the activity called “Low Carbon Environmental Protection for a Green New World” was held at Shenyang New World Garden Phase II—Hui Jing Xin Shi Jie. On the same occasion, the handover ceremony of “Recycling of 30,000 used batteries” was held. The used batteries were collected by Shenyang New World Volunteer Team and passed to the recycling entities appointed by the Liaoning Province.

NWCL Club held “Green Field Experience Day” in Beijing

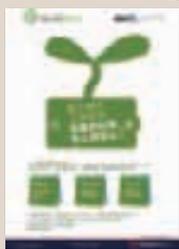
On 18th September 2010, members of the Beijing NWCL Club held the activity named “Green Field Experience — Beautiful Village with Happy Farmers”, encouraging club members to experience the rural life. The activity took place at the Liumingying Green Base in Daxing District in Beijing. 320 club members participated in activities including peanut-picking, tasting of rural dishes and organic vegetable-picking, experiencing the environment-friendly pastoral life.

The Pinnacle Apartment, Dalian held year-end parent-child activity

On 24th December 2010, the Pinnacle Apartment, Dalian joined hands with KindyROO International Early Childhood Education, Dalian to hold the “Sweet and Fantastic Christmas Party Night”, a large-scale year-end parent-child activity. The theme for the activity was low carbon and environmental protection, during which children used paper cups to build a big Christmas tree on a desert, turning the desert picture into a green one. Green messages of the reduced use of plastics bags and recycling of used items were conveyed to children through various fun and educational activities, cultivating and instilling their awareness of environmental protection.

NWCL (Wuhan) launched “Environmental Talent Show”

On 4th March 2011, NWCL (Wuhan) and New World Hengda Project together with Dachu Web launched “Dachu-New World Environmental Talent Show”, inviting Wuhan citizens to show their green attitudes and share their green stories in the Dachu Web and the Tencent WBlog. The “Environmental Talent Show” lasted from 4th March to 14th May and environmental stars were selected to shoot a 3D environmental film to promote environmental protection, calling for the Wuhan citizens to adopt an environmental-friendly lifestyle.



Corporate Citizenship

NWCL (Southern China) launched “New World Green Community” environmental campaign

In March 2011, NWCL (Southern China) launched a series of environmental activities in communities where NWCL operates, such as Guangzhou, Huizhou, Zhaoqing, Zhuhai, Foshan, Haikou and Guiyang. The series of activities included “The Diary for the Growth of Seeds”, green seminars, Earth Hour and New World Happy Farm, etc. Families from communities and property owners of NWCL Club were invited to participate. The campaign aimed at encouraging property owners to live a low carbon lifestyle through the experience and timely recording of planting edible crops at home and in their community.

NWCL Supported “Earth Hour” for three consecutive years

On 26th March 2011, NWCL continued to fully support the “Earth Hour” campaign of WWF and turned off light together with over 100 million people across the world for one hour at half past eight in the evening, showing its determination and commitment towards low carbon and environmental protection.

In the evening of the event, all property projects located in 20 cities under NWCL jointly participated in this event, including landmark properties like Beijing New World Centre, Dalian New World Plaza, Shanghai Hong Kong New World Tower, and Tianjin Xin An New World Plaza. In addition to turning off lights of the commercial properties and neon lights for an hour, NWCL also called on its employees and 70,000 property owners to participate in this event in their residence and called for implementing low-carbon life in their daily practice.

6 Education Sponsorship

Shenyang New World Volunteer Team assisted in Sunshine Student Activity

Shenyang New World Volunteer Team has assisted Shenyang Evening News in the Sunshine Student Activity since late July 2010. During the one-month long household interview, Shenyang New World Volunteer Team visited a total of 52 poor families. The results of the interview served as an important guideline in giving out subsidies to students. At the ceremony on 23rd August, Shenyang Evening News gave a subsidy of RMB5,000 to each student with proven financial difficulties as verified by Shenyang New World Volunteer Team.



7 Partnership with Organisation

Training of migrant workers at construction sites of NWCL

Following the training for workers at construction sites in Guangzhou, NWCL, in cooperation with the Institute of Contemporary Observation (“ICO”), continued to provide quality training to migrant workers of projects under construction in other regions in the second half of 2010. The training was conducted in Guiyang Jinyang Sunny Town, Chengdu New World Riverside, Wuhan Changqing Garden, Wuhan Guanggu New World Centre and Changsha La Ville New World. Over 800 migrant workers participated in the training, with an aim to raise workers’ awareness in laws, rights and citizenship and to help them adapt to the life in cities. NWCL also gave away daily necessities to participating workers as encouragement.

Since early 2010, the Group has conducted training in the projects under construction in various regions, with an accumulated worker participants of 1,500.

“NWCL Green Community, Islibrary” opened at Guangzhou Park Paradise

On 23rd April 2011, “NWCL Green Community, Islibrary” at Guangzhou Park Paradise formally opened to the public. The library has received over 400 books and magazines donated by people from all sectors of community. It is operated and managed by volunteers from Chuangxiang Association of Guangzhou University of Foreign Studies. These volunteers carry out a series of community activities, building a new communication platform for community life. “NWCL Green Community, Islibrary” is a library project introduced to the mature residential community by NWCL in joint effort with City Pictorial and iFAIR China Fair Trade Centre since 2010. Apart from Beijing and Guangzhou, it is expected to be introduced to other cities such as Shenyang, Wuhan and Changsha in future.

South China’s first international charity flea market kicked off in The Canton Place

Focusing on charity, South China’s first international charity flea market “Canton Market by GIVES” was grandly launched at The Canton Place Plaza in Guangzhou Central Park-view by GIVES, The Canton Place and City Pictorial’s iMart Creative Market on 24th April 2011. The event raised more than RMB50,000 for GIVES to support charity. The flea market activity has been greatly supported by a number of international organisations in Guangzhou, including a number of legations and chambers of commerce, and it is planned to be held on the last Sunday of each month.



Corporate Citizenship

8 Culture and Leisure

First Community Sports Games of NWCL (Southern China)

On 17th July 2010, the one-month NWCL (Southern China) First Community Sports Games was completed successfully on the track and field ground of the Affiliated School of South China Normal University in Guangzhou Park Paradise. More than 500 NWCL Club members and owners from Guangzhou, Xintang, Zhuhai, Huizhou, Zhaoqing, Haikou, and Guiyang attended this sports event.

NWCL Journey of Love — National Charity Tour Concert

On 16th October 2010, “NWCL Journey of Love — National Charity Tour Concert” was completed with success at Dalian People’s Culture Club. This tour concert was co-sponsored by China Youth Care Foundation, Charity Foundation for Children’s Coming Home under China Social Welfare Education, co-organised by the Colorful Earth Children’s Program under CCTV and title-sponsored by NWCL (Dalian). With love and charity as the theme, part of the proceeds from this tour concert was donated to China Youth Care Foundation for supporting the dropout students and other charity projects. The China Youth Care Foundation and the Organizing Committee of the Concert issued “Honorary Cup” and “Certificate of Charity Enterprise” to NWCL.

NWCL held Staff Sports Day at various regions

NWCL cares about the physical and mental health of staff and organised Staff Sports Day at different regions. On 29th October 2010, NWCL (Southern China) Sports Game was closed at Guangzhou Park Paradise with success. Over 700 employees from Guangzhou, Foshan, Zhaoqing, Zhuhai, Huizhou and Guiyang participated. On 5th November 2010, a fun sports day for NWCL staff members at Beijing, Tianjin and Jinan was successfully held in Beijing. Nearly 300 staff members from Beijing, Tianjin and Jinan were shuffled and grouped under eight teams without regard to their geographical locations or departments to compete at ten games, demonstrating their teamwork and sportsmanship. On 16th June 2011, NWCL (Central China) Staff Sports Day 2011 was held at Hankou Sports Centre. A total of 870 staff members from Wuhan and Changsha gathered at the event.

NWCL (Dalian) held “Ronghe — cum Exhibition of Contemporary Chinese and Korean Arts 2010”

On 13th November 2010, the opening ceremony of “Ronghe — cum Exhibition of Contemporary Chinese and Korean Arts 2010” organised by NWCL (Dalian) was held at the sales centre of The Pinnacle Apartment. The exhibition showcased more than 50 art pieces created by over 40 artists from China and Korea, aiming to provide a new platform for artistic exchange for Dalian citizens.



“Selection of Guangzhou’s Eight New Scenic Spots — Guangzhou Shots” Photo Competition held at The Canton Place

On 19th March 2011, the press conference of “Selection of Guangzhou’s Eight New Scenic Spots — Guangzhou Shots” Photo Competition, jointly organised by Yangcheng Evening News and The Canton Place, cum the prize-presentation ceremony for the photo competition named “Our Guangzhou, our Asian Games, Our World”, was held at The Canton Place, with an aim to reflect, through the vision of a camera, the drastic change brought to Guangzhou during this post-Asian Games period, and to establish a platform for exchange and sharing for cultural and artistic professionals.

Italian Opera Art Exhibition organised by The Canton Place and Guangzhou Opera House

On 20th April 2011, the press conference of the “Sleepless Night” Italian Opera Art Exhibition co-organised by Guangzhou Opera House, Fondazione Festival Pucciniano and NWCL (Southern China) was held at Guangzhou Opera House. The exhibition was officially opened on 29th April at Guangzhou Opera House and The Canton Place respectively. More than 100 invaluable items were exhibited. The four-month exhibition was the largest opera-themed exhibition with the most extensive contents in Mainland China, adding vividness to the artistic and humanistic life of Guangzhou citizens during this post-Asian Games period.

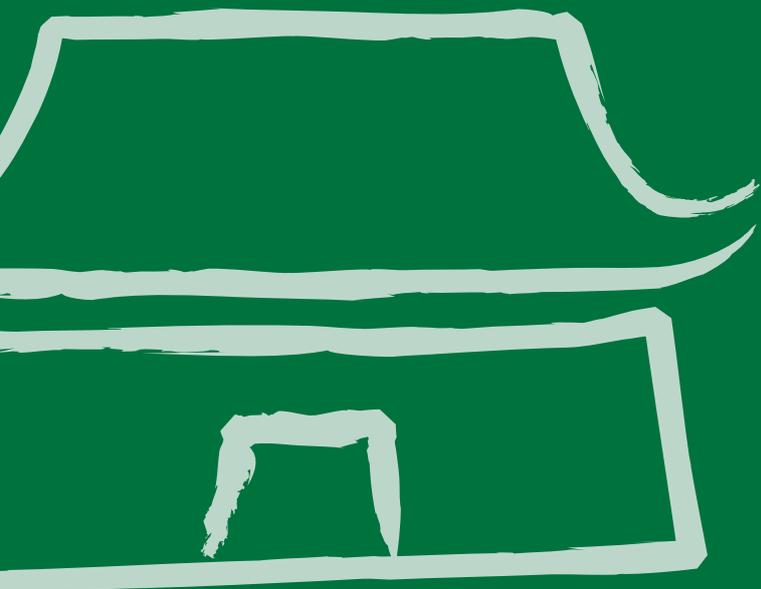
NWCL (Southern China) organised community sports carnival “2011 Community Torch Relay for Health”

NWCL (Southern China) organised a community sports carnival “2011 Community Torch Relay for Health” on 21st May at Guangzhou Park Paradise, New World Oriental Garden, Dong Yi Garden and New World Central Park-view. The community sports event was launched in different communities of NWCL (Southern China) and was designed as a healthy and joyful carnival, creating a healthy, vitality and happy atmosphere to the communities.

Festival of Rock Music and Beer at Chengdu New World Riverside

On 18th June 2011, the Festival of Rock Music and Beer named “Passion and Drinking in the Vividness of the Riverside”, co-organised by Chengdu New World Riverside and Western China Metro Daily, cum the celebration of second anniversary of NWCL Club was successfully held. More than 1,000 guests and property owners gathered along the riverside at Chengdu New World Riverside to have a passionate and joyful summer night.





Financial Section Contents

101	Report of the Directors
126	Independent Auditor's Report
128	Consolidated Income Statement
129	Consolidated Statement of Comprehensive Income
130	Consolidated Statement of Financial Position
132	Statement of Financial Position
133	Consolidated Cash Flow Statement
134	Consolidated Statement of Changes in Equity
135	Notes to the Financial Statements
205	Financial Summary

Report of the Directors

The directors have pleasure in presenting their annual report and financial statements for the year ended 30th June 2011.

Group Activities

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries, associated companies and jointly controlled entities are shown in note 43 to the financial statements.

Financial Statements

The results of the Group of the year ended 30th June 2011 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 128 to 204.

Dividends

The directors have resolved to recommend the payment of a final dividend of HK\$0.04 per share (2010: HK\$0.07 per share) in respect of the year ended 30th June 2011. Together with the interim dividend of HK\$0.03 per share (2010: Nil), the total dividends for the year ended 30th June 2011 would thus be HK\$0.07 per share (2010: HK\$0.07 per share). The proposed final dividend, if approved at forthcoming annual general meeting of the Company, will be paid on or about Wednesday, 28th December 2011 to the shareholders whose names appear on the register of members of the Company on Monday, 28th November 2011.

Share Capital

In order to accommodate the future expansion and growth of the Group and provide the Company with flexibility for possible fund raising activity, an ordinary resolution in respect of the increase of the Company's authorised share capital from HK\$800,000,000 to HK\$3,000,000,000 by the creation of an additional 22,000,000,000 ordinary shares of HK\$0.10 each in the capital of the Company is proposed to be approved by the shareholders of the Company at the forthcoming annual general meeting.

Details of the movements in the share capital during the year are set out in note 30 to the financial statements.

Reserves

Details of the movements in reserves are set out in note 31 to the financial statements. Distributable reserves of the Company at 30th June 2011 amounted to HK\$18,233 million (2010: HK\$19,898 million).

Purchase, Sale or Redemption of Company's Listed Securities

On 6th July, 2010, New World China Land Finance Limited, an indirect wholly-owned subsidiary of the Company, purchased a total of 180 units of the USD settled zero coupon guaranteed convertible bonds due in 2012 ("Bonds") (stock code: 01517) issued by itself with face value of RMB100,000 each for an aggregate consideration of USD2,628,706.30 (before expenses) off market. The purchase was completed on 16th July 2010 and the face value of the Bonds was reduced to RMB313,200,000.

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

Report of the Directors

Property, Plant and Equipment

Details of the movements in property, plant and equipment are set out in note 16 to the financial statements.

Donation

Donation made by the Group during the year amounted to HK\$8,228,000 (2010: HK\$5,371,000).

Directors

The directors of the Company during the year and up to the date of this report were:

Executive Directors

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

Non-executive Directors

Mr. Doo Wai-hoi, William
Mr. Leung Chi-kin, Stewart
Mr. Chow Kwai-cheung
Mr. Chow Yu-chun, Alexander (Re-designated from Executive Director on 1st January 2011)

Independent Non-executive Directors

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

In accordance with Article 116 of the Company's Articles of Association, Messrs. Doo Wai-hoi, William, Leung Chi-kin, Stewart, Chow Yu-chun, Alexander and Tien Pei-chun, James will retire by rotation at the forthcoming annual general meeting, and being eligible, will offer themselves for re-election. The remaining current directors continue in office.

No director has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Pre-emptive Rights

No pre-emptive rights exist in the Cayman Islands in respect of the Company's share capital.

Directors' Interest in Contracts

Save for contracts amongst group companies and the two master services agreements dated 16th May 2011 and 19th May 2011 between the Group and Mr. Doo Wai-hoi, William ("Mr. Doo"), a director of the Company, as disclosed in paragraphs A(3) and (4) in the section headed "Connected Transactions" below, no other contracts of significance in relation to the Company's business to which the Company, its subsidiaries, its holding company or fellow subsidiaries is a party, and in which any director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Connected Transactions

The Group has entered into the following connected transactions during the year and up to the date of this report:

A. Master service agreements

- (1) On 30th April 2010, a master service agreement (“NWD Master Agreement”) was entered into between the Company and New World Development Company Limited (“NWD”), the ultimate holding company of the Company, under which the Company agreed to (i) engage the group companies of NWD (“NWD Group”) to provide contracting services, property agency services and leasing services to members of the Company; and (ii) provide leasing and property management services and hotel management services to members of NWD Group, on non-exclusive basis and subject to the terms and conditions of each operational agreement which shall be on normal commercial terms or at prices and terms no less favourable to the Company than terms available to or from (as the case may be) independent third parties, with effect from 30th April 2010 for an initial term of twenty-six months. Details of the NWD Master Agreement were set out in an announcement of the Company dated 30th April 2010 and in a circular dated 18th May 2010.

On 13th May 2011, the Company entered into a supplemental agreement with NWD to widen the scope of the NWD Master Agreement by, inter alia, revising the definition of “NWD Group” in the NWD Master Agreement with reference to the definition of “associate of connected person” under the Listing Rules, details of the supplemental agreement were set out in an announcement of the Company dated 13th May 2011.

The aggregate transaction values in respect of each category of services rendered by NWD Group to the Group under the NWD Master Agreement and the maximum annual values (“Annual Cap”) stipulated under the NWD Master Agreement for the year ended 30th June 2011 were as follows:

	Aggregate transaction values	Annual Cap
	HK\$'000	HK\$'000
Contracting services	757,411	1,948,600
Property agency services	7,573	25,900
Leasing services	15,720	16,100

The aggregate transaction values in respect of each category of services rendered by the Group to NWD Group under the NWD Master Agreement and the Annual Cap stipulated under the NWD Master Agreement for the year ended 30th June 2011 were as follows:

	Aggregate transaction values	Annual Cap
	HK\$'000	HK\$'000
Hotel management services	24,491	31,400
Leasing and property management services	323,610	408,000

Report of the Directors

Connected Transactions (Continued)

A. Master service agreements (Continued)

- (2) On 23rd November 2010, a master services agreement (“CTF Master Agreement”) was entered into between the Company and Chow Tai Fook Enterprises Limited (“CTF”), under which the Company agreed to procure members of the Company to provide the hotel management and consultancy services as well as project management and consultancy services to members of the CTF group (“CTF Group”), on non-exclusive basis and subject to the terms and conditions of each operational agreement which shall be on normal commercial terms or at prices and terms no less favourable to the Company than terms available to independent third parties, with effect from 1st July 2010 for an initial term of three years.

The aggregate transaction values in respect of each category of the services provided by members of the Group to CTF Group under the CTF Master Agreement and the Annual Cap stipulated under the CTF Master Agreement for the year ended 30th June 2011 were as follows:

	Aggregate transaction values HK\$'000	Annual Cap HK\$'000
Hotel management and consultancy services	17,695	19,800
Project management and consultancy services	Nil	12,500

At the date of the CTF Master Agreement, CTF was considered as a connected person of the Company by virtue of its holding of an approximately 40.03% of the total issued capital of NWD. Details of the CTF Master Agreement were set out in the announcement of the Company dated 23rd November 2010.

- (3) On 16th May 2011, a master services agreement (“Existing Master Services Agreement”) was entered into between the Company and Mr. Doo, under which Mr. Doo agreed to, and to procure his controlled corporations (“Services Group”) to provide contracting services to members of the Company pursuant to the existing services agreements between the Services Group and the Group which would be subsisting, but not yet completed, on the date of the completion of management buyout of certain subsidiaries of NWS Holdings Limited by a company controlled by Mr. Doo (“Management Buyout”), for a term of three years from the date of the completion of the Management Buyout, on non-exclusive basis and subject to the terms and conditions of each existing services agreements which shall be on normal commercial terms or at prices and terms no less favourable to the Company than terms available from independent third parties of the Company.

The annual caps in respect of the transaction values under the Existing Master Services Agreement for each of the financial years ending 30th June 2012, 30th June 2013 and 30th June 2014 will be HK\$155,000,000, HK\$95,000,000 and HK\$46,000,000, respectively.

Mr. Doo is a Director of the Company and a director of certain subsidiaries of the Company. He is therefore a connected person of the Company. Details of the Existing Master Services Agreement were set out in the announcement of the Company dated 16th May 2011.

- (4) On 19th May 2011, a new master services agreement (“New Master Services Agreement”) was entered into between the Company and Mr. Doo in relation to possible execution of new operational agreements for the provision of the operational services by himself and the relevant members of the Services Group to the members of the Company, subject to the terms and conditions of each operational agreement which shall be on normal commercial terms or at prices and terms no less favourable to the Company than prices and terms available to or from independent third parties, for an initial term of three years with effect from 1st July 2011.

An ordinary resolution approving the New Master Services Agreement was duly passed by the independent shareholders of the Company by poll at an extraordinary general meeting of the Company held on 29th June 2011.

The annual caps in respect of the transaction values under the New Master Services Agreement for each of the financial years ending 30th June 2012, 30th June 2013 and 30th June 2014 under the New Master Services Agreement will be HK\$1,761,000,000, HK\$1,491,000,000 and HK\$1,476,000,000, respectively.

Mr. Doo is a connected person of the Company based on the reason stated in the paragraph A(3) above, details of the New Master Services Agreement were set out in the announcement of the Company dated 19th May 2011 and in a circular dated 10th June 2011.

B. Hotel management service contract

On 1st February 2010, a management service contract was entered into between New World Hotel Management Company Limited (“NWHM”), an indirect wholly-owned subsidiary of the Company, and 佛山市順德區寶興酒店有限公司 (Foshan City Shunde Poh-hing Hotel Co., Ltd.) (“Shunde Poh-hing”), under which NWHM agreed to provide hotel management services to New World Hotel Shunde, a hotel located at 150 Qing-hui Road, Da-liang, Shunde District, Foshan City, Guangdong Province, the PRC. The contract has an initial term of 20 years commencing from 1st January 2010 and expiring on 31st December 2029, which is renewable for successive terms of 10 years each time upon its expiry.

The fees receivable by NWHM are calculated at: (a) for the basic management fees: 2% of the total revenue of the hotel; and (b) for the incentive management fees: (i) 5% of the gross operating profit (“GOP”) of the hotel, which represents the total revenue less cost of operation, from 1st January 2010 to 31st December 2014; (ii) 6% of the GOP for the next five years up to 31st December 2019; and (iii) 7% of the GOP from 1st January 2020 onwards. The aggregate transaction values in respect of the services provided under the contract amounted to HK\$2,900,000 for the year ended 30th June 2011 (2010: HK\$1,300,000), which were within the annual cap of HK\$4,500,000.

At the date of the contract, Shunde Poh-hing was a jointly controlled entity owned as to 65% by Global Perfect Development Limited (“Global Perfect”) and as to 35% by an independent third party. Global Perfect was in turn owned as to 50% by the Group and as to 50% by CTF Nominee Limited as a nominee for Centennial Success Limited (“Centennial”). Shunde Poh-hing was therefore an associate of Centennial which owns the entire interest in CTF, a connected person of the Company by virtue of its holding of more than one-third of the issued share capital of NWD. Accordingly, Shunde Poh-hing was regarded as an associate of a connected person of the Company under the Listing Rules. Details of the management service contract were set out in the Company’s announcement dated 1st February 2010.

Report of the Directors

Connected Transactions *(Continued)*

C. Master sales agreement

On 22nd March 2011, a master sales agreement (“Master Sales Agreement”) was entered into between the Company, New World Department Store China Limited (“NWDS”) and CTF Jewellery Company Limited (“CTF Jewellery”), under which (i) NWDS agreed to accept various cash equivalent gift coupons, gift cards and stored value shopping card (“Shopping Vouchers”) to be issued by the Group and the prepaid shopping cards (“Prepaid Shopping Cards”) to be issued by NWDS group and purchased by the Group as payment for purchases of goods at the stores operating by the NWDS group including the floor space where members of CTF Jewellery group would operate their businesses, on condition that the value represented by the Shopping Vouchers and Prepaid Shopping Cards will be settled by the Group; (ii) the members of CTF Jewellery group agreed to offer commissions to the Group and the members of NWDS group agreed to offer rebates to the members of CTF Jewellery group in respect of the purchases made by customers by means of presenting the Shopping Vouchers; and (iii) the members of NWDS group agreed to offer discounts to the Group for purchases of the Prepaid Shopping Cards, subject to the terms and conditions of each sales contract which shall be on normal commercial terms and on terms no more favourable than the terms offer by the Company to independent third parties, with effect from 22nd March 2011 and ending on 30th June 2013 (both days inclusive). The Shopping Vouchers or Prepaid Shopping Cards will be provided to the purchasers of the properties of the Group as part of the marketing activities of the Group.

The aggregate transaction values under the Master Sales Agreement for the year ended 30th June 2011 was RMB3,990,000 (2010: Nil), which were within the annual cap of RMB50,000,000.

NWD held an approximately 70% attributable interest in the Company and NWDS is a subsidiary of NWD. CTF Jewellery is an associate of CTF which is a substantial shareholder of NWD. NWDS and CTF Jewellery are therefore connected persons of the Company. Details of the Master Sales Agreement were set out in the announcement of the Company dated 22nd March 2011.

D. Disposal of property

On 4th October 2010, 瀋陽新世界酒店有限公司 (Shenyang New World Hotel Co., Ltd.) (“Shenyang Hotel”), an indirect wholly-owned subsidiary of the Company, entered into a framework agreement with 瀋陽新世界百貨有限公司 (Shenyang New World Department Store Ltd.) (“Shenyang DS”), an indirect wholly-owned subsidiary of NWDS whereby Shenyang Hotel agreed to sell and Shenyang DS agreed to acquire a portion of a property temporarily known as 瀋陽新世界商業中心一期 (Shenyang New World Commercial Centre Phase 1) (the “Property”) to be developed by Shenyang Hotel on Nanning South Street, Shenyang City, Liaoning Province, the PRC, including certain floor area of Lower Ground Level 1 to Upper Ground Level 5 of the Property, and certain portion of the equipment and facility room of Lower Ground Levels 2 to 3 and that of Upper Ground Level 6 of the Property with projected buildable floor area of approximately 25,363 square metres together with the right of use of the certain outer wall area of Upper Ground Levels 1 to 5 of the Property and the other designated areas and facilities as prescribed in the agreement for a consideration of RMB456,534,000. The consideration is subject to adjustment and receivable by instalments in accordance with the terms of the agreement, details of which were set out in the announcement of the Company dated 4th October 2010.

By virtue of the fact that NWDS is a subsidiary of NWD, the entering into the agreement constituted a connected transaction of the Company under the Listing Rules. The disposal is in line with the Group’s strategy to realise its investment and secure presales at suitable opportunity.

E. Other connected transaction

In July 1999, a deed of tax indemnity was entered into between NWD and the Group whereby NWD undertakes to indemnify the Group in respect of, inter alia, certain PRC corporate income tax and land appreciation tax payable in consequence of the disposal of certain properties held by the Group as at 31st March 1999. During the year, tax indemnity amounting to HK\$654,285,000 (2010: HK\$339,469,000) was effected.

F. Annual review of the continuing connected transactions

The independent non-executive directors of the Company had reviewed the continuing connected transactions arising from the master service agreements (paragraphs A(1) & (2) above), the hotel management service contract (paragraph B above) and the Master Sales Agreement (paragraph C above); for the financial year ended 30th June 2011 and confirmed that the transactions were:

- (a) entered into in the ordinary and usual course of business of the Group;
- (b) conducted on normal commercial terms; and
- (c) entered into in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the abovementioned continuing connected transactions disclosed by the Group in accordance with Main Board Listing Rule 14A.38. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

Save as disclosed above, a summary of significant related party transactions that do not constitute connected transactions made during the year was disclosed in note 41 to the financial statements.

Report of the Directors

Directors' Interests in Securities

As at 30th June 2011, the interests of the directors and their associates in shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance ("SFO") were as follows:

(A) Long position in shares

	Number of shares			Total	Percentage to the relevant issued share capital at 30th June 2011
	Personal interests	Family interests	Corporate interests		
New World China Land Limited					
(Ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar-shun, Henry	18,750,000	2,925,000	78,406,800 ⁽¹⁾	100,081,800	1.74
Mr. Doo Wai-hoi, William	13,125,000	—	52,258,400 ⁽²⁾	65,383,400	1.14
Mr. Cheng Chi-kong, Adrian	371,194	—	—	371,194	0.01
Miss Cheng Chi-man, Sonia	168,400	—	—	168,400	0.00
Mr. Leung Chi-kin, Stewart	790,000	—	—	790,000	0.01
Mr. Chow Kwai-cheung	126	—	—	126	0.00
Mr. Chow Yu-chun, Alexander	9,825,000	—	—	9,825,000	0.17
Mr. Fong Shing-kwong, Michael	2,187,250	—	—	2,187,250	0.04
Ms. Ngan Man-ying, Lynda	600,000	—	—	600,000	0.01
Dr. Cheng Wai-chee, Christopher	83,600	—	—	83,600	0.00
Mr. Tien Pei-chun, James	83,600	—	—	83,600	0.00
Mr. Lee Luen-wai, John	83,600	—	—	83,600	0.00
New World Development Company Limited					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	—	300,000	—	300,000	0.01
Mr. Doo Wai-hoi, William	—	—	1,000,000 ⁽²⁾	1,000,000	0.03
Mr. Leung Chi-kin, Stewart	134,538	—	—	134,538	0.00
Mr. Chow Kwai-cheung	57,561	—	—	57,561	0.00
Mr. Fong Shing-kwong, Michael	208,788	—	—	208,788	0.01

	Number of shares			Total	Percentage to the relevant issued share capital at 30th June 2011
	Personal interests	Family interests	Corporate interests		
NWS Holdings Limited					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	13,768,798	—	12,000,000 ⁽¹⁾	25,768,798	0.76
Mr. Doo Wai-hoi, William	3,009,849	—	13,695,000 ⁽²⁾	16,704,849	0.49
Mr. Cheng Kar-shing, Peter	343,750	—	5,074,520 ⁽³⁾	5,418,270	0.16
Mr. Leung Chi-kin, Stewart	3,000,000	—	—	3,000,000	0.09
Mr. Chow Kwai-cheung	14,033	—	—	14,033	0.00
Mr. Fong Shing-kwong, Michael	2,431,060	—	—	2,431,060	0.07
Dr. Cheng Wai-chee, Christopher	1,301,029	—	—	1,301,029	0.04
New World Department Store China Limited					
(Ordinary shares of HK\$0.10 each)					
Mr. Cheng Chi-kong, Adrian	—	—	1,107,000 ⁽⁴⁾	1,107,000	0.07
Miss Cheng Chi-man, Sonia	92,000	—	—	92,000	0.01
Dragon Fortune Limited					
(Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	—	15,869 ⁽⁵⁾	15,869	27.41
Mega Choice Holdings Limited <i>(in liquidation)</i>					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-shun, Henry	—	—	420,585,070 ⁽¹⁾	420,585,070	34.61
Sun City Holdings Limited					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	80,000	3,570,000 ⁽⁶⁾	3,650,000	45.63
Sun Legend Investments Limited					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-shing, Peter	—	—	500 ⁽⁷⁾	500	50.00
YE Holdings Corporation					
(Ordinary shares of HK\$1.00 each)					
Mr. Leung Chi-kin, Stewart	37,500	—	—	37,500	1.50

Report of the Directors

Directors' Interests in Securities *(Continued)*

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

Notes:

1. *These shares are beneficially owned by companies wholly-owned by Dr. Cheng Kar-shun, Henry.*
2. *These shares are beneficially owned by companies wholly-owned by Mr. Doo Wai-hoi, William.*
3. *These shares are beneficially owned by a company wholly-owned by Mr. Cheng Kar-shing, Peter.*
4. *These shares are beneficially owned by a company wholly-owned by Mr. Cheng Chi-kong, Adrian.*
5. *4,102 shares are held by a company wholly-owned by Mr. Cheng Kar-shing, Peter and 11,767 shares are held by Sun City Holdings Limited ("Sun City"), of which Mr. Cheng is deemed to be interested in 45.63% of its issued share capital.*
6. *These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns an indirect interest of 49.58%.*
7. *Mr. Cheng Kar-shing, Peter is deemed to be interested in these shares by virtue of his interests in Sun City.*

(B) Long position in underlying shares — share options

(1) The Company

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

Name of director	Date of grant	Exercisable period (note)	Number of share options				Balance as at 30th June 2011	Exercise price per share HK\$
			Balance as at 1st July 2010	Granted during the year (note 10)	Exercised during the year	Lapsed during the year		
Dr. Cheng Kar-shun, Henry	7th January 2008	(1)	2,238,806	—	—	(2,238,806)	—	6.228
	29th December 2008	(2)	1,791,045	—	—	—	1,791,045	1.340
	18th January 2011	(6)	—	2,000,000	—	—	2,000,000	3.154
Mr. Doo Wai-hoi, William	7th January 2008	(1)	895,522	—	—	(895,522)	—	6.228
	29th December 2008	(2)	727,612	—	—	—	727,612	1.340
	18th January 2011	(6)	—	800,000	—	—	800,000	3.154
Mr. Cheng Kar-shing, Peter	7th January 2008	(1)	895,522	—	—	(895,522)	—	6.228
	29th December 2008	(2)	727,612	—	—	—	727,612	1.340
	18th January 2011	(6)	—	800,000	—	—	800,000	3.154
Mr. Cheng Chi-kong, Adrian	25th July 2006	(3)	371,194	—	(371,194) ⁽⁷⁾	—	—	2.559
	7th January 2008	(1)	1,679,104	—	—	(1,679,104)	—	6.228
	29th December 2008	(2)	1,343,284	—	(1,006,000) ⁽⁸⁾	—	337,284	1.340
	18th January 2011	(6)	—	1,500,000	—	—	1,500,000	3.154
Miss Cheng Chi-man, Sonia	29th December 2008	(4)	755,821	—	—	—	755,821	1.340
Mr. Leung Chi-kin, Stewart	7th January 2008	(1)	223,882	—	—	(223,882)	—	6.228
	29th December 2008	(2)	127,910	—	—	—	127,910	1.340
	18th January 2011	(6)	—	200,000	—	—	200,000	3.154
Mr. Chow Kwai-cheung	7th January 2008	(1)	223,882	—	—	(223,882)	—	6.228
	29th December 2008	(2)	167,910	—	—	—	167,910	1.340
	18 January 2011	(6)	—	200,000	—	—	200,000	3.154
Mr. Chow Yu-chun, Alexander	7th January 2008	(1)	559,701	—	—	(559,701)	—	6.228
	29th December 2008	(2)	559,701	—	—	—	559,701	1.340
	18th January 2011	(6)	—	500,000	—	—	500,000	3.154
Mr. Fong Shing-kwong, Michael	7th January 2008	(1)	559,701	—	—	(559,701)	—	6.228
	29th December 2008	(5)	125,933	—	(82,000) ⁽⁸⁾	—	43,933	1.340
	18th January 2011	(6)	—	500,000	—	—	500,000	3.154
Ms. Ngan Man-ying, Lynda	7th January 2008	(1)	1,119,403	—	—	(1,119,403)	—	6.228
	29th December 2008	(2)	1,007,463	—	(500,000) ⁽⁸⁾	—	507,463	1.340
	18th January 2011	(6)	—	1,000,000	—	—	1,000,000	3.154
Dr. Cheng Wai-chee, Christopher	7th January 2008	(1)	335,821	—	—	(335,821)	—	6.228
	29th December 2008	(2)	252,221	—	—	—	252,221	1.340
	18th January 2011	(6)	—	300,000	—	—	300,000	3.154
Mr. Tien Pei-chun, James	7th January 2008	(1)	335,821	—	—	(335,821)	—	6.228
	29th December 2008	(2)	252,221	—	—	—	252,221	1.340
	18th January 2011	(6)	—	300,000	—	—	300,000	3.154
Mr. Lee Luen-wai, John	7th January 2008	(1)	335,821	—	—	(335,821)	—	6.228
	29th December 2008	(2)	252,221	—	—	—	252,221	1.340
	18th January 2011	(6)	—	300,000	—	—	300,000	3.154
Total			17,865,134	8,400,000	(1,959,194)	(9,402,986)	14,902,954	

Report of the Directors

Directors' Interests in Securities *(Continued)*

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

(1) *The Company (Continued)*

Notes:

1. Divided into 3 tranches, exercisable from 8th February 2008, 8th February 2009 and 8th February 2010, respectively to 7th February 2011.
2. Divided into 4 tranches, exercisable from 30th January 2009, 30th January 2010, 30th January 2011 and 30th January 2012, respectively to 29th January 2013.
3. Divided into 5 tranches, exercisable from 26th August 2006, 26th August 2007, 26th August 2008, 26th August 2009 and 26th August 2010, respectively to 25th August 2011.
4. Divided into 5 tranches, exercisable from 30th January 2009, 30th January 2010, 30th January 2011, 30th January 2012 and 30th January 2013, respectively to 29th January 2014.
5. Divided into 2 tranches, exercisable from 30th January 2011 and 30th January 2012, respectively to 29th January 2013.
6. Divided into 5 tranches, exercisable from 19th February 2011, 19th February 2012, 19th February 2013, 19th February 2014 and 19th February 2015, respectively to 18th February 2016.
7. The exercise date was 10th June 2011. On the trading date immediately before the exercise date, the closing price per share was HK\$2.79.
8. The exercise date was 7th February 2011. On the trading date immediately before the exercise date, the closing price per share was HK\$3.21.
9. The exercise date was 12th November 2010. On the trading date immediately before the exercise date, the closing price per share was HK\$3.13.
10. The closing price per share immediately before 18th January 2011, the date of grant, was HK\$3.13.
11. The cash consideration paid by each of the directors for grant of the share options is HK\$10.

(2) *New World Development Company Limited*

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

Name of director	Date of grant	Exercisable period (note)	Number of share options			Balance as at 30th June 2011	Exercise price per share (note 4) HK\$
			Balance as at 1st July 2010	Exercised during the year	Adjusted during the year (note 4)		
Dr. Cheng Kar-shun, Henry	19th March 2007	(1)	36,710,652	—	3,740	36,714,392	17.652
Mr. Cheng Kar-shing, Peter	19th March 2007	(1)	201,153	—	19	201,172	17.652
		(2)	1,206,925	—	122	1,207,047	17.652
Mr. Cheng Chi-kong, Adrian	19th March 2007	(2)	502,885	—	50	502,935	17.652
Mr. Leung Chi-kin, Stewart	19th March 2007	(1)	35,704,880	—	3,637	35,708,517	17.652
Mr. Chow Kwai-cheung	19th March 2007	(2)	1,206,925	—	122	1,207,047	17.652
Mr. Chow Yu-chun, Alexander	19th March 2007	(2)	1,508,656	—	153	1,508,809	17.652
Mr. Fong Shing-kwong, Michael	19th March 2007	(3)	603,462	—	60	603,522	17.652
Mr. Lee Luen-wai, John	19th March 2007	(1)	301,731	—	29	301,760	17.652
Total			77,947,269	—	7,932	77,955,201	

Notes:

1. *Exercisable from 19th March 2007 to 18th March 2012.*
2. *Divided into 5 tranches, exercisable from 19th March 2007, 19th March 2008, 19th March 2009, 19th March 2010 and 19th March 2011, respectively to 18th March 2012.*
3. *Divided into 3 tranches, exercisable from 19th March 2009, 19th March 2010 and 19th March 2011, respectively to 18th March 2012.*
4. *NWD declared final dividend for the year ended 30th June 2010 and interim dividend for the year ending 30th June 2011 in scrip form (with cash option) during the year which gave rise to adjustments to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$17.654 to HK\$17.653 on 28th December 2010 and further to HK\$17.652 on 23rd May 2011.*
5. *The cash consideration paid by each of the directors for grant of the share options is HK\$10.*

Report of the Directors

Directors' Interests in Securities (Continued)

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

(3) NWS Holdings Limited

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

Name of director	Date of grant	Exercisable period (note)	Number of share options			Balance as at 30th June 2011	Exercise price per share (note 3) HK\$
			Balance as at 1st July 2010	Exercised during the year	Adjusted during the year (note 3)		
Dr. Cheng Kar-shun, Henry	21st August 2007	(1)	1,210,731	—	610,817	1,821,548	10.672
		(2)	1,816,097	—	916,226	2,732,323	10.672
Mr. Doo Wai-hoi, William	21st August 2007	(1)	807,153	—	407,210	1,214,363	10.672
		(2)	1,210,732	—	610,819	1,821,551	10.672
Dr. Cheng Wai-chee, Christopher	21st August 2007	(1)	242,145	—	122,162	364,307	10.672
		(2)	363,219	—	183,245	546,464	10.672
Total			5,650,077	—	2,850,479	8,500,556	

Notes:

1. Exercisable from 21st August 2008 to 20th August 2012.
2. Divided into 3 tranches exercisable from 21st August 2009, 21st August 2010 and 21st August 2011, respectively to 20th August 2012.
3. NWS declared final dividend for the year ended 30th June 2010 and interim dividend for the year ending 30th June 2011 in scrip form (with cash option) and allotted new shares under a bonus issue of share during the year which gave rise to adjustments to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK\$16.055 to HK\$10.692 on 29th December 2010 and further to HK\$10.672 on 20th May 2011.
4. The cash consideration paid by each of the directors for grant of the share options is HK\$10.

(4) *New World Department Store China Limited*

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

Name of director	Date of grant	Exercisable period (note)	Number of share options			Exercise price per share HK\$
			Balance as at 1st July 2010	Exercised during the year	Balance as at 30th June 2011	
Dr. Cheng Kar-shun, Henry	27th November 2007	(1)	1,000,000	—	1,000,000	8.660
Mr. Cheng Chi-kong, Adrian	27th November 2007	(1)	500,000	—	500,000	8.660
Ms. Ngan Man-ying, Lynda	27th November 2007	(1)	500,000	—	500,000	8.660
Total			2,000,000	—	2,000,000	

Notes:

1. *Divided into 5 tranches exercisable from 27th November 2008, 27th November 2009, 27th November 2010, 27th November 2011 and 27th November 2012, respectively to 26th November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.*
2. *The cash consideration paid by each of the directors for grant of the share options is HK\$1.*

Report of the Directors

Directors' Interests in Securities *(Continued)*

(C) Long position in debentures

The following director of the Company has interest in the debentures issued by Fita International Limited ("Fita"), a wholly-owned subsidiary of NWD. Details of the debentures of Fita held by him as at 30th June 2011 are as follows:

Name of director	Amount of debentures in USD issued by Fita			Percentage to the total debentures in issue as at 30th June 2011
	Personal interests	Family interests	Total	
Mr. Lee Luen-wai, John	1,000,000	1,000,000	2,000,000	0.27

Save as disclosed above, as at 30th June 2011, none of the directors, chief executive or any of their associates had or deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Directors' Rights to Acquire Shares or Debentures

Save as disclosed under the section headed "Directors' interest in securities" above, at no time during the year was the Company, its subsidiaries, its fellow subsidiaries or its holding company, a party to any arrangement to enable the directors of the Company or chief executives or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Interests in Competing Business

During the year, the following directors are considered to have interests in the businesses which compete or are likely to compete, either directly or indirectly, with the business of the Group pursuant to the Listing Rules as set out below:

Name of director	Name of entity with competing business	Relevant business activities of the entity	Nature of interest of director in the entity
Dr. Cheng Kar-shun, Henry	Centennial Success Limited ("CSL") group of companies	Property investment and development as well as hotel operation	Director
	NWD group of companies	Property development and investment as well as hotel operation in China	Director
	Supreme Harvest Development Limited group of companies	Property investment and development in Shanghai	Director
Mr. Doo Wai-hoi, William	Golden Wealth Investment Limited group of companies	Property investment and development in Shanghai	Shareholder and Director
	Guilherme Holdings (Hong Kong) Limited group of companies	Property development and other investments	Shareholder and Director
Mr. Cheng Kar-shing, Peter	CSL group of companies	Property investment and development as well as hotel operation	Director
	NWD group of companies	Property development and investment as well as hotel operation in China	Director
	Shanghai New World Shangxian Lane Development Ltd.	Property development in Shanghai	Director
Mr. Cheng Chi-kong, Adrian	CSL group of companies	Property investment and development as well as hotel operation	Director
	Cheung Hung Development (Holdings) Limited ("Cheung Hung") group of companies	Property investment and development	Shareholder and Director
Miss Cheng Chi-man, Sonia	NWD group of companies	Property development and investment as well as hotel operation in China	Director
Mr. Cheng Chi-him, Conrad	Cheung Hung group of companies	Property investment and development	Shareholder and Director
Mr. Chow Kwai-cheung	NWD group of companies	Property development and investment as well as hotel operation in China	Director

Report of the Directors

Directors' Interests in Competing Business *(Continued)*

Name of director	Name of entity with competing business	Relevant business activities of the entity	Nature of interest of director in the entity
Mr. Chow Yu-chun, Alexander	NWD group of companies	Property development and investment as well as hotel operation in China	Director
	Cheung Hung group of companies	Property investment and development	Director
	Shanghai New World Shangxian Lane Development Ltd.	Property development in Shanghai	Director
Mr. Fong Shing-kwong, Michael	NWD group of companies	Property development and investment as well as hotel operation in China	Director
	Cheung Hung group of companies	Property investment and development	Director
	Morning Star Resources Limited	Property development	Shareholder
Ms. Ngan Man-ying, Lynda	NWD group of companies	Property development and investment as well as hotel operation in China	Director
	Cheung Hung group of companies	Property investment and development	Director
	Shanghai New World Shangxian Lane Development Ltd.	Property development in Shanghai	Director

As the board of directors of the Company is independent from the boards of the aforesaid companies and none of the directors can control the board of the Company, the Group is capable of carrying its businesses independently of, and at arm's length from the businesses of such companies.

Substantial Shareholders' Interests in Securities

As at 30th June 2011, the interests or short position of substantial shareholders in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long position of substantial shareholders in the shares of the Company

Name	Number of shares		Total	Percentage to the issued share capital as at 30th June 2011
	Beneficial interests	Corporate interests		
Cheng Yu Tung Family (Holdings) Limited ("CYTF") (note 1)	—	4,061,034,137	4,061,034,137	70.47
Centennial Success Limited ("CSL") (note 1)	—	4,061,034,137	4,061,034,137	70.47
Chow Tai Fook Enterprises Limited ("CTF") (note 2)	—	4,061,034,137	4,061,034,137	70.47
New World Development Company Limited ("NWD") (note 3)	3,806,449,096	254,585,041	4,061,034,137	70.47

Notes :

1. CYTF holds 51% interest in CSL which in turn holds the entire interests in CTF. Therefore, CYTF and CSL are deemed to have interests in the shares in which CTF is deemed to be interested by virtue of its interests in NWD as mentioned in note 2 below.
2. CTF and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares in which NWD is interested or deemed to be interested.
3. The number of shares held under the corporate interests of NWD includes 170,027,818 shares held by Easywin Enterprises Corporation Limited, its wholly-owned subsidiary, 22,508,064 shares held by Great Worth Holdings Limited, its 59% owned subsidiary, and 62,049,159 shares held by High Earnings Holdings Limited, its 59.79% owned subsidiary.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 336 of the SFO as at 30th June 2011.

Report of the Directors

Share Option Scheme

On 18th December 2000, the Company adopted a share option scheme ("2000 Share Option Scheme") pursuant to which employees, including directors of the Group, were given opportunity to obtain equity holdings in the Company. The 2000 Share Option Scheme was subsequently terminated at the annual general meeting of the Company held on 26th November 2002 whereby a new share option scheme ("2002 Share Option Scheme") was adopted in compliance with the new requirements of the Listing Rules. Any share options which were granted under the 2000 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the terms of the 2000 Share Option Scheme. No share option has been granted, exercised, cancelled, lapsed or outstanding under the 2000 Share Option Scheme during the financial year ended 30th June 2011. The 2000 Share Option Scheme expired on 18th December 2010.

A summary of the 2000 Share Option Scheme and the 2002 Share Option Scheme was set out as follows :

	2000 Share Option Scheme	2002 Share Option Scheme
Purpose of the schemes	As incentive to employees, including executive directors, of the Company or its subsidiaries	To provide an opportunity for the full-time or part-time employees, including directors, of the Group to participate in the equity of the Company as well as to motivate them to optimise their performance
Participants of the schemes	Full-time employees, including any directors, of the Company or its subsidiaries	Full-time or part-time employees, including directors, of the Company or its subsidiaries
Total number of shares available for issue under the schemes and percentage of issued share capital as at the date of this annual report	The Company had granted share options representing the rights to subscribe for 65,745,200 shares of the Company under the 2000 Share Option Scheme, together with share options representing 38,158,200 shares by way of adjustment on the number of share options as a result of the Company's issue of rights shares becoming unconditional on 8th April 2005. No further options will be granted under the 2000 Share Option Scheme	The Company had granted share options representing the rights to subscribe for 96,226,400 shares under the 2002 Share Option Scheme up to the date of this report, together with share options representing 6,465,900 shares and 5,357,008 shares by way of adjustment on the number of share options as a result of the Company's issue of rights shares becoming unconditional on 8th April 2005 and 16th November 2009, respectively. The Company may further grant share options to subscribe for 32,817,443 shares of the Company, representing approximately 0.57% of the total issued share capital of the Company as at the date of this report
Maximum entitlement of each participant under the schemes	25% of the aggregate number of shares for the time being issued and issuable under the scheme	The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by shareholders in general meeting

	2000 Share Option Scheme	2002 Share Option Scheme
The period within which the shares must be taken up under an option	At any time during a period to be notified by the Directors, which period not to exceed 5 years commencing on the expiry of 1 month after the date on which the option is accepted and expiring on the last day of the 5-year period	At any time during a period to be notified by the Directors, which period not to exceed 5 years commencing on the expiry of 1 month after the date on which the option is accepted and expiring on a date not later than the last day of the 5-year period
The minimum period for which an option must be held before it can be exercised	1 month	1 month
The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid	HK\$10 is to be paid as consideration for the grant of option within 28 days from the date of offer	HK\$10 is to be paid as consideration for the grant of option within 28 days from the date of offer
The basis of determining the exercise price	<p>The exercise price shall be determined by the Directors, being the higher of:</p> <p>(a) not less than 80% of the average closing price of shares on the Hong Kong Stock Exchange as stated in the Hong Kong Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the date of offer; or</p> <p>(b) nominal value of a share</p>	<p>The exercise price shall be determined by the Directors, being at least the higher of:</p> <p>(a) the closing price of shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of offer, which must be a business day; and</p> <p>(b) the average closing price of shares as stated in the Hong Kong Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of offer</p>
The remaining life of the schemes	The 2000 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date i.e. 18th December 2000	The 2002 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date i.e. 26th November 2002

Report of the Directors

Share Option Scheme (Continued)

During the year ended 30th June 2011, movement of share options granted to the directors and employees of the Group under the 2002 Share Option Scheme was as follows:

- (A) Movement of share options granted to directors was disclosed under the heading "Directors' interests in securities" above.
- (B) Movement of share options granted to employees was as follows:

Date of grant	Number of share options (note 1)				Outstanding as at 30th June 2011	Exercise price per share HK\$
	Balance as at 1st July 2010	Granted during the year (note 5)	Exercised during the year (note 6)	Lapsed during the year		
7th November to 2nd December 2005	11,641	—	(11,641)	—	—	2.341
28th March to 24th April 2006	2,078,507	—	—	(2,078,507)	—	3.497
28th June to 26th July 2006	64,925	—	—	—	64,925	2.559
17th October to 13th November 2006	111,492	—	—	—	111,492	2.984
28th December 2006 to 24th January 2007	759,850	—	—	—	759,850	4.209
19th March to 13th April 2007	822,985	—	—	—	822,985	4.020
14th June to 11th July 2007	1,669,701	—	—	—	1,669,701	5.994
17th October to 13th November 2007	1,635,223	—	—	—	1,635,223	7.209
28th December 2007 to 24th January 2008	973,880	—	—	(147,761)	826,119	6.228
28th December 2007 to 24th January 2008	4,880,596 ⁽²⁾	—	—	(4,880,596)	—	6.228
22nd April to 19th May 2008	647,910	—	—	—	647,910	4.699
31st July to 27th August 2008	260,597	—	—	—	260,597	3.271
12th November to 9th December 2008	981,534	—	(120,000)	(168,328)	693,206	1.503
2nd December to 29th December 2008	960,597 ⁽³⁾	—	(960,597)	—	—	1.340
2nd December to 29th December 2008	7,924,973 ⁽⁴⁾	—	(1,222,534)	(342,841)	6,359,598	1.340
2nd December to 29th December 2008	1,553,570	—	(368,477)	(46,210)	1,138,883	1.340
3rd February to 2nd March 2009	831,528	—	(146,000)	—	685,528	1.769
26th June to 23rd July 2009	3,247,836	—	—	(234,628)	3,013,208	4.065
19th November to 16th December 2009	3,470,000	—	(100,000)	(400,000)	2,970,000	3.068
12th January to 2nd February 2010	5,212,400	—	—	(650,800)	4,561,600	2.990
18th May to 14th June 2010	1,479,600	—	(144,000)	(191,600)	1,144,000	2.350
31st May to 25th June 2010	1,000,000	—	(112,000)	—	888,000	2.440
10th November to 7th December 2010	—	4,654,400	—	(304,000)	4,350,400	3.130
18th January to 14th February 2011	—	5,849,000	—	(229,600)	5,619,400	3.154
3rd May to 30th May 2011	—	1,348,400	—	—	1,348,400	2.860
Total	40,579,345	11,851,800	(3,185,249)	(9,674,871)	39,571,025	

Notes:

1. *The share options are exercisable within five years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years, except otherwise specified in 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 about 33% 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% 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% 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 prices per share immediately before 10th November 2010, 18th January 2011 and 3rd May 2011, the dates of offer to grant, were HK\$3.18, HK\$3.13 and HK\$2.79, respectively.*
6. *The weighted average closing price of the shares immediately before the dates on which share options were exercised under the 2002 Share Option Scheme was HK\$2.98.*

The fair values of the share options granted during the year with exercise prices per share of HK\$3.130, HK\$3.154 and HK\$2.860 are estimated at HK\$1.24, HK\$1.24 and HK\$1.05, respectively using the Binomial pricing model. Values are estimated based on the risk-free rate ranging from 1.10% to 1.72% per annum with reference to the rate prevailing on the Exchange Fund Notes, a one-year period historical volatility of ranging from 53% to 55%, assuming dividend yield ranging from 1.63% to 1.88% and an expected option life of 5 years.

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

Continuing Obligations under Chapter 13 of the Listing Rules

Banking facilities with covenants relating to specific performance of the controlling shareholder

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

Report of the Directors

Continuing Obligations under Chapter 13 of the Listing Rules *(Continued)*

Banking facilities with covenants relating to specific performance of the controlling shareholder *(Continued)*

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

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

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

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

Statement of Public Float Sufficiency

Based on the information publicly available to the Company and within the knowledge of the directors as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

Major Customers and Suppliers

During the year, less than 30% of the Group's revenues were attributed by the Group's five largest customers and 16% of the Group's total purchases were attributed by the Group's five largest suppliers, 28% of the Group's total revenues were attributed by the Group's largest customer and 6% of the Group's total purchases were attributed by the Group's largest supplier. NWD Group is one of the five largest suppliers of the Group. Save as disclosed above, none of the directors, their associates, or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has any interest in any of the five largest suppliers of the Group.

Auditor

The financial statements have been audited by Messrs. PricewaterhouseCoopers, who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Dr. Cheng Kar-shun, Henry

Chairman and Managing Director

Hong Kong, 29th September 2011

Independent Auditor's Report



羅兵咸永道

To the shareholders of New World China Land Limited
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of New World China Land Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 128 to 204, which comprise the consolidated and company statements of financial position as at 30th June 2011, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30th June 2011, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 29th September 2011

Consolidated Income Statement

For the year ended 30th June 2011

	Note	2011 HK\$'000	2010 HK\$'000
Revenues	6	13,557,227	6,340,752
Cost of sales		(9,300,950)	(4,808,486)
Gross profit		4,256,277	1,532,266
Other income	7	879,277	649,036
Other gains, net	8	680,239	1,868,823
Changes in fair value of investment properties	17	386,890	169,262
Selling expenses		(267,034)	(216,419)
Administrative expenses		(95,857)	(100,199)
Other operating expenses		(885,779)	(831,849)
Operating profit before finance costs	9	4,954,013	3,070,920
Finance costs	10	(268,470)	(280,244)
Share of results of			
Associated companies		18,864	15,860
Jointly controlled entities		359,312	463,814
Profit before taxation		5,063,719	3,270,350
Taxation charge	13	(1,917,443)	(629,183)
Profit for the year		3,146,276	2,641,167
Attributable to:			
Equity holders of the Company		3,025,826	2,636,427
Non-controlling interests		120,450	4,740
		3,146,276	2,641,167
Earnings per share	14		
Basic		52.54 cents	50.75 cents
Diluted		52.02 cents	48.22 cents
Dividends	15	403,364	403,037
Dividend per share	15		
Interim dividend		3.00 cents	—
Final dividend		4.00 cents	7.00 cents
		7.00 cents	7.00 cents

Consolidated Statement of Comprehensive Income

For the year ended 30th June 2011

	2011 HK\$'000	2010 HK\$'000
Profit for the year	3,146,276	2,641,167
Other comprehensive income:		
Changes in fair value of available-for-sale financial assets	(34,048)	4,086
Disposal of available-for-sale financial assets	(34,049)	—
Translation differences	1,280,728	(8,207)
Share of other comprehensive income of jointly controlled entities	326,244	—
Share of other comprehensive income of associated companies	(3,232)	—
Other comprehensive income for the year	1,535,643	(4,121)
Total comprehensive income for the year	4,681,919	2,637,046
Total comprehensive income attributable to:		
Equity holders of the Company	4,555,089	2,634,575
Non-controlling interests	126,830	2,471
	4,681,919	2,637,046

Consolidated Statement of Financial Position

As at 30th June 2011

	Note	2011 HK\$'000	2010 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	16	1,832,310	1,641,140
Investment properties	17	14,197,823	12,409,018
Land use rights	18	693,090	604,530
Goodwill	19	23,394	23,394
Properties held for development	21	12,478,678	10,610,021
Associated companies	22	413,476	400,705
Jointly controlled entities	23	9,633,728	9,905,121
Available-for-sale financial assets	24	58,362	221,996
Cash and bank balances, restricted	25	—	9,091
		39,330,861	35,825,016
Current assets			
Properties under development	26	15,214,997	12,198,336
Completed properties held for sale	27	2,767,280	1,831,516
Hotel inventories, at cost		4,653	2,960
Prepayments, debtors and other receivables	28	10,976,586	10,667,110
Amounts due from related companies	29	589,809	491,645
Cash and bank balances, restricted	25	10,355	1,380
Cash and bank balances, unrestricted	25	10,640,373	7,965,386
		40,204,053	33,158,333
Total assets		79,534,914	68,983,349
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	30	576,239	575,725
Reserves	31	40,887,420	36,711,315
Proposed final dividend	31	230,505	403,037
		41,694,164	37,690,077
Non-controlling interests		2,354,690	1,714,322
Total equity		44,048,854	39,404,399

	Note	2011 HK\$'000	2010 HK\$'000
LIABILITIES			
Non-current liabilities			
Long term borrowings	32	14,151,021	16,076,473
Deferred tax liabilities	33	2,185,100	2,266,299
		16,336,121	18,342,772
Current liabilities			
Creditors and accruals	34	3,714,991	2,335,104
Deposits received on sale of properties		4,819,682	4,629,965
Amounts due to related companies	29	1,337,068	934,969
Short term loans	35	370,087	354,773
Current portion of long term borrowings	32	6,382,934	1,979,853
Amounts due to non-controlling interests	36	101,512	99,626
Taxes payable	37	2,423,665	901,888
		19,149,939	11,236,178
Total liabilities		35,486,060	29,578,950
Total equity and liabilities		79,534,914	68,983,349
Net current assets		21,054,114	21,922,155
Total assets less current liabilities		60,384,975	57,747,171

Dr. Cheng Kar-shun, Henry
Director

Mr. Doo Wai-hoi, William
Director

Statement of Financial Position

As at 30th June 2011

	Note	2011 HK\$'000	2010 HK\$'000
ASSETS			
Non-current asset			
Subsidiaries	20	28,096,011	27,149,566
Current assets			
Prepayments and other receivables	28	9,051	11,906
Amounts due from related companies	29	568,092	507,200
Cash and bank balances, unrestricted	25	1,400,889	1,874,439
		1,978,032	2,393,545
Total assets		30,074,043	29,543,111
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	30	576,239	575,725
Reserves	31	23,563,092	23,566,404
Proposed final dividend	31	230,505	403,037
Total equity		24,369,836	24,545,166
LIABILITIES			
Non-current liability			
Long term borrowings	32	5,095,955	4,967,784
Current liabilities			
Creditors and accruals	34	28,485	14,548
Amounts due to related companies	29	3,000	—
Current portion of long term borrowings	32	548,916	4,638
Taxes payable	37	27,851	10,975
		608,252	30,161
Total liabilities		5,704,207	4,997,945
Total equity and liabilities		30,074,043	29,543,111
Net current assets		1,369,780	2,363,384
Total assets less current liabilities		29,465,791	29,512,950

Dr. Cheng Kar-shun, Henry
Director

Mr. Doo Wai-hoi, William
Director

Consolidated Cash Flow Statement

For the year ended 30th June 2011

	Note	2011 HK\$'000	2010 HK\$'000
Operating activities			
Net cash generated from/(used in) operations	40(a)	1,562,781	(1,564,788)
Tax paid		(966,349)	(557,296)
Net cash from/(used in) operating activities		596,432	(2,122,084)
Investing activities			
Dividend income from jointly controlled entities		108,434	78,070
Interest received		44,748	130,273
Additions to property, plant and equipment, land use rights and investment properties		(1,083,940)	(1,018,458)
Increase in investments in associated companies		—	(1,603)
Increase in investments in jointly controlled entities		(15,758)	(522,159)
Decrease in investments in jointly controlled entities		1,129,667	2,091,540
Decrease in investments in associated companies		7,226	3
Acquisition of subsidiaries	40(c)	—	323,971
Acquisition of available-for-sale financial assets		(24,096)	—
Disposal of non-current assets held for sale		—	1,078,594
Disposal of available-for-sale financial assets		178,774	—
Disposal of property, plant and equipment and investment properties		252,391	35,604
Net cash from investing activities		597,446	2,195,835
Financing activities			
Interest paid		(655,492)	(520,118)
Increase in long term borrowings		5,728,932	5,081,966
Repayment of long term borrowings		(3,656,916)	(2,928,556)
Net decrease in short term loans		—	(207,727)
Capital contribution from non-controlling interests		515,538	807,239
Decrease in amounts due to non-controlling interests		(45,638)	(15,510)
Decrease in loans from fellow subsidiary companies		—	(140,032)
Issue of shares		7,881	4,857,027
Repurchase/redemption of convertible bonds		(20,513)	(2,592,777)
Dividends paid		(575,980)	(345,350)
(Increase)/decrease in restricted bank balances		(800)	248,023
Net cash from financing activities		1,297,012	4,244,185
Net increase in cash and cash equivalents		2,490,890	4,317,936
Cash and cash equivalents at beginning of the year		7,965,386	3,642,416
Exchange differences on cash and cash equivalents		184,097	5,034
Cash and cash equivalents at end of the year		10,640,373	7,965,386
Analysis of cash and cash equivalents			
Unrestricted cash and bank balances	25	10,640,373	7,965,386

Consolidated Statement of Changes in Equity

For the year ended 30th June 2011

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital HK\$'000	Reserves HK\$'000	Shareholders' funds HK\$'000	HK\$'000	HK\$'000
Balance at 1st July 2009	383,647	30,139,501	30,523,148	1,513,734	32,036,882
Translation differences	—	(5,938)	(5,938)	(2,269)	(8,207)
Changes in fair value of available-for-sale financial assets	—	4,086	4,086	—	4,086
Other comprehensive income for the year	—	(1,852)	(1,852)	(2,269)	(4,121)
Profit for the year	—	2,636,427	2,636,427	4,740	2,641,167
Total comprehensive income for the year	—	2,634,575	2,634,575	2,471	2,637,046
Transactions with owners					
Contribution by and distribution to owners					
Issues of shares	192,078	4,664,949	4,857,027	—	4,857,027
Capital contribution from non-controlling interests	—	—	—	198,117	198,117
Share-based payments	—	20,678	20,678	—	20,678
Dividend paid	—	(345,351)	(345,351)	—	(345,351)
Total transactions with owners	192,078	4,340,276	4,532,354	198,117	4,730,471
Balance at 30th June 2010	575,725	37,114,352	37,690,077	1,714,322	39,404,399
Balance at 1st July 2010	575,725	37,114,352	37,690,077	1,714,322	39,404,399
Translation differences	—	1,274,348	1,274,348	6,380	1,280,728
Share of other comprehensive income of jointly controlled entities	—	326,244	326,244	—	326,244
Share of other comprehensive income of associated companies	—	(3,232)	(3,232)	—	(3,232)
Changes in fair value of available-for-sale financial assets	—	(34,048)	(34,048)	—	(34,048)
Disposal of available-for-sale financial assets	—	(34,049)	(34,049)	—	(34,049)
Other comprehensive income for the year	—	1,529,263	1,529,263	6,380	1,535,643
Profit for the year	—	3,025,826	3,025,826	120,450	3,146,276
Total comprehensive income for the year	—	4,555,089	4,555,089	126,830	4,681,919
Transactions with owners					
Contribution by and distribution to owners					
Issues of shares	514	7,367	7,881	—	7,881
Repurchase of convertible bonds	—	(1,878)	(1,878)	—	(1,878)
Capital contribution from non-controlling interests	—	—	—	511,308	511,308
Share-based payments	—	19,696	19,696	—	19,696
Dividends paid	—	(575,980)	(575,980)	—	(575,980)
	514	(550,795)	(550,281)	511,308	(38,973)
Change in ownership interests in a subsidiary					
Acquisition of additional interests in a subsidiary	—	(721)	(721)	2,230	1,509
Total transactions with owners	514	(551,516)	(551,002)	513,538	(37,464)
Balance at 30th June 2011	576,239	41,117,925	41,694,164	2,354,690	44,048,854

Notes to the Financial Statements

1. General Information

New World China Land Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in investment and development of property projects in the People’s Republic of China (the “PRC”).

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business in Hong Kong is 9/F., New World Tower I, 18 Queen’s Road Central, Hong Kong.

The Company is listed on The Stock Exchange of Hong Kong Limited.

The immediate and ultimate holding company is New World Development Company Limited (“NWD”), a company incorporated and listed in Hong Kong.

These financial statements have been approved for issue by the Board of Directors on 29th September 2011.

2. Basis of Preparation

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

(a) The adoption of new or revised HKFRS

For the year ended 30th June 2010, the Group has early adopted HKAS 32 Amendment “Financial Instruments: Presentation — Classification of Rights Issues” which is effective for accounting periods beginning on or after 1st February 2010. In the current year, the Group has adopted the following amendments to standards and interpretations which are mandatory for the financial year ended 30th June 2011:

HKFRSs Amendments	Improvements to HKFRSs 2009
HKFRS 1 Amendment	Additional Exemptions for First-time Adopters
HKFRS 1 Amendment	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK-Int 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

In addition, the Group has early adopted HKAS 12 Amendment “Deferred Tax: Recovery of Underlying Assets” which is effective for annual periods beginning on or after 1st January 2012.

Notes to the Financial Statements

2. Basis of Preparation *(Continued)*

(a) The adoption of new or revised HKFRS *(Continued)*

The effect of the adoption of these amendments and interpretations are detailed below:

HK-Int 5 “Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause” is a clarification of an existing standard, HKAS 1 “Presentation of Financial Statements”. This interpretation requires that loans subject to loan agreements containing a clause which gives the lenders the unconditional right to demand repayment at any time should be classified as current liabilities, irrespective of the probability that the lenders will invoke the clause. The adoption of this interpretation has no significant effect on the financial position of the Group as at 30th June 2010, no retrospective adjustment has been made accordingly. As at 30th June 2011, borrowings of HK\$694,805,000 have been classified as current liabilities under HK-Int 5.

HKAS 12 Amendment introduces a presumption that an investment property measured at fair value is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Prior to the amendment, deferred taxation on investment properties at fair value is measured to reflect the tax consequences of recovering the carrying amounts of investment properties through use. The early adoption of this amendment has no significant impact on the Group’s results and financial position.

The adoption of other amendments and interpretations does not have a significant effect on the results and financial position of the Group.

(b) Standards, amendments and interpretations which are not yet effective

The following new or revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1st January 2011 or later periods but which the Group has not early adopted:

Effective for the year ending 30th June 2012 or after

HKFRSs Amendments	Improvements to HKFRSs 2010
HKFRS 1 Amendment	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
HKFRS 7 Amendment	Disclosure — Transfers of Financial Assets
HKFRS 9	Financial Instruments
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 24 (Revised)	Related Party Disclosures
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HK(IFRIC)-Int 14 Amendment	Prepayments of a Minimum Funding Requirement

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

(c) Change in accounting estimate

During the year ended 30th June 2011, a review of useful lives of the furniture, fixtures and equipment and leasehold improvements for the hotel operation was conducted. With effect from 1st July 2010, their estimated useful lives have been revised from 5 years to 8 years. This represents a change in accounting estimates and is accounted for prospectively. As a result of this change, the depreciation charge of the Group, associated companies and jointly controlled entities attributable to the Group for the year ended 30th June 2011 have been decreased by approximately HK\$29,735,000, HK\$1,091,000 and HK\$10,035,000 respectively. Such effect is expected to recur over the remaining lives of the relevant assets.

3. Principal Accounting Policies

The principal accounting policies adopted for the preparation of these financial statements, which have been consistently applied to all the years presented, unless otherwise stated, are set out below:

(a) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all of its subsidiaries made up to 30th June.

(i) *Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On the acquisition by acquisition basis, the Group recognises a non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree at the date of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The company's investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(a) Consolidation *(Continued)*

(ii) Joint ventures

A jointly controlled entity is a joint venture established as a corporation, partnership or other entity in which the venturers have their respective interests and establish a contractual arrangement among them to define their joint control over the economic activity of the entity.

The Group recognises its interest in jointly controlled entities using equity method of accounting. Interests in jointly controlled entities are stated in the consolidated financial statements at cost plus the share of post-acquisition results and reserves and goodwill on acquisition less provision for impairment losses. The interests in jointly controlled entities also include long term interests that, in substance, form part of the Group's net investment in the jointly controlled entities. The share of post-acquisition results and reserves is based on the relevant profit sharing ratios which vary according to the nature of the jointly controlled entities set out as follows:

Equity joint ventures/wholly foreign owned enterprises

Equity joint ventures/wholly foreign owned enterprises are joint ventures in respect of which the capital contribution ratios of the venturers are defined in the joint venture contracts and the profit sharing ratios of the venturers are in proportion to the capital contribution ratios.

Co-operative joint ventures

Co-operative joint ventures are joint ventures in respect of which the profit sharing ratios of the venturers and share of net assets upon the expiration of the joint venture periods are not in proportion to their capital contribution ratios but are as defined in the joint venture contracts.

Companies limited by shares

Companies limited by shares are limited liability companies in respect of which each shareholder's beneficial interests therein is in accordance with the amount of the voting share capital held thereby.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the jointly controlled entity that is attributable to the other ventures. The Group does not recognise its share of profits or losses from the jointly controlled entity that result from the purchase of assets from the jointly controlled entity until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

For equity accounting purpose, accounting policies of jointly controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Associated companies

An associated company is a company other than a subsidiary and a jointly controlled entity, in which the Group has significant influence through representatives on the board of directors.

Investments in associated companies are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investments in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. The interests in associated companies also include long term interest that, in substance, form part of the Group's net investment in associated companies.

The share of post acquisition profits or losses of associated companies is recognised in the consolidated income statement, and the share of post-acquisition movements in reserves is recognised in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. For equity accounting purpose, accounting policies of associated companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Transactions with non-controlling interests

Non-controlling interests is the equity in a subsidiary which is not attributable, directly or indirectly, to a parent. The Group treats transactions with non-controlling interests (namely, acquisitions of additional interests and disposals of partial interests in subsidiaries that do not result in a loss of control) as transactions with equity owners of the Group, instead of transactions with parties not within the Group. For purchases of additional interests in subsidiaries from non-controlling shareholders, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of partial interests to non-controlling interests are also recorded in equity.

(b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the attributable share of the net identifiable assets of the acquired subsidiaries, associated companies or jointly controlled entities. Goodwill on acquisitions of jointly controlled entities and associated companies is included in interests in jointly controlled entities and associated companies respectively. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of all or part of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of testing for impairment.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(c) Assets under leases

(i) Finance leases

Leases that transfer to the Group substantially all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the lease's commencement date at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in liabilities. The finance charges are charged to the income statement over the lease periods so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under finance leases are depreciated on the basis described in note 3(f)(ii) below.

(ii) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), are charged to the income statement on a straight-line basis over the period of the lease.

(d) Land use rights

The upfront prepayments made for the land use rights are expensed in the income statement on a straight-line basis over the period of the rights or when there is impairment, the impairment is expensed in the income statement.

(e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the Group, is classified as investment property.

Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases are classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is determined by professional qualified valuers on an open market value basis at the end of each reporting period. Changes in fair value are recognised in the income statement.

Where fair value of property that is being constructed or developed as investment property is not reliably determinable, it is measured at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of assets. Subsequent costs are included in the carrying amount of the assets or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying value of an asset is greater than its estimated recoverable amount.

(i) *Assets under construction*

All direct and indirect costs relating to the construction of property, plant and equipment, including borrowing costs during the construction period are capitalised as the costs of the assets.

(ii) *Depreciation*

No depreciation is provided on assets under construction.

Depreciation of other property, plant and equipment is calculated to allocate their cost to their estimated residual values over their estimated useful lives or, if shorter, the relevant finance lease periods, using the straight-line method. Estimated useful lives are summarised as follows:

Other properties	20–40 years
Leasehold improvements	5–10 years or over the relevant lease period
Furniture, fixtures and equipment	5–8 years
Motor vehicles	3 years

The residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

(iii) *Gain or loss on disposal*

The gain or loss on disposal of property, plant and equipment is determined by comparing the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(g) Impairment of investments in subsidiaries, jointly controlled entities, associated companies and non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement for the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped as cash-generating units for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment testing of the investments in subsidiaries, jointly controlled entities or associated companies is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary, jointly controlled entity or associated company in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(h) Investments

The Group classifies its investments in the categories of financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. Management determines the classification of its investments at initial recognition depending on the purpose for which the investments are acquired.

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading and those designated as at fair value through profit or loss at inception under certain circumstances. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable and are included in current assets, except for those with maturities of more than twelve months after the end of the reporting period, which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with maturities of less than twelve months from the end of the reporting period, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months from the end of the reporting period.

Regular way purchases and sales of financial assets are recognised on trade-date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction cost are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are included in the income statement in the financial period in which they arise. Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income. When available-for-sale financial assets are sold, the accumulated fair value adjustments are included in the income statement as gains or losses from financial assets. Changes in the fair value of monetary financial assets denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the financial asset and other changes in the carrying amount of the financial asset. The translation differences on monetary financial assets are recognised in the income statement; translation differences on non-monetary financial assets are recognised in other comprehensive income.

The fair values of quoted investment are based on current bid prices. If the market for a financial asset is not active and for unlisted financial assets, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(i) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity instruments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the asset below its cost is considered in determining whether the assets are impaired. In case of debt instruments, objective evidence of impairment includes significant financial difficulty of the issuer or counterparty; default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(j) Properties held for/under development

Properties held for/under development comprise prepayments for land use rights, development expenditure and borrowing costs capitalised, and are carried at the lower of cost and net realisable value. Properties under development included in the current assets are expected to be realised in, or is intended for sale in the Group's normal operating cycle.

(k) Completed properties held for sale

Completed properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Completed properties held for sale are carried at the lower of cost and net realisable value. Net realisable value is determined by reference to management estimates based on prevailing market conditions.

(l) Hotel Inventories

Hotel inventories primarily comprise food, beverages and operating supplies and are stated at the lower of cost and net realisable value. Cost is calculated on the weighted average basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(m) Trade and other receivables

Trade and other receivable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, which is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount of the assets and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the provision is recognised in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities in the statement of financial position.

(o) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(r) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability, other than that assumed in a business combination, is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

(s) Current and deferred taxation

The current taxation is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group, jointly controlled entities and associated companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, jointly controlled entities and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(t) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method or capitalised on the basis set out in note 3(u), where appropriate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

(u) Borrowing costs

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed as incurred.

(v) Convertible bonds

(i) *Convertible bonds with equity component*

Convertible bonds that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the liability component of the convertible bonds is determined using a market interest rate for an equivalent non-convertible bond. The remainder of the proceeds is allocated to the conversion option as equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion, redemption or maturity. The equity component is recognised in equity, net of any tax effects.

When the bond is converted, the relevant equity component and the carrying amount of the liability component at the time of conversion are transferred to share capital and share premium for the shares issued. When the bond is redeemed, the relevant equity component is transferred to retained profits.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(v) Convertible bonds *(Continued)*

(ii) *Convertible bonds without equity component*

All other convertible bonds which do not exhibit the characteristics mentioned in (i) above are accounted for as hybrid instruments consisting of an embedded derivative and a host debt contract.

At initial recognition, the embedded derivative of the convertible bonds is accounted for as derivative financial instrument and is measured at fair value. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as a liability under the contract. Transaction costs that relate to the issue of the convertible bonds are allocated to the liability under the contract.

The derivative component is subsequently carried at fair value and changes in fair value are recognised in the income statement. The liability under the contract is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion, redemption or maturity.

When the bond is converted, the carrying amount of the liability under the contract together with the fair value of the relevant derivative component at the time of conversion are transferred to share capital and share premium as consideration for the shares issued. When the bond is redeemed, any difference between the redemption amount and the carrying amounts of both components is recognised in the income statement.

(w) Employee benefits

(i) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) *Bonus plans*

Provision for bonus plans are recognised when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(iii) *Defined contribution plans*

The Group's contributions to defined contribution retirement plans, including the Mandatory Provident Fund Scheme and employee pension schemes established by municipal government in PRC are expensed as incurred. Contributions are reduced by contributions forfeited by those employees who leave the schemes prior to vesting fully in the contributions, where applicable.

(iv) Share-based compensation

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the date of grant, excluding the impact of any non-market vesting conditions. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

On lapse of share option according to the plan, corresponding amount recognised in share option reserve is transferred to retained profits.

(x) Foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is Renminbi. The consolidated financial statements are presented in Hong Kong dollars to facilitate analysis of financial information by the holding company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates ruling at the end of the reporting period are recognised in the income statement.

Translation differences on financial assets held at fair value through profit or loss is reported as part of the fair value gain or loss. Translation differences on non-monetary available-for-sale financial assets are included in equity.

Notes to the Financial Statements

3. Principal Accounting Policies *(Continued)*

(x) Foreign currencies *(Continued)*

(iii) *Group companies*

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the end of that reporting period;
- (2) income and expenses for each income statement are translated at average exchange rates; and
- (3) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee that makes strategic decisions.

(z) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Group's activities. Revenue is shown net of sales tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors.

Revenue is recognised when the amount can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria for each of the activities have been met. Estimates are based on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(i) *Property sales*

Revenue from sale of properties is recognised when the risks and rewards of the properties are passed to the purchasers. Deposits and instalments received on properties sold prior to their completion are included under current liabilities.

(ii) Rental income

Rental income is recognised on a straight-line basis over the terms of lease agreements or on a specified basis according to the terms of lease agreements in respect of contingent rental income.

(iii) Hotel operations income

Hotel operations income is recognised when services are rendered.

(iv) Property management services fee income

Property management services fee income is recognised when services are rendered.

(v) Project management fee income

Project management fee income is recognised when services are rendered.

(vi) Hotel management services fee income

Hotel management services fee income is recognised when services are rendered.

(vii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method to the extent that interest income can be reliably measured and it is probable that future economic benefit will flow to the Group.

(viii) Trademark fee income

Trademark fee income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(aa) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders/directors.

(ab) Insurance contracts

The Group regards its financial guarantee contracts in respect of mortgage facilities provided to certain property purchasers and guarantees provided to its related parties as insurance contracts.

The Group assesses at the end of each reporting period the liabilities under its insurance contracts using current estimates of future cash flows. Changes in carrying amount of these insurance liabilities are recognised in the income statement.

Notes to the Financial Statements

4. Financial Risk Management and Fair Value Estimation

The Group conducts its operation in the PRC and accordingly is subject to special consideration and risk exposure under an unique political, economic and legal environment. The Group's activities expose it to a variety of financial risks and the Group's overall risk management policy seeks to minimise potential adverse effects on the Group's financial performance. The Group continues to control financial risk in a conservative approach to safeguard the interest of shareholders.

(a) Market risk

(i) Foreign exchange risk

The Group's operations are mainly conducted in the PRC. Entities within the Group are exposed to foreign exchange risk from future commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the entity's functional currency.

The Group currently does not have a foreign currency hedging policy. It manages its foreign currency risk by closely monitoring the movement of the foreign currency rates and will consider to enter into forward foreign exchange contracts to reduce the exposure should the need arises.

At 30th June 2011, the Group's entities with functional currency of Renminbi had net monetary liabilities denominated in Hong Kong dollar of HK\$9,816,880,000 (2010: HK\$7,901,382,000) and net monetary assets denominated in United States dollar of HK\$968,238,000 (2010: HK\$96,450,000). If Hong Kong dollar and United states dollar had strengthened/weakened by 5% against Renminbi respectively with all other variables unchanged, the Group's profit before taxation would have been HK\$442,432,000 (2010: HK\$390,247,000) lower/higher respectively.

This sensitivity analysis ignores any offsetting foreign exchange factors and has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period. The stated change represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period. There are no other significant monetary balances held by relevant companies at 30th June 2011 that are denominated in a non-functional currency. Currency risks as defined by HKFRS 7 arise on account of monetary assets and liabilities being denominated in a currency that is not the functional currency; differences resulting from the translation of financial statements into the Group's presentation currency are not taken into consideration.

(ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. The Group's interest bearing assets mainly include bank deposits and amounts due from jointly controlled entities. The Group's floating rate borrowings will be affected by fluctuation of prevailing market interest rates and will expose the Group to cash flow interest rate risk. Fair value interest rate risk is the risk that the value of a financial asset or liability will fluctuate because of changes in market interest rates. The Group's borrowings issued at fixed rates expose the Group to fair value interest rate risk.

To mitigate the risk, the Group has maintained fixed and floating rate debts. The level of fixed rate debt for the Group is decided after taking into consideration the potential impact of higher interest rates on profit or loss, interest cover and the cash flow cycles of the Group's businesses and investments.

If interest rates had been 100 basis points higher/lower with all other variables held constant, the Group's profit before taxation would have been HK\$42,614,000 lower/higher (2010: HK\$26,304,000 higher/lower). The sensitivity analysis has been determined assuming that the change in interest rates had occurred throughout the year and had been applied to the exposure to interest rate risk for financial instruments in existence at the end of the reporting period. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates which have the most impact on the Group over the period until the next annual of the end of the reporting period. Changes in market interest rates affect the interest income or expense of non-derivative variable-interest financial instruments. As a consequence, they are included in the calculation of profit before taxation sensitivities.

(iii) Price risk

The Group was exposed to equity securities price risk because of the listed equity investments held by the Group which were stated at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets were dealt with in other comprehensive income. The performance of the Group's listed equity investments were monitored regularly, together with an assessment of their relevance to the Group's long term strategic plans. The Group is not exposed to commodity price risk.

At 30th June 2010, if the price of listed equity investments had been 25% higher/lower with all other variables held constant, the Group's investment revaluation reserve would have been HK\$55,499,000 higher/lower. The sensitivity analysis had been determined based on a reasonable expectation of possible valuation volatility over the next 12 months. The Group is not exposed to equity securities price risk as at 30th June 2011 as the listed equity investments were disposed of during the year.

Notes to the Financial Statements

4. Financial Risk Management and Fair Value Estimation *(Continued)*

(b) Credit risk

The credit risk of the Group and the Company mainly arises from deposits with banks, prepayments, trade and other receivables and balances receivables from related companies, associated companies and jointly controlled entities. The exposures to these credit risks are closely monitored on an ongoing basis by established credit policies in each of its core businesses.

Deposits are mainly placed with high-credit-quality financial institutions. Prepayments mainly include prepaid land preparatory cost, prepayments for purchase of land and proposed development projects. The Group is well aware of the progress and will continue to monitor the status and take appropriate actions if necessary. Trade receivables mainly include receivables from sale and lease of properties and other services. The Group and the Company carry out regular review and follow-up action on any overdue amounts to minimise exposures to credit risk. There is no concentration of credit risk with respect to trade receivables from third party customers as there are a large number of customers.

In addition, the Group and the Company monitor the exposure to credit risk in respect of the financial assistance provided to subsidiaries, associated companies and jointly controlled entities through exercising control or influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis.

The Group provides guarantees to banks in connection with certain property purchasers' borrowing of mortgage loans to finance their purchase of the properties until the issuance of the official property title transfer certificates by the relevant authority in the PRC. If a purchaser defaults on the payment of its mortgage during the term of the guarantee, the bank holding the mortgage may demand the Group to repay the outstanding amount under the loan and any accrued interest thereon. Under such circumstances, the Group is able to retain the purchasers' deposits and sell the properties to recover any amounts paid by the Group to the bank. Therefore the Group's credit risk is significantly reduced. Nevertheless, the net realisable values of the relevant properties are subject to the fluctuation of the property market in general, the Group assesses at the end of each reporting period the potential liabilities based on the current estimates of future cash flows. As at 30th June 2011, no provision has been made in the financial statements (2010: Nil).

(c) Liquidity risk

Prudent liquidity risk management includes managing the profile of debt maturities and funding sources, maintaining sufficient cash and marketable securities, and ensuring the availability of funding from an adequate amount of committed credit facilities. It is the policy of the Group and the Company to regularly monitor current and expected liquidity requirements and to ensure that adequate funding is available for operating, investing and financing activities. The Group and the Company also maintain undrawn committed credit facilities to further reduce liquidity risk in meeting funding requirements. At 30th June 2011, the Group's unutilised committed bank loan facilities amounted to HK\$5,821 million (2010: HK\$4,548 million).

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cashflow.

Group

	Carrying amount HK\$'000	Total contractual undiscounted cashflow HK\$'000	Within 1 year HK\$'000	Over 1 year but within 5 years HK\$'000	After 5 years HK\$'000
At 30th June 2011					
Creditors and accruals	3,714,991	3,652,478	3,343,955	297,199	11,324
Amounts due to jointly controlled entities	1,260,000	1,260,000	1,260,000	—	—
Amounts due to group companies	32,005	32,005	32,005	—	—
Amounts due to companies owned by a director	45,063	45,063	45,063	—	—
Amounts due to non-controlling interests	101,512	101,512	101,512	—	—
Short term loans	370,087	372,437	372,437	—	—
Long term borrowings	20,533,955	22,613,023	6,126,197	13,788,958	2,697,868
At 30th June 2010					
Creditors and accruals	2,335,104	2,288,805	1,999,112	284,090	5,603
Amounts due to jointly controlled entities	1,393,453	1,393,453	1,393,453	—	—
Amounts due to group companies	250,203	250,203	250,203	—	—
Amounts due to non-controlling interests	99,626	99,626	99,626	—	—
Short term loans	354,773	360,205	360,205	—	—
Long term borrowings	18,056,326	20,078,000	2,547,743	14,242,986	3,287,271

Notes to the Financial Statements

4. Financial Risk Management and Fair Value Estimation *(Continued)*

(c) Liquidity risk *(Continued)*

Company

	Carrying amount HK\$'000	Total contractual undiscounted cashflow HK\$'000	Within 1 year HK\$'000	Over 1 year but within 5 years HK\$'000	After 5 years HK\$'000
At 30th June 2011					
Creditors and accruals	28,485	28,485	28,485	—	—
Amounts due to group companies	3,000	3,000	3,000	—	—
Long term borrowings	5,644,871	5,743,106	578,457	2,791,759	2,372,890
At 30th June 2010					
Creditors and accruals	14,548	14,548	14,548	—	—
Long term borrowings	4,972,422	5,025,630	27,805	2,586,368	2,411,457

(d) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group generally obtains long term financing to on-lend or contribute as equity to its subsidiaries, jointly controlled entities and associated companies to meet their funding needs in order to provide more cost-efficient financing. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue or repurchase shares, raise new debt financing or sell assets to reduce debt.

The Group monitors capital on the basis of the Group's gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings less cash and bank balances.

The gearing ratios at 30th June 2011 and 2010 were as follows:

	2011 HK\$'000	2010 HK\$'000
Consolidated total borrowings	20,904,042	18,411,099
Less: cash and bank balances	(10,650,728)	(7,975,857)
Consolidated net debt	10,253,314	10,435,242
Total equity	44,048,854	39,404,399
Gearing ratio	23.3%	26.5%

The decrease in gearing ratio at 30th June 2011 was primarily due to increase in cash and bank balances generated from operating activities and investing activities.

(e) Fair value estimation

Financial instruments that are measured in the statement of financial position at fair value are disclosed by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. None of the instruments is included in level 1 as at 30th June 2011. As at 30th June 2010, instruments included in level 1 comprised listed equity securities classified as available-for-sale financial assets.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. None of the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents the Group's financial instruments that are measured at fair value at 30th June 2011:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Unlisted investment classified as available-for-sale financial assets	—	—	58,362	58,362

The following table presents the changes in level 3 instruments for the year ended 30th June 2011:

	Available-for-sale financial assets HK\$'000
Additions	58,362
Closing balance	58,362

Notes to the Financial Statements

5. Critical Accounting Estimates and Judgements

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on carrying amounts of assets and liabilities are as follows:

(a) Valuation of completed investment properties and investment properties under development

The fair value of each investment property is individually determined at the end of each reporting period by independent valuers based on a market value assessment. The valuers have relied on the discounted cash flow analysis and the capitalisation of income approach as their primary methods, supported by the direct comparison method. These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its tenancy and cashflow profile. The fair value of each investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

In the case of investment properties under development, their face value reflects the expectations of market participants of the value of the properties when they are completed, less deductions for the costs required to complete the projects and appropriate adjustments for profit and risk. The valuation and all key assumptions used in the valuation should reflect market conditions at the end of each reporting period. The key assumptions include value of completed properties, period of development, outstanding construction costs, finance costs, other professional costs, risk associated with completing the projects and generating income after completion and investors' return as a percentage of value or costs. The fair value is made by reference to independent valuation.

(b) Provision for properties held for/under development and for sale

The Group assesses the carrying amounts of properties held for/under development and for sale according to their estimated net realisable value based on the realisability of these properties, taking into account costs to completion based on past experience and net sales value based on prevailing market conditions. Provision is made when events or changes in circumstances indicate that the carrying amounts may not be realised. The assessment requires the use of judgement and estimates.

(c) Income taxes

The Group is subject to corporate income tax, land appreciation tax, withholding tax and other taxes in the PRC. Significant judgement is required in determining the provision for taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the provision for income and other taxes and deferred tax in the period in which such determination is made.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the management's expectation of future taxable profit that will be available against which tax losses can be utilised. The outcome of their actual utilisation may be different.

(d) Share-based payments

The fair value of options granted is estimated by independent professional valuers based on various assumptions on volatility, life of options, dividend paid out rate and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair value of the share options at the date of grant.

(e) Impairment of goodwill

The Group tests annually for impairment of goodwill in accordance with accounting policy as stated in note 3(g). The recoverable amounts of cash-generating units have been determined based on the higher of the fair value less costs to sell and value in use calculation of the underlying assets, mainly properties. These calculations require the use of estimates, such as discount rates, future profitability and growth rates.

(f) Recoverability of prepayments, debtors and other receivable

The Group assess whether there is objective evidence as stated in note 3(m) that prepayments, debtors, loans and receivables are impaired. It recognises impairment based on estimates of the extent and timing of future cash flows using applicable discount rates. The final outcome of the recoverability and cash flows of these prepayments and receivables will impact the amount impairment required.

(g) Financial guarantees

The Group assesses at the end of each reporting period the liabilities under insurance contracts, using current estimates of future cash flows.

In respect of the financial guarantee contracts provided to property purchasers, the Group considers the net realisable value of the relevant properties against the outstanding mortgage principal and interest.

6. Revenues and Segment Information

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

	2011 HK\$'000	2010 HK\$'000
Sale of properties	12,434,039	5,406,162
Rental income	542,151	453,674
Income from hotel operation	397,240	339,745
Property management services fee income	126,363	104,499
Project management fee income	25,451	19,943
Hotel management services fee income	31,983	16,729
	13,557,227	6,340,752

Notes to the Financial Statements

6. Revenues and Segment Information *(Continued)*

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

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

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

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

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

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

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

Year ended 30th June 2011	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services HK\$'000	Hotel management services HK\$'000	Other operations HK\$'000	Total HK\$'000
Segment revenues							
Company and subsidiaries							
Total revenues	12,459,490	567,082	397,240	159,160	50,250	—	13,633,222
Inter-segment revenues	—	(24,931)	—	(32,797)	(18,267)	—	(75,995)
External revenues	12,459,490	542,151	397,240	126,363	31,983	—	13,557,227
Associated companies —							
attributable to the Group	64,733	20,244	21,215	—	—	—	106,192
Jointly controlled entities —							
attributable to the Group	1,485,357	338,098	84,164	51,245	—	—	1,958,864
	14,009,580	900,493	502,619	177,608	31,983	—	15,622,283
Segment bank and other interest income							
	43,074	11,849	589	249	—	21	55,782
AOP before finance costs and taxation charge							
Company and subsidiaries							
	3,232,278	251,826	(16,177)	(26,953)	(63,882)	(49)	3,377,043
Associated companies							
	17,296	8,343	(4,663)	—	—	—	20,976
Jointly controlled entities							
	743,586	181,958	(35,177)	3,895	—	3,932	898,194
	3,993,160	442,127	(56,017)	(23,058)	(63,882)	3,883	4,296,213
Additions to non-current assets other than financial instruments							
	3,750,252	970,352	85,125	2,140	1,027	1,292	4,810,188
Depreciation and amortisation							
	43,016	17,872	132,736	1,129	1,180	1,446	197,379
Share of results of							
Associated companies							
	12,542	10,983	(4,661)	—	—	—	18,864
Jointly controlled entities							
	290,287	104,179	(41,977)	3,119	—	3,704	359,312
As at 30th June 2011							
Segment assets							
	49,983,526	14,694,057	1,983,805	113,237	192,837	7,403	66,974,865
Associated companies and jointly controlled entities							
	2,206,986	7,233,642	582,208	9,756	4,194	10,418	10,047,204
Available-for-sale financial assets							
							58,362
Property, plant and equipment at corporate office							
							4,310
Prepayments, debtors and other receivables at corporate office							
							109,404
Amounts due from related companies at corporate office							
							568,092
Cash and bank balances at corporate office							
							1,772,677
Total assets							
							79,534,914
Segment liabilities							
	9,890,605	285,487	76,723	67,429	16,280	1,023	10,337,547
Creditors and accruals at corporate office							
							53,951
Taxes payable							
							2,005,420
Borrowings							
							20,904,042
Deferred tax liabilities							
							2,185,100
Total liabilities							
							35,486,060

Notes to the Financial Statements

6. Revenues and Segment Information (Continued)

Year ended 30th June 2010	Property sales HK\$'000	Rental operation HK\$'000	Hotel operation HK\$'000	Property management services HK\$'000	Hotel management services HK\$'000	Other operations HK\$'000	Total HK\$'000
Segment revenues							
Company and subsidiaries							
Total revenues	5,426,105	454,109	339,745	126,609	29,908	—	6,376,476
Inter-segment revenues	—	(435)	—	(22,110)	(13,179)	—	(35,724)
External revenues	5,426,105	453,674	339,745	104,499	16,729	—	6,340,752
Associated companies —							
attributable to the Group	3,641	18,908	20,642	—	—	—	43,191
Jointly controlled entities —							
attributable to the Group	2,328,031	441,229	76,581	43,202	—	—	2,889,043
	7,757,777	913,811	436,968	147,701	16,729	—	9,272,986
Segment bank and other interest income							
	100,727	8,728	210	105	6	15	109,791
AOP before finance costs and taxation charge							
Company and subsidiaries							
	751,773	183,090	(66,307)	(37,476)	6,627	(288)	837,419
Associated companies							
	132	9,586	2,862	—	—	—	12,580
Jointly controlled entities							
	698,172	296,947	(34,283)	262	—	994	962,092
	1,450,077	489,623	(97,728)	(37,214)	6,627	706	1,812,091
Additions to non-current assets other than financial instruments							
	1,747,319	1,855,060	21,717	888	223	587	3,625,794
Depreciation and amortisation							
	37,832	28,426	151,290	941	1,057	1,962	221,508
Share of results of							
Associated companies							
	(85)	8,101	7,844	—	—	—	15,860
Jointly controlled entities							
	203,353	301,916	(41,471)	(461)	—	477	463,814
As at 30th June 2010							
Segment assets							
	40,066,650	13,157,839	1,896,585	87,514	51,470	24,336	55,284,394
Associated companies and jointly controlled entities							
	3,222,852	6,255,250	816,007	(342)	602	11,457	10,305,826
Available-for-sale financial assets							
							221,996
Property, plant and equipment at corporate office							
							4,487
Prepayments, debtors and other receivables at corporate office							
							314,059
Amounts due from related companies at corporate office							
							425,190
Cash and bank balances at corporate office							
							2,427,397
Total assets							
							68,983,349
Segment liabilities							
	7,646,641	304,595	257,145	40,972	13,727	11,829	8,274,909
Creditors and accruals at corporate office							
							36,150
Taxes payable							
							590,493
Borrowings							
							18,411,099
Deferred tax liabilities							
							2,266,299
Total liabilities							
							29,578,950

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

	2011 HK\$'000	2010 HK\$'000
(i) Revenues		
Total segment revenues	15,622,283	9,272,986
Less:		
Revenues of associated companies and jointly controlled entities, attributable to the Group	(2,065,056)	(2,932,234)
Revenues as presented in consolidated income statement	13,557,227	6,340,752
(ii) Profit before taxation		
AOP before finance costs and taxation charge	4,296,213	1,812,091
Finance costs — project loans	(248,896)	(183,191)
Corporate income tax and land appreciation tax, net of tax indemnity	(1,353,562)	(511,913)
AOP after finance costs and taxation charge	2,693,755	1,116,987
Net foreign exchange gains/(losses)	627,531	(1,846)
Bank and other interest income — corporate	4,941	5,944
Finance costs — corporate loans	(50,172)	(139,992)
Deferred tax on undistributed profits	(161,816)	(89,052)
Corporate administrative expenses	(210,939)	(182,599)
AOP after corporate items	2,903,300	709,442
Changes in fair value of investment properties, net of deferred taxation	119,883	57,737
Gain on disposal of available-for-sale financial assets	24,875	—
Gain/(loss) on repurchase/early redemption of convertible bonds	1,268	(162,227)
Write back of provision for amount due by a jointly controlled entity	1,000	—
Provision for amount due by a jointly controlled entity	(24,500)	(12,000)
Gain on remeasuring previously held interests of jointly controlled entities at fair value upon further acquisition as subsidiaries	—	1,332,086
Excess of fair value of net assets acquired over cost of acquisition of interests in subsidiaries	—	732,125
Write back of provision for properties held for development	—	54,000
Loss on disposal of non-current assets held for sale	—	(15,364)
Impairment of goodwill	—	(59,372)
	122,526	1,926,985
Profit attributable to equity holders of the Company	3,025,826	2,636,427
Taxation charge	1,917,443	629,183
Profit attributable to non-controlling interests	120,450	4,740
Profit before taxation	5,063,719	3,270,350

Notes to the Financial Statements

7. Other Income

	2011 HK\$'000	2010 HK\$'000
Tax indemnity from the ultimate holding company (note 13)	654,285	339,469
Interest income from jointly controlled entities, net of withholding tax (note)	94,522	119,184
Bank and other interest income	86,209	130,273
Trademark fee income from jointly controlled entities	44,261	15,903
Income from early termination of a hotel management contract	—	30,000
Dividend income from available-for-sale financial assets	—	14,207
	879,277	649,036

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

	2011 HK\$'000	2010 HK\$'000
Share of shareholders' loan interest expenses of jointly controlled entities	(82,085)	(97,178)

8. Other Gains, Net

	2011 HK\$'000	2010 HK\$'000
Net foreign exchange gains/(losses)	639,432	(1,371)
Gain on disposal of investment properties	81,074	946
Gain on disposal of available-for-sale financial assets	24,875	—
Gain/(loss) on repurchase/early redemption of convertible bonds	1,268	(162,227)
Write back of provision for amount due by a jointly controlled entity	1,000	—
Provision for amount due by a jointly controlled entity	(24,500)	(12,000)
Fee for buyout of hotel management contracts	(42,910)	—
Gain on remeasuring previously held interests of jointly controlled entities at fair value upon further acquisition as subsidiaries	—	1,332,086
Excess of fair value of net assets acquired over cost of acquisition of interests in subsidiaries	—	732,125
Write back of provision for properties held for development	—	54,000
Loss on disposal of non-current assets held for sale	—	(15,364)
Impairment of goodwill	—	(59,372)
	680,239	1,868,823

9. Operating Profit before Finance Costs

	2011 HK\$'000	2010 HK\$'000
Operating profit before finance costs is arrived at after crediting:		
Gross rental income from investment properties	521,430	429,277
Gain on disposal of investment properties	81,074	946
Gain on disposal of property, plant and equipment	—	1,032
and after charging:		
Cost of properties sold	8,642,454	4,281,803
Staff costs (note 11)	369,061	289,252
Depreciation of property, plant and equipment	178,293	204,800
Outgoings in respect of investment properties	233,716	201,513
Rental for leased premises	18,387	32,658
Loss on disposal/write off of property, plant and equipment	3,598	—
Amortisation of land use rights	19,086	16,708
Auditors' remuneration	12,036	9,281

Contingent rent included in revenue amounted to HK\$8,720,000 (2010: HK\$2,920,000) for the year.

	2011 HK\$'000	2010 HK\$'000
The future minimum rental receivable under non-cancellable operating leases are as follows:		
Within one year	374,273	329,869
Between two and five years	600,853	552,906
Beyond five years	755,561	728,236
	1,730,687	1,611,011

Generally the Group's operating leases are for terms of two to five years except for 43 (2010: 20) long term leases which are beyond five years.

Notes to the Financial Statements

10. Finance Costs

	2011 HK\$'000	2010 HK\$'000
Interest on bank borrowings		
— wholly repayable within five years	531,055	394,929
— not wholly repayable within five years	71,430	96,188
Interest on loans from fellow subsidiaries wholly repayable within five years	5,751	24,225
Interest on loans from non-controlling interests not wholly repayable within five years	3,725	2,525
Interest on short term loans	94,315	24,494
Interest on advances from participating interest	88,256	81,476
Interest on convertible bonds wholly repayable within five years	15,178	103,879
	809,710	727,716
Amounts capitalised in properties held for/under development	(541,240)	(447,472)
	268,470	280,244

Note: To the extent funds are borrowed generally and used for the purpose of financing certain properties held for/under development, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 1.08% (2010: 1.38%) for the year.

11. Staff Costs

	2011 HK\$'000	2010 HK\$'000
Wages, salaries and other benefits	342,209	261,937
Pension costs — defined contribution plans (note)	7,156	6,637
Share-based payments	19,696	20,678
	369,061	289,252

Note: The Group has established a defined contribution retirement scheme under the Occupational Retirement Scheme Ordinance for all employees in Hong Kong since September 1999. The contributions to the scheme are based on a percentage of the employees' salaries ranging from 5% to 10%, depending upon the length of service of the employees. The Group's contributions to the scheme are expensed as incurred and are not forfeited in respect of those employees who leave the scheme prior to vesting fully in the contributions.

With the implementation of the Mandatory Provident Fund ("MPF") Scheme Ordinance on 1st December 2000, the Group established a new MPF Scheme. Except for employees who commenced employment after 1st October 2000, all the existing employees were given an option to select between the existing defined contribution retirement scheme and the MPF Scheme. The employees who commenced employment after 1st October 2000 are required to join the MPF Scheme. The Group's contributions to the MPF scheme are based on fixed percentages of members' salaries, ranging from 5% of MPF relevant income to 10% of the basic salary. Members' mandatory contributions are fixed at 5% of MPF relevant income.

The Group also contributes to retirement plans for its employees in the PRC at a percentage in compliance with the requirements of the respective municipal governments in the PRC.

The assets of all retirement schemes are held separately from those of the Group in independently administered funds. The total pension costs charged to the consolidated income statement for the year amounted to HK\$7,156,000 (2010: HK\$6,637,000).

12. Directors' and Senior Management Remuneration

(i) Details of the directors' emoluments are as follows:

Name of director	Fees HK\$'000	Other emoluments HK\$'000	Retirement benefits HK\$'000	Share option benefits HK\$'000	Total HK\$'000
For the year ended 30th June 2011					
Dr. Cheng Kar-shun, Henry	150	—	—	1,232	1,382
Mr. Cheng Chi-kong, Adrian	150	1,940	84	924	3,098
Mr. Doo Wai-hoi, William	100	—	—	493	593
Mr. Cheng Kar-shing, Peter	150	—	—	493	643
Miss Cheng Chi-man, Sonia	150	1,920	84	66	2,220
Mr. Cheng Chi-him, Conrad	150	1,180	51	—	1,381
Mr. Leung Chi-kin, Stewart	100	—	—	122	222
Mr. Chow Yu-chun, Alexander	125	—	—	316	441
Mr. Chow Kwai-cheung	100	—	—	122	222
Mr. Fong Shing-kwong, Michael	150	1,520	75	289	2,034
Ms. Ngan Man-ying, Lynda	150	5,160	368	623	6,301
Dr. Cheng Wai-chee, Christopher	200	—	—	189	389
Mr. Tien Pei-chun, James	200	—	—	189	389
Mr. Lee Luen-wai, John	200	—	—	189	389
	2,075	11,720	662	5,247	19,704

For the year ended 30th June 2010					
Dr. Cheng Kar-shun, Henry	150	—	—	1,041	1,191
Mr. Cheng Chi-kong, Adrian	150	1,740	75	816	2,781
Mr. Doo Wai-hoi, William	125	—	—	418	543
Mr. Cheng Kar-shing, Peter	150	—	—	418	568
Miss Cheng Chi-man, Sonia	75	462	23	120	680
Mr. Cheng Chi-him, Conrad	75	462	23	—	560
Mr. Leung Chi-kin, Stewart	125	—	—	102	227
Mr. Chow Yu-chun, Alexander	150	—	—	278	428
Mr. Chow Kwai-cheung	125	—	—	102	227
Mr. Fong Shing-kwong, Michael	150	1,200	60	217	1,627
Ms. Ngan Man-ying, Lynda	150	4,080	291	538	5,059
Mr. Cheng Wai-chee, Christopher	200	—	—	166	366
Mr. Tien Pei-chun, James	200	—	—	166	366
Mr. Lee Luen-wai, John	200	—	—	166	366
	2,025	7,944	472	4,548	14,989

Notes to the Financial Statements

12. Directors' and Senior Management Remuneration (Continued)

- (ii) The five individuals whose emoluments were the highest in the Group for the year include one (2010: one) director whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining four (2010: four) individuals during the year are as follows:

	2011 HK\$'000	2010 HK\$'000
Salaries, discretionary bonus, other allowances and other benefits in kind	17,001	14,058
Share option benefits	1,375	1,442
Contribution to retirement benefit scheme	923	824
	19,299	16,324

The emoluments fall within the following bands:

	Number of individuals	
	2011	2010
HK\$3,500,001–HK\$4,000,000	—	2
HK\$4,000,001–HK\$4,500,000	1	2
HK\$4,500,001–HK\$5,000,000	1	—
HK\$5,000,001–HK\$5,500,000	2	—
	4	4

13. Taxation Charge

	2011 HK\$'000	2010 HK\$'000
Current taxation		
PRC corporate income tax	893,373	214,981
PRC land appreciation tax	1,229,145	279,262
Deferred taxation	(205,075)	134,940
	1,917,443	629,183

Share of taxation of associated companies and jointly controlled entities for the year ended 30th June 2011 of HK\$1,029,000 (2010: HK\$1,292,000) and HK\$313,844,000 (2010: HK\$448,767,000) respectively are included in the consolidated income statement as share of results of associated companies and jointly controlled entities.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the rate of taxation prevailing in the PRC in which the Group operates as follows:

	2011 HK\$'000	2010 HK\$'000
Profit before taxation	5,063,719	3,270,350
Share of results of		
Associated companies	(18,864)	(15,860)
Jointly controlled entities	(359,312)	(463,814)
	4,685,543	2,790,676
Calculated at a taxation rate of 25% (2010: 25%)	1,171,386	697,669
Income not subject to taxation	(588,645)	(707,803)
Expenses not deductible for taxation purposes	174,179	165,913
Tax losses not recognised	82,007	110,232
Deduction from PRC land appreciation tax	(307,286)	(69,815)
Utilisation of previously unrecognised tax losses	(5,265)	(32,507)
Temporary differences not recognised	(2,704)	(8,083)
Recognition of previously unrecognised temporary differences	17,600	105,263
Deferred taxation on undistributed profits	147,026	89,052
	688,298	349,921
PRC land appreciation tax	1,229,145	279,262
	1,917,443	629,183

No provision for Hong Kong profits tax has been made as the Group has no estimated assessable profits in Hong Kong for the year (2010: Nil). PRC corporate income tax ("CIT") has been provided on the estimated assessable profits of subsidiaries, associated companies and jointly controlled entities operating in the PRC at 25% (2010: 25%). PRC land appreciation tax ("LAT") is provided at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

In July 1999, a deed of tax indemnity was entered into between NWD, the ultimate holding company, and the Company whereby the ultimate holding company undertakes to indemnify the Group in respect of, inter alia, certain PRC CIT and LAT payable in consequence of the disposal of certain properties held by the Group as at 31st March 1999. During the year, tax indemnity amounting to HK\$654,285,000 (2010: HK\$339,469,000) was effected (note 7).

Notes to the Financial Statements

14. Earnings per Share

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

	2011 HK\$'000	2010 HK\$'000
Profit attributable to equity holders of the Company	3,025,826	2,636,427
Interest expense on convertible bonds	—	39,348
Less: gain on repurchase of convertible bonds	(1,268)	—
Profit used to determine diluted earnings per share	3,024,558	2,675,775

	Number of shares	
	2011	2010
Weighted average number of shares for calculating basic earnings per share	5,759,635,016	5,194,521,293
Effect of dilutive potential shares:		
Share options	7,091,795	9,303,870
Convertible bonds	47,251,179	345,752,134
Weighted average number of shares for calculating diluted earnings per share	5,813,977,990	5,549,577,297

15. Dividends

	2011 HK\$'000	2010 HK\$'000
Interim dividend paid of HK\$0.03 (2010: Nil) per share	172,859	—
Final dividend proposed of HK\$0.04 (2010: HK\$0.07) per share	230,505	403,037
	403,364	403,037

At a meeting held on 29th September 2011, the directors recommended a final dividend of HK\$0.04 per share. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of contributed surplus for the year ending 30th June 2012.

16. Property, Plant and Equipment

Group

	Other properties HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Assets under construction HK\$'000	Total HK\$'000
Cost						
At 1st July 2010	1,800,090	297,227	672,134	86,078	—	2,855,529
Translation differences	108,394	17,423	39,870	4,960	669	171,316
Additions	10,685	3,794	27,734	7,935	101,245	151,393
Transfer from completed properties held for sale	1,785	—	—	—	—	1,785
Transfer from investment properties	7,462	—	—	—	—	7,462
Transfer from properties under development	109,596	—	—	—	11,119	120,715
Disposals/write off	(2,316)	—	(8,566)	(6,922)	—	(17,804)
At 30th June 2011	2,035,696	318,444	731,172	92,051	113,033	3,290,396
Accumulated depreciation and impairment						
At 1st July 2010	411,159	257,932	498,133	47,165	—	1,214,389
Translation differences	27,283	15,717	32,543	3,002	—	78,545
Charge for the year	109,334	19,015	36,979	12,965	—	178,293
Disposals/write off	(191)	—	(7,190)	(5,760)	—	(13,141)
At 30th June 2011	547,585	292,664	560,465	57,372	—	1,458,086
Net book value						
At 30th June 2011	1,488,111	25,780	170,707	34,679	113,033	1,832,310

Notes to the Financial Statements

16. Property, Plant and Equipment (Continued)

Group (Continued)

	Other properties HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost					
At 1st July 2009	1,790,300	304,654	641,836	74,243	2,811,033
Acquisition of subsidiaries	—	—	4,101	1,776	5,877
Additions	4,777	12,623	34,468	13,358	65,226
Transfer from completed properties held for sale	12,066	—	—	—	12,066
Transfer from/to investment properties	(7,012)	—	—	—	(7,012)
Disposals/write off	(41)	(20,050)	(8,271)	(3,299)	(31,661)
At 30th June 2010	1,800,090	297,227	672,134	86,078	2,855,529
Accumulated depreciation and impairment					
At 1st July 2009	287,881	236,089	463,144	39,917	1,027,031
Charge for the year	123,314	30,442	40,563	10,481	204,800
Disposals/write off	(36)	(8,599)	(5,574)	(3,233)	(17,442)
At 30th June 2010	411,159	257,932	498,133	47,165	1,214,389
Net book value					
At 30th June 2010	1,388,931	39,295	174,001	38,913	1,641,140

As at 30th June 2011, certain other properties and furniture, fixtures and equipment with carrying amount of HK\$461,162,000 (2010: HK\$461,243,000) were pledged as securities for the Group's long term borrowings.

17. Investment Properties

	Group	
	2011 HK\$'000	2010 HK\$'000
Completed investment properties	13,586,980	11,090,956
Investment properties under development	610,843	1,318,062
	14,197,823	12,409,018

The movement in investment properties during the year is as follows:

	2011 HK\$'000	2010 HK\$'000
At valuation		
At beginning of the year	12,409,018	9,131,467
Translation differences	768,957	—
Acquisition of subsidiaries	—	900,881
Additions	965,474	953,232
Transfer from properties under development	24,100	1,286,362
Transfer (to)/from completed properties held for sale	(162,283)	18,970
Disposals	(186,871)	(20,822)
Transfer to other properties/land use rights	(7,462)	(30,334)
Increase in fair value	386,890	169,262
At end of the year	14,197,823	12,409,018

The investment properties were revalued at 30th June 2011 on an open market value basis by Knight Frank Petty Limited, independent professional valuers, and are held in the PRC under the following leases:

	2011 HK\$'000	2010 HK\$'000
Leases of over 50 years	1,017,275	726,369
Leases of between 10 to 50 years	13,150,428	11,654,240
Leases of below 10 years	30,120	28,409
	14,197,823	12,409,018

As at 30th June 2011, certain investment properties with carrying value of HK\$4,527,171,000 (2010: HK\$3,475,598,000) were pledged as securities for the Group's long term borrowings.

Notes to the Financial Statements

18. Land Use Rights

	Group	
	2011 HK\$'000	2010 HK\$'000
At beginning of the year	604,530	583,892
Translation differences	35,766	—
Additions	67,133	—
Transfer from properties under development	4,747	—
Transfer from investment properties	—	37,346
Amortisation	(19,086)	(16,708)
At end of the year	693,090	604,530

The Group's interests in land use rights represent prepaid operating lease payments and are held in the PRC under the following leases:

	2011 HK\$'000	2010 HK\$'000
Leases of over 50 years	2,351	1,342
Leases of between 10 to 50 years	690,739	603,188
	693,090	604,530

As at 30th June 2011, land use rights with carrying amount of HK\$239,538,000 (2010: HK\$231,909,000) were pledged as securities for the Group's long term borrowings.

19. Goodwill

	Group	
	2011 HK\$'000	2010 HK\$'000
At beginning of the year	23,394	82,766
Impairment	—	(59,372)
At end of the year	23,394	23,394
Cost	235,983	235,983
Accumulated impairment	(212,589)	(212,589)
	23,394	23,394

Goodwill is allocated to the Group's cash generating units identified according to business segment. As at 30th June 2011, goodwill of HK\$14,227,000 (2010: HK\$14,227,000) and HK\$9,167,000 (2010: HK\$9,167,000) is allocated to the segments of property sales and hotel operation respectively.

For the purpose of impairment test, the recoverable amount of the business unit is determined based on value-in-use calculations, which uses cash flow projections based on financial budgets and a pre-tax discount rate. The key assumptions adopted on growth rates and discount rates used in the value-in-use calculations are based on management best estimates. Growth rates with range from 2% to 5% are determined by considering both internal and external factors relating to the relevant segments. Discount rates used also reflect specific risks relating to the relevant segments, which was 8% (2010: 12%).

20. Subsidiaries

	Company	
	2011 HK\$'000	2010 HK\$'000
Unlisted shares, at cost of HK\$4 (2010: HK\$4)	—	—
Amounts due by subsidiaries, net of provision	28,096,011	27,149,566
	28,096,011	27,149,566

The amounts receivable are unsecured, interest free and have no fixed terms of repayment.

Details of principal subsidiaries are given in note 43.

21. Properties held for Development

	Group	
	2011 HK\$'000	2010 HK\$'000
Land use rights	7,208,067	5,885,075
Development and incidental costs	5,105,701	4,553,743
Interest capitalised	164,910	171,203
	12,478,678	10,610,021

The analysis of the carrying value of land use rights held in the PRC included in the properties held for development is as follows:

	2011	
	HK\$'000	2010 HK\$'000
Leases of over 50 years	5,804,721	5,461,786
Leases of between 10 to 50 years	1,403,346	423,289
	7,208,067	5,885,075

As at 30th June 2011, the aggregate carrying value of properties held for development pledged as securities for long term borrowings amounted to HK\$1,067,140,000 (2010: HK\$732,443,000).

Notes to the Financial Statements

22. Associated Companies

	Group	
	2011 HK\$'000	2010 HK\$'000
Group's share of net assets	(27,210)	(40,474)
Amounts due by associated companies, net of provision (note (i))	440,686	441,179
	413,476	400,705

Notes:

- (i) *The amounts receivable are unsecured, interest free and have no specific repayment terms.*
- (ii) *The Group's share of revenues, results, assets and liabilities of its associated companies, all of which are unlisted, are as follows:*

	2011 HK\$'000	2010 HK\$'000
Revenues	106,192	43,191
Profit for the year	18,864	15,860
Non-current assets	400,569	391,284
Current assets	29,611	25,609
Total assets	430,180	416,893
Non-current liabilities	(452,503)	(452,482)
Current liabilities	(4,887)	(4,885)
Total liabilities	(457,390)	(457,367)

- (iii) *Details of principal associated companies are given in note 43.*

23. Jointly Controlled Entities

	Group	
	2011 HK\$'000	2010 HK\$'000
Equity joint ventures		
Group's share of net assets	38,103	37,565
Amounts due by jointly controlled entities		
Non-interest bearing (note (i))	50,140	102,153
Amounts due to jointly controlled entities (note (i))	—	(34,244)
	88,243	105,474

Wholly foreign owned enterprises		
Group's share of net assets	1,710,575	1,630,136
Amounts due by jointly controlled entities		
Interest bearing (note (ii))	48,860	57,247
Non-interest bearing (note (i))	114,528	134,960
Amounts due to jointly controlled entities (note (i))	—	(32,419)
	1,873,963	1,789,924

Co-operative jointly ventures		
Cost of investments	3,978,950	3,979,050
Goodwill	12,704	12,704
Share of undistributed post-acquisition results and reserves	824,657	594,903
	4,816,311	4,586,657
Amounts due by jointly controlled entities, net of provision		
Interest bearing (note (iii))	1,953,114	2,783,516
Non-interest bearing (note (i))	110,617	379,765
Amounts due to jointly controlled entities (note (i))	—	(621,651)
	6,880,042	7,128,287

Companies limited by shares		
Group's share of net assets	324,787	381,339
Amounts due by jointly controlled entities, net of provision		
Interest bearing (note (ii))	88,818	108,144
Non-interest bearing (note (i))	377,875	349,634
Amounts due to jointly controlled entities (note (i))	—	(20,373)
	791,480	818,744

Deposits for proposed joint ventures (note (iv))	—	62,692
	9,633,728	9,905,121

Notes to the Financial Statements

23. Jointly Controlled Entities (Continued)

Notes:

- (i) The amounts receivable and payable are unsecured, interest free and have repayment terms as specified in the joint venture contracts.
- (ii) The amounts receivable are unsecured, carry interest ranging from PRC bank rate to 10% (2010: PRC bank rate to 10%) per annum and have repayment terms as specified in the joint venture contracts.
- (iii) The amounts receivable are unsecured, carry interest ranging from Hong Kong prime rate to 10% (2010: Hong Kong prime rate to 10%) per annum and have repayment terms as specified in the joint venture contracts.
- (iv) The balances represented payments on account of proposed joint ventures for which the agreement was pending the approval from the relevant government authority. The arrangement is terminated in the current year.
- (v) The Group's share of revenues, results, assets and liabilities of its jointly controlled entities, all of which are unlisted, are as follows:

	2011 HK\$'000	2010 HK\$'000
Revenues	1,958,864	2,889,043
Profit for the year	359,312	463,814
Non-current assets	11,704,615	10,901,017
Current assets	4,834,769	6,156,303
Total assets	16,539,384	17,057,320
Non-current liabilities	(6,822,715)	(8,040,530)
Current liabilities	(2,839,597)	(2,393,797)
Total liabilities	(9,662,312)	(10,434,327)

- (vi) Details of principal jointly controlled entities are given in note 43.

24. Available-for-sale Financial Assets

	Group	
	2011 HK\$'000	2010 HK\$'000
Listed shares in Hong Kong, at fair value	—	221,996
Unlisted investment, at fair value	58,362	—
	58,362	221,996

The available-for-sale financial assets are denominated in Renminbi (2010: Hong Kong dollar).

25. Cash and Bank Balances

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Restricted balances included under				
non-current assets	—	9,091	—	—
Restricted balances included under current assets	10,355	1,380	—	—
Unrestricted balances	10,640,373	7,965,386	1,400,889	1,874,439
	10,650,728	7,975,857	1,400,889	1,874,439

The effective interest rate on short term bank deposits was ranging from 0.005% to 2.85% (2010: 0.001% to 1.35%). These deposits have an average maturity of 4 to 91 days (2010: 2 to 95 days).

Restricted bank balances are funds which are pledged to secure certain short term loans and long term borrowings.

The carrying amount of the cash and bank balances of the Group are denominated in the following currencies:

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Hong Kong dollar	1,373,565	2,596,142	1,012,899	1,871,691
Renminbi	8,242,978	5,071,183	225,539	—
United States dollar	1,034,185	308,532	162,451	2,748
	10,650,728	7,975,857	1,400,889	1,874,439

The conversion of Renminbi denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulations of foreign exchange control promulgated by the PRC government.

26. Properties under Development

	Group	
	2011 HK\$'000	2010 HK\$'000
Land use rights	4,188,251	2,571,994
Development and incidental costs	10,231,615	8,985,097
Interest capitalised	795,131	641,245
	15,214,997	12,198,336

Notes to the Financial Statements

26. Properties under Development *(Continued)*

The analysis of the carrying value of land use rights held in the PRC included in the properties under development is as follows:

	Group	
	2011 HK\$'000	2010 HK\$'000
Leases of over 50 years	3,863,092	2,185,379
Leases of between 10 to 50 years	325,159	386,615
	4,188,251	2,571,994

Properties under development with an aggregate carrying value of HK\$2,395,669,000 (2010: HK\$4,217,853,000) were pledged as securities for the Group's long term borrowings.

	Group	
	2011 HK\$'000	2010 HK\$'000
Properties under development for sale:		
Expected to be completed and available for sale after more than 12 months	10,669,934	6,109,568
Expected to be completed and available for sale within 12 months	4,545,063	6,088,768
	15,214,997	12,198,336

27. Completed Properties held for Sale

	Group	
	2011 HK\$'000	2010 HK\$'000
Land use rights	203,911	141,589
Development costs	2,432,260	1,609,433
Interest capitalised	131,109	80,494
	2,767,280	1,831,516

The analysis of the carrying value of land use rights held in the PRC included in the completed properties held for sale is as follows:

	Group	
	2011 HK\$'000	2010 HK\$'000
Leases of over 50 years	183,224	139,074
Leases of between 10 to 50 years	20,687	2,515
	203,911	141,589

28. Prepayments, Debtors and Other Receivables

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Trade debtors (note a)	1,483,435	322,150	—	—
Prepaid land preparatory cost (note b)	2,959,500	2,428,480	—	—
Prepayment for purchase of land (note b)	4,517,529	6,410,849	—	—
Prepayment for proposed development projects (note b)	184,217	232,924	—	—
Prepaid taxes (note b)	931,789	750,270	—	—
Other prepayments, deposits and receivables (note b)	900,116	522,437	9,051	11,906
	10,976,586	10,667,110	9,051	11,906

Notes:

- (a) Trade debtors mainly include sales proceed receivables, rental receivables and property management fee receivables. Sales proceed receivables in respect of sale of properties are settled in accordance with the instalment schedules as stipulated in the sale and purchase agreements. Monthly rental in respect of rental properties are payable in advance by tenants in accordance with the lease agreements. Monthly property management fees are payable in advance in accordance with the agreements. The ageing analysis of trade debtors based on invoice date is as follows:

	Group	
	2011 HK\$'000	2010 HK\$'000
0 to 30 days	1,158,412	160,226
31 to 60 days	32,553	37,273
61 to 90 days	73,326	11,752
Over 90 days	219,144	112,899
	1,483,435	322,150

The carrying amounts of the trade debtors of the Group are mainly denominated in Renminbi.

- (b) The carrying amounts of the Group and the Company are mainly denominated in Renminbi.
- (c) At 30th June 2011, trade debtors of HK\$1,428,185,000 (2010: HK\$247,258,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group	
	2011 HK\$'000	2010 HK\$'000
0 to 30 days	1,158,089	98,964
31 to 60 days	32,229	26,025
61 to 90 days	73,002	12,054
Over 90 days	164,865	110,215
	1,428,185	247,258

- (d) During the year, impairment loss on trade debtors of HK\$9,240,000 (2010: HK\$18,122,000) was recognised in the consolidated income statement.
- (e) The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Notes to the Financial Statements

29. Amounts Due from/to Related Companies

Related companies include group companies, jointly controlled entities of the Group and companies owned by a director.

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Amounts due from group companies (note a)	589,809	491,645	568,092	507,200
Amounts due to group companies (note b)	(32,005)	(250,203)	(3,000)	—
Amounts due to jointly controlled entities (note c)	(1,260,000)	(684,766)	—	—
Amounts due to companies owned by a director (note d)	(45,063)	—	—	—
	(1,337,068)	(934,969)	(3,000)	—
	(747,259)	(443,324)	565,092	507,200

Notes:

(a) The amounts due from group companies are unsecured, interest free and repayable on demand.

The carrying amounts of amounts due from group companies are denominated in the following currencies:

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Hong Kong dollar	573,559	425,743	568,092	507,200
Renminbi	16,250	65,902	—	—
	589,809	491,645	568,092	507,200

(b) The amounts due to group companies are unsecured, interest free and repayable on demand.

The carrying amounts of amounts due to group companies are denominated in the following currencies:

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Hong Kong dollar	—	—	(3,000)	—
Renminbi	(32,005)	(250,203)	—	—
	(32,005)	(250,203)	(3,000)	—

(c) The amounts payable are unsecured, interest free and have repayment terms as specified in the joint venture contracts. The amounts payable are mainly denominated in Renminbi.

(d) The amounts due to companies owned by a director are unsecured, interest free and repayable on demand. The carrying amounts of amounts due to companies owned by a director are mainly denominated in Renminbi.

30. Share Capital

	Group	
	2011 HK\$'000	2010 HK\$'000
Authorised:		
8,000,000,000 shares of HK\$0.1 each	800,000	800,000
Issued and fully paid:		
5,762,392,911 (2010: 5,757,248,468) shares of HK\$0.1 each	576,239	575,725

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

	Number of shares of HK\$0.1 each	HK\$'000
At 30th June 2009	3,836,471,082	383,647
Exercise of share options (note (ii))	2,193,145	219
Rights issue (note (i))	1,918,584,241	191,859
At 30th June 2010	5,757,248,468	575,725
Exercise of share options (note (ii))	5,144,443	514
At 30th June 2011	5,762,392,911	576,239

Notes:

- (i) During the year ended 30th June 2010, 1,918,584,241 shares of HK\$0.10 each were issued at HK\$2.55 per share by way of rights issue on the basis of one rights share for every two existing shares ("Rights Issue").

Notes to the Financial Statements

30. Share Capital (Continued)

- (ii) Pursuant to the share option scheme adopted on 26th November 2002, the Company may grant options to executive directors and employees of the Company or its subsidiaries to subscribe for shares in the Company. The movements in the number of share options granted during the year and the balance outstanding at 30th June 2011 are as follows:

Date of offer to grant	Exercise price per share HK\$	Number of share options				Number of share options exercisable	
		At 1st July 2010	Granted during the year	Exercised during the year	Lapsed during the year	At 30th June 2011	At 30th June 2011
7th November 2005	2.341 ⁽¹⁾	11,641	—	(11,641)	—	—	—
28th March 2006	3.497 ⁽¹⁾	2,078,507	—	—	(2,078,507)	—	—
28th June 2006	2.559 ⁽¹⁾	436,119	—	(371,194)	—	64,925	64,925
17th October 2006	2.984 ⁽¹⁾	111,492	—	—	—	111,492	111,492
28th December 2006	4.209 ⁽¹⁾	759,850	—	—	—	759,850	759,850
19th March 2007	4.020 ⁽¹⁾	822,985	—	—	—	822,985	822,985
14th June 2007	5.994 ⁽¹⁾	1,669,701	—	—	—	1,669,701	1,335,763
17th October 2007	7.209 ⁽¹⁾	1,635,223	—	—	—	1,635,223	1,308,177
28th December 2007	6.228 ⁽¹⁾	973,880	—	—	(147,761)	826,119	660,898
28th December 2007	6.228 ⁽²⁾	14,283,582	—	—	(14,283,582)	—	—
22nd April 2008	4.699 ⁽¹⁾	647,910	—	—	—	647,910	518,328
31st July 2008	3.271 ⁽¹⁾	260,597	—	—	—	260,597	154,029
12th November 2008	1.503 ⁽¹⁾	981,534	—	(120,000)	(168,328)	693,206	265,506
2nd December 2008	1.340 ⁽³⁾	960,597	—	(960,597)	—	—	—
2nd December 2008	1.340 ⁽⁴⁾	15,260,106	—	(2,810,534)	(342,841)	12,106,731	8,207,564
2nd December 2008	1.340 ⁽¹⁾	2,309,391	—	(368,477)	(46,210)	1,894,704	880,613
3rd February 2009	1.769 ⁽¹⁾	831,528	—	(146,000)	—	685,528	266,963
26th June 2009	4.065 ⁽¹⁾	3,247,836	—	—	(234,628)	3,013,208	1,205,284
19th November 2009	3.068 ⁽¹⁾	3,470,000	—	(100,000)	(400,000)	2,970,000	1,188,000
12th January 2010	2.990 ⁽¹⁾	5,212,400	—	—	(650,800)	4,561,600	1,824,640
18th May 2010	2.350 ⁽¹⁾	1,479,600	—	(144,000)	(191,600)	1,144,000	398,800
31st May 2010	2.440 ⁽¹⁾	1,000,000	—	(112,000)	—	888,000	88,000
10th November 2010	3.130 ⁽¹⁾	—	4,654,400	—	(304,000)	4,350,400	870,080
18th January 2011	3.154 ⁽¹⁾	—	14,249,000	—	(229,600)	14,019,400	2,803,880
3rd May 2011	2.860 ⁽¹⁾	—	1,348,400	—	—	1,348,400	269,680
		58,444,479	20,251,800	(5,144,443)	(19,077,857)	54,473,979	24,005,457
Weighted average exercise price of each category (HK\$)		3.578	3.129	1.532	5.460	2.945	3.001

Notes:

- (1) On dates of grant, the share options are divided into 5 tranches and exercisable within a period of 5 years commencing on the expiry of one month after the dates on which the options were accepted.
- (2) On dates of grant, the share options are divided into 3 tranches and exercisable within a period of 3 years commencing on the expiry of one month after the dates on which the options were accepted.
- (3) On dates of grant, the share options are divided into 2 tranches and exercisable within a period of 2 years commencing on the expiry of one month after the dates on which the options were accepted.
- (4) On dates of grant, the share options are divided into 4 tranches and exercisable within a period of 4 years commencing on the expiry of one month after the dates on which the options were accepted.
- (5) Fair value of options and assumptions

The fair value of options granted during the year determined using the Binomial Model was HK\$24,769,000 (2010: HK\$18,849,700). The significant inputs to the model was share price ranging from HK\$2.86 to HK\$3.154 (2010: HK\$2.35 to HK\$4.55) at the grant dates, exercise prices ranging from HK\$2.86 to HK\$3.154 (2010: HK\$2.35 to HK\$4.55), volatility of the share ranging from 53% to 55% (2010: 55% to 56%), expected life of options of 5 years (2010: 5 years), expected dividend yield ranging from 1.63% to 1.88% (2010: 1.45% to 1.58%), risk-free interest rate ranging from 1.10% to 1.7% (2010: 1.54% to 2.1%) and suboptimal exercise factor ranging from 1.87 to 1.89 times (2010: 1.87 to 1.88 times) of the exercise prices (which accounts for the early exercise behaviour of the option holders). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of the Company over the past 5 years.

- (6) The weighted average share price at the time of exercise in 2011 was HK\$2.87 per share (2010: HK\$2.94 per share).

31. Reserves

Group

	Contributed surplus HK\$'000	Share premium HK\$'000	Other reserve (note 1) HK\$'000	Share option reserve HK\$'000	Convertible		Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
					Share	Investment			
					— equity	revaluation			
As at 1st July 2010	13,573,714	12,199,820	202,237	55,600	50,361	68,097	2,419,952	8,544,571	37,114,352
Profit for the year	—	—	—	—	—	—	—	3,025,826	3,025,826
Premium on issue of shares	—	7,367	—	—	—	—	—	—	7,367
Change in fair value of available-for-sale financial assets	—	—	—	—	—	(34,048)	—	—	(34,048)
Share-based payments	—	—	—	19,696	—	—	—	—	19,696
Transfer of reserve upon exercise and lapse of share options	—	7,586	—	(35,507)	—	—	—	27,921	—
Acquisition of additional interest in a subsidiary	—	—	—	—	—	—	—	(721)	(721)
Disposal of available-for-sale financial assets	—	—	—	—	—	(34,049)	—	—	(34,049)
Repurchase of convertible bonds	—	—	—	—	(2,737)	—	—	859	(1,878)
Dividends paid	(575,980)	—	—	—	—	—	—	—	(575,980)
Translation differences:									
Subsidiaries	—	—	—	—	2,869	—	1,271,479	—	1,274,348
Jointly controlled entities	—	—	—	—	—	—	326,244	—	326,244
Associated companies	—	—	—	—	—	—	(3,232)	—	(3,232)
As at 30th June 2011 before proposed final dividend	12,997,734	12,214,773	202,237	39,789	50,493	—	4,014,443	11,598,456	41,117,925
Representing:									
As at 30th June 2011 after proposed final dividend	12,767,229	12,214,773	202,237	39,789	50,493	—	4,014,443	11,598,456	40,887,420
2011 proposed final dividend	230,505	—	—	—	—	—	—	—	230,505
	12,997,734	12,214,773	202,237	39,789	50,493	—	4,014,443	11,598,456	41,117,925

Notes to the Financial Statements

31. Reserves (Continued)

Group (Continued)

	Contributed surplus HK\$'000	Share premium HK\$'000	Other reserve (note 1) HK\$'000	Share option reserve HK\$'000	Convertible bonds — equity component HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
As at 1st July 2009	13,919,065	7,533,637	202,237	39,149	387,743	64,011	2,425,890	5,567,769	30,139,501
Profit for the year	—	—	—	—	—	—	—	2,636,427	2,636,427
Premium on issue of shares	—	4,664,949	—	—	—	—	—	—	4,664,949
Change in fair value of available-for-sale financial assets	—	—	—	—	—	4,086	—	—	4,086
Share-based payments	—	—	—	20,678	—	—	—	—	20,678
Transfer of reserve upon exercise and lapse of share options	—	1,234	—	(4,227)	—	—	—	2,993	—
Redemption of convertible bonds	—	—	—	—	(337,382)	—	—	337,382	—
Dividend paid	(345,351)	—	—	—	—	—	—	—	(345,351)
Translation differences	—	—	—	—	—	—	(5,938)	—	(5,938)
As at 30th June 2010 before proposed final dividend	13,573,714	12,199,820	202,237	55,600	50,361	68,097	2,419,952	8,544,571	37,114,352
Representing:									
As at 30th June 2010 after proposed final dividend	13,170,677	12,199,820	202,237	55,600	50,361	68,097	2,419,952	8,544,571	36,711,315
2010 proposed final dividend	403,037	—	—	—	—	—	—	—	403,037
	13,573,714	12,199,820	202,237	55,600	50,361	68,097	2,419,952	8,544,571	37,114,352

Notes:

- (1) Other reserve relates to fair value changes arising from business combination.
- (2) Effect on transfer from the non-controlling interests:

	2011 HK\$'000	2010 HK\$'000
Total comprehensive income for the year attributable to the shareholders of the Company	4,555,089	2,634,575
Transfer from the non-controlling interests		
Acquisition of additional interests in a subsidiary	(721)	—
Total comprehensive income for the year attributable to the shareholders of the Company and net transfer from the non-controlling interests	4,554,368	2,634,575

Company

	Contributed surplus HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Share option reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
As at 1st July 2010	13,593,875	12,199,820	4,015,433	55,600	(5,895,287)	23,969,441
Premium on issue of shares	—	7,367	—	—	—	7,367
Loss for the year	—	—	—	—	(1,132,664)	(1,132,664)
Share-based payments	—	—	—	19,696	—	19,696
Transfer of reserve upon exercise and lapse of share options	—	7,586	—	(35,507)	27,921	—
Translation difference	—	—	1,505,737	—	—	1,505,737
Dividend paid	(575,980)	—	—	—	—	(575,980)
As at 30th June 2011 before proposed final dividend	13,017,895	12,214,773	5,521,170	39,789	(7,000,030)	23,793,597
Representing:						
As at 30th June 2011 after proposed final dividend	12,787,390	12,214,773	5,521,170	39,789	(7,000,030)	23,563,092
2011 proposed final dividend	230,505	—	—	—	—	230,505
	13,017,895	12,214,773	5,521,170	39,789	(7,000,030)	23,793,597
As at 1st July 2009	13,939,226	7,533,637	4,015,433	39,149	(6,147,465)	19,379,980
Premium on issue of shares	—	4,664,949	—	—	—	4,664,949
Profit for the year	—	—	—	—	249,185	249,185
Share-based payments	—	—	—	20,678	—	20,678
Transfer of reserve upon exercise and lapse of share options	—	1,234	—	(4,227)	2,993	—
Dividend paid	(345,351)	—	—	—	—	(345,351)
As at 30th June 2010 before proposed final dividend	13,593,875	12,199,820	4,015,433	55,600	(5,895,287)	23,969,441
Representing:						
As at 30th June 2010 after proposed final dividend	13,190,838	12,199,820	4,015,433	55,600	(5,895,287)	23,566,404
2010 proposed final dividend	403,037	—	—	—	—	403,037
	13,593,875	12,199,820	4,015,433	55,600	(5,895,287)	23,969,441

The contributed surplus of the Company represents the excess of the consolidated net asset value of the subsidiaries acquired over the nominal value of the share capital of the Company issued in exchange thereof as a result of a reorganisation that took place in 1999, less distributions in subsequent years.

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of the loss of HK\$1,132,664,000 (2010: profit of HK\$249,185,000).

Notes to the Financial Statements

32. Long Term Borrowings

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Bank loans (note (i))				
Secured	4,214,108	3,415,698	—	—
Unsecured	11,536,335	9,933,939	1,552,180	1,336,759
Loans from fellow subsidiaries (note (ii))	2,612,658	2,606,381	—	—
Loans from non-controlling interests (note (iii))	37,183	79,033	—	—
Advances from participating interest (note (iv))	1,756,491	1,660,041	4,092,691	3,635,663
Convertible bonds (note (v))	377,180	361,234	—	—
	20,533,955	18,056,326	5,644,871	4,972,422
Current portion included in current liabilities	(6,382,934)	(1,979,853)	(548,916)	(4,638)
	14,151,021	16,076,473	5,095,955	4,967,784

Notes:

(i) The bank loans are repayable as follows:

	Group						Company	
	Secured		Unsecured		Total		Unsecured	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Within one year	891,153	349,250	5,114,601	1,630,603	6,005,754	1,979,853	548,916	—
Between one and two years	709,639	793,164	3,399,888	3,669,338	4,109,527	4,462,502	—	546,694
Between two and five years	728,376	1,135,795	2,745,340	3,790,817	3,473,716	4,926,612	1,003,264	790,065
After five years	1,884,940	1,137,489	276,506	843,181	2,161,446	1,980,670	—	—
	4,214,108	3,415,698	11,536,335	9,933,939	15,750,443	13,349,637	1,552,180	1,336,759

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

	Group	
	2011 HK\$'000	2010 HK\$'000
Between one and two years	—	2,606,381
Between two and five years	2,612,658	—
	2,612,658	2,606,381

The loans from fellow subsidiaries are unsecured and bear interest at three months Hong Kong Interbank Offered Rate ("HIBOR") (2010: three months HIBOR) per annum.

(iii) The loans from non-controlling interests are unsecured, bear interest at 5% (2010: 5%) per annum and have repayment terms as specified in the contracts.

(iv) The advances from participating interest of certain property projects are unsecured, interest free and repayable in accordance with the terms as specified in the agreements entered into between the Group and the participating interest.

- (v) In June 2007, a subsidiary of the Company issued USD settled zero coupon guaranteed convertible bonds in the aggregate amount of RMB2,800,000,000, which are convertible into fully paid shares with par value of HK\$0.1 each of the Company.

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

As at 30th June 2011, the outstanding principal amount, after certain repurchase and redemption, was RMB313,200,000 (2010: RMB331,200,000). During the year, the Group repurchased convertible bonds with principal amount of RMB18,000,000. In 2010, the Group early redeemed convertible bonds with principal amount of RMB2,218,800,000.

- (vi) The effective interest rates of borrowings are as follows:

	2011			2010		
	Hong Kong dollar	Renminbi	United States dollar	Hong Kong dollar	Renminbi	United States dollar
Bank borrowings	1.63%	5.67%	—	1.88%	5.47%	—
Loans from fellow subsidiaries	0.26%	—	0.26%	0.57%	—	0.57%
Loans from non-controlling interests	5.00%	—	—	5.00%	—	—
Advances from participating interest	5.02%	—	—	4.91%	—	—
Convertible bonds	—	4.08%	—	—	4.08%	—

- (vii) The carrying amounts of bank borrowings, loans from fellow subsidiaries, loans from non-controlling interests and advances from participating interest approximate their fair values.

The fair value of the liability component at the date of the issuance of the bonds, included in the borrowings, was calculated using a market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in the reserve. The present value of the liability component of the convertible bonds at 30th June 2011, which was estimated using cash flows discounted at a rate of 6.1% (2010: 9.3%) and at the exchange rate ruling at the end of the reporting period, amounted to HK\$370,274,000 (RMB307,328,000) (2010: HK\$328,482,000 (RMB289,064,000)).

- (viii) The carrying amounts of the borrowings are denominated in the following currencies:

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Hong Kong dollar	11,786,912	10,939,248	1,528,371	1,336,759
Renminbi	8,536,443	6,906,478	4,116,500	3,635,663
United States dollar	210,600	210,600	—	—
	20,533,955	18,056,326	5,644,871	4,972,422

- (ix) For the interest-bearing borrowings, except for the loans from non-controlling interests of HK\$37,183,000 (2010: HK\$79,033,000) which reprice in more than five years, the rest of the borrowings reprice or mature (whichever is earlier) in one year or less.

Notes to the Financial Statements

33. Deferred Tax Liabilities

Deferred taxation is provided in full, using the liability method, on temporary differences using the rate of taxation prevailing in the PRC in which the Group operates.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxed levied by the same taxation authority on the taxable entity.

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Group

Deferred tax assets/(liabilities)

	Accelerated tax depreciation	Revaluation of properties	Recognition of income from sale of properties	Fair value adjustment of properties arising from acquisition	Tax losses	Undistributed profits of subsidiaries, associated companies and jointly controlled entities	Provisions	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 30th June 2009	(99,966)	(304,794)	(7,689)	(404,391)	43,348	(39,043)	12,762	(799,773)
(Charged)/credited to consolidated income statement	(168,012)	(75,695)	—	101,491	87,909	(89,052)	8,419	(134,940)
Acquisition of interests in subsidiaries	—	—	—	(1,331,586)	—	—	—	(1,331,586)
At 30th June 2010	(267,978)	(380,489)	(7,689)	(1,634,486)	131,257	(128,095)	21,181	(2,266,299)
Exchange differences (Charged)/credited to consolidated income statement	(16,571)	(29,202)	(463)	(75,278)	6,983	(10,621)	1,276	(123,876)
	(3,464)	(176,510)	—	546,036	(14,755)	(147,026)	794	205,075
At 30th June 2011	(288,013)	(586,201)	(8,152)	(1,163,728)	123,485	(285,742)	23,251	(2,185,100)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of HK\$721,097,000 (2010: HK\$669,395,000) to carry forward against future taxable income. These tax losses will expire at various dates up to and including 2016 (2010: 2015).

As at 30th June 2011, the aggregate amount of temporary differences associated with investments in subsidiaries and jointly controlled entities for which deferred tax liabilities have not been recognised amounting to approximately HK\$2,090,978,000 (2010: HK\$414,709,000), as the directors consider that the timing of reversal of the related temporary differences can be controlled and the temporary differences will not reverse in the foreseeable future.

34. Creditors and Accruals

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Trade creditors (note (i))	2,959,200	1,601,556	—	—
Other creditors and accruals (note (ii))	755,791	733,548	28,485	14,548
	3,714,991	2,335,104	28,485	14,548

Notes:

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

	Group	
	2011 HK\$'000	2010 HK\$'000
0 to 30 days	2,565,894	1,100,573
31 to 60 days	42,531	37,072
61 to 90 days	60,061	31,845
Over 90 days	290,714	432,066
	2,959,200	1,601,556

The carrying amounts of the trade creditors of the Group are mainly denominated in Renminbi as at 30th June 2011 and 2010.

(ii) Other creditors and accruals included retention payables of construction costs, other payables and various accruals. The carrying amounts of other creditors and accruals of the Group and the Company are mainly denominated in Renminbi and Hong Kong dollar respectively.

35. Short Term Loans

	Group	
	2011 HK\$'000	2010 HK\$'000
Unsecured bank loans	220,449	213,636
Other unsecured loan	149,638	141,137
	370,087	354,773

The effective interest rates of the short term loans range from 2.01% to 6.72% (2010: 2.32% to 4.78%). Their carrying amounts approximate their fair values.

The carrying amounts of short term loans are denominated in the following currencies:

	2011 HK\$'000	2010 HK\$'000
Hong Kong dollar	99,966	100,000
Renminbi	270,121	254,773
	370,087	354,773

Notes to the Financial Statements

36. Amounts Due to Non-Controlling Interests

The amounts due to non-controlling interests are unsecured, interest free and repayable on demand. The carrying amounts of the balances are mainly denominated in Renminbi as at 30th June 2011 and 2010 and approximate their fair values.

37. Taxes Payable

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
Corporate income tax payable	495,189	140,692	—	—
Withholding tax payable	136,175	223,721	27,851	10,975
Land appreciation tax payable	1,481,769	438,216	—	—
Other PRC taxes payable	310,532	99,259	—	—
	2,423,665	901,888	27,851	10,975

38. Guarantees

(i) Corporate guarantees for banking facilities

Group

The Group has corporate guarantees of approximately HK\$2,254,955,000 (2010: HK\$2,340,179,000) given in respect of bank loan facilities extended to certain jointly controlled entities. As at 30th June 2011, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the jointly controlled entities was approximately HK\$1,492,080,000 (2010: HK\$1,513,782,000).

Company

The Company has corporate guarantees given in respect of bank loan facilities extended to certain subsidiaries and jointly controlled entities of approximately HK\$10,352,591,000 (2010: HK\$9,286,233,000) and HK\$2,254,955,000 (2010: HK\$2,340,179,000) respectively.

(ii) Guarantees in respect of mortgage facilities

As at 30th June 2011, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group and the outstanding mortgage loans under these guarantees amounted to HK\$1,714,890,000 (2010: HK\$1,654,666,000). Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

(iii) Guarantee in respect of convertible bonds

As at 30th June 2011, the Company had provided guarantee in respect of the convertible bonds issued by a subsidiary and the outstanding balance of the convertible bonds of RMB313,200,000 (2010: RMB331,200,000) amounted to HK\$377,349,000 (2010: HK\$376,364,000) at the exchange rate ruling at the end of the reporting period.

39. Commitments

(i) Capital expenditure commitments

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

	Group	
	2011 HK\$'000	2010 HK\$'000
Authorised but not contracted for		
Purchase consideration for proposed development projects	108,000	108,000
Contracted but not provided for		
Property, plant and equipment	33,506	—
Investment properties	204,132	290,674
Purchase consideration for proposed development projects	14,004	76,390
Purchase consideration for acquisition of subsidiaries	1,911,780	—
	2,163,422	367,064
	2,271,422	475,064

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

	Group	
	2011 HK\$'000	2010 HK\$'000
Authorised but not contracted for		
Investment properties	165,165	—
Contracted but not provided for		
Investment properties	64,432	12,843
	229,597	12,843

(ii) Lease commitments

	Group		Company	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
As at 30th June 2011, future aggregate minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:				
The first year	16,376	19,065	8,311	8,110
The second to fifth years	19,287	7,949	—	7,312
	35,663	27,014	8,311	15,422

Notes to the Financial Statements

40. Notes to Consolidated Cash Flow Statement

(a) Reconciliation of operating profit before finance costs to net cash generated from/(used in) operations

	2011 HK\$'000	2010 HK\$'000
Operating profit before finance costs	4,954,013	3,070,920
Interest income	(180,731)	(249,457)
Depreciation and amortisation	197,379	221,508
Share-based payments	19,696	20,678
Dividend income from available-for-sale financial assets	—	(14,207)
Gain on disposal/write off of property, plant and equipment and investment properties	(77,476)	(1,978)
Write back of provision for amount due by a jointly controlled entity	(1,000)	—
Provision for amount due by a jointly controlled entity	24,500	12,000
Excess of fair value of net assets acquired over cost of acquisition of interests in subsidiaries	—	(732,125)
Tax indemnity from the ultimate holding company	(654,285)	(339,469)
Write back of provision for properties held for development	—	(54,000)
Impairment of goodwill	—	59,372
Loss on disposal of non-current assets held for sale	—	15,364
(Gain)/loss on repurchase/early redemption of convertible bonds	(1,268)	162,227
Gain on remeasuring previously held interests of jointly controlled entities at fair value upon further acquisition as subsidiaries	—	(1,332,086)
Gain on disposal of available-for-sale financial assets	(24,875)	—
Changes in fair value of investment properties	(386,890)	(169,262)
Net foreign exchange (gains)/losses	(639,432)	1,371
Operating profit before working capital changes	3,229,631	670,856
Increase in properties held for/under development and completed properties held for sale	(4,090,194)	(2,487,181)
Decrease/(increase) in prepayments, debtors and other receivables	919,207	(1,483,937)
Changes in balances with related companies	515,165	(258,381)
(Decrease)/increase in deposits received on sale of properties	(89,196)	1,977,022
Increase in creditors and accruals	1,078,168	16,833
Net cash generated from/(used in) operations	1,562,781	(1,564,788)

(b) Acquisition of subsidiaries

	2011 HK\$'000	2010 HK\$'000
Net assets acquired		
Property, plant and equipment and investment properties	—	906,758
Properties under development	—	5,504,183
Jointly controlled entities and associated companies	—	(120,137)
Completed properties held for sale	—	504,216
Prepayments, debtors and other receivables	—	1,845,173
Cash and bank balances	—	1,321,143
Creditors and accruals	—	(189,395)
Deposits received on sale of properties	—	(1,289,459)
Taxes payable	—	(99,189)
Long term borrowings	—	(1,159,090)
Deferred tax liabilities	—	(1,331,586)
	—	5,892,617
Interest originally held by the Group as jointly controlled entities and associated companies	—	(2,778,903)
	—	3,113,714
Gain on remeasuring previously held interests of jointly controlled entities at fair value upon further acquisition as subsidiaries (note 8)	—	(1,332,086)
Excess of fair value of net assets acquired over cost of acquisition of interests in subsidiaries (note 8)	—	(732,125)
Consideration satisfied by cash	—	1,049,503

(c) Analysis of net inflow of cash and cash equivalents in respect of acquisition of subsidiaries

	2011 HK\$'000	2010 HK\$'000
Cash consideration	—	1,049,503
Cash and bank balances acquired	—	(1,321,143)
Deposit paid in prior year included in prepayments, debtors, and other receivables	—	(52,331)
	—	(323,971)

Notes to the Financial Statements

41. Related Party Transactions

(i) Transactions with related parties

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

	Note	2011 HK\$'000	2010 HK\$'000
Interest expenses on loans from fellow subsidiaries	(a)	5,751	24,225
Rental expense for leased premises to fellow subsidiaries	(b)	15,721	15,328
Property agency fee paid to a fellow subsidiary	(c)	7,573	19,784
Purchase of goods from fellow subsidiaries	(d)	3,966	595
Interest income from jointly controlled entities	(e)	117,354	139,056
Property management services fee income from fellow subsidiaries and jointly controlled entities	(f)	3,119	3,415
Rental income from fellow subsidiaries and a jointly controlled entity	(g)	108,663	76,785
Trademark fee income from jointly controlled entities	(h)	44,261	15,903
Hotel management services fee income from fellow subsidiaries, a jointly controlled entity and an associated company	(i)	32,260	14,976

Notes:

- (a) Interest is charged at rates as specified in note 32(ii) on the outstanding balances due to certain fellow subsidiaries.
- (b) The rental is charged at fixed monthly or annual fees in accordance with the terms of the tenancy agreements.
- (c) The property agency fee is charged by the fellow subsidiary in accordance with the terms of the property agency agreement.
- (d) This represents purchases of goods by means of presenting various cash equivalent gift coupons, gift cards and stored value shopping cards to the stores operated by the fellow subsidiaries. Such fee is charged in accordance with the terms of the agreements.
- (e) This represents interest income in respect of loan financing provided to jointly controlled entities. These loans are unsecured and carry interest at rates as specified in note 23.
- (f) The property management services fees are charged at fixed amounts to fellow subsidiaries and certain jointly controlled entities as specified in the management contracts.
- (g) The rental income is charged at fixed monthly fees in accordance with the terms of the tenancy agreements.
- (h) Trademark fee income is charged in accordance with the terms of trademark fee agreement.
- (i) The hotel management services fee income is charged in accordance with the terms of the management service agreement.
- (j) Total fees for the provision of project management, construction and engineering consultancy services in respect of certain of the Group's property projects and payable to certain fellow subsidiaries and related companies for the year amounted to HK\$757,411,000 (2010: HK\$912,438,000). Such fees are charged at fixed amounts in accordance with the terms of the respective contracts.
- (k) A deed of tax indemnity was entered into between the ultimate holding company and the Company whereby the ultimate holding company undertakes to indemnify the Group in respect of CIT and LAT payable in consequence of the disposal of certain properties held by the Group as at 31st March 1999. During the year, tax indemnity amounting to HK\$654,285,000 (2010: HK\$339,469,000) was effected (note 13).
- (l) For the year ended 30th June 2010, the Group acquired 52.5% interest in Shanghai Trio Property Development Co., Ltd for a consideration of HK\$520,638,000 from Guilherme Holdings (Hong Kong) Ltd ("Guilherme") and disposed of 50% interest in Shanghai Juyi Real Estate Development Co., Ltd for a consideration of HK\$1,173,911,000 to Guilherme. Guilherme is wholly beneficially owned by a director of the Company.

(ii) Key management compensation

	2011 HK\$'000	2010 HK\$'000
Salaries and other short-term employee benefits	58,108	42,697
Pension costs	2,956	2,222
Share option benefits	7,942	7,442
	69,006	52,361

Key management includes directors, financial controller, regional executives and assistant general managers of the Group.

(iii) Balances with related parties

Balances with associated companies, jointly controlled entities, group companies and companies owned by a director are disclosed in notes 22, 23 and 29.

42. Event After the Reporting Period

The Group acquired 100% interest in Rosewood Hotels and Resorts, L.L.C. ("Rosewood") and the intellectual property rights of "Carlyle", a hotel brand, for a consideration of approximately US\$235 million (equivalent to HK\$1,833.2 million) and US\$28 million (equivalent to HK\$218.4 million) respectively. The acquisition was completed on 29th July 2011 and Rosewood became a wholly owned subsidiary of the Group.

The Group will assess the fair value of assets acquired and liabilities assumed of the acquired business as at the date of acquisition and it is impracticable to disclose the amounts and the resulting effect at this stage.

Notes to the Financial Statements

43. Particulars of Principal Subsidiaries, Associated Companies and Jointly Controlled Entities

Details of the principal subsidiaries, associated companies and jointly controlled entities which materially affect the results for the year and/or assets of the Group as at 30th June 2011 are set out below:

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
Subsidiaries						
<i>Incorporated and operating in Hong Kong</i>						
Billion Huge (International) Limited	HK\$950,001 950,001 ordinary shares of HK\$1 each	—	—	100%	100%	Investment holding
Billion Park Investment Limited	HK\$1,000,000 1,000,000 ordinary shares of HK\$1 each	—	—	78.6%	78.6%	Investment holding
China Joy International Limited	HK\$2 2 ordinary shares of HK\$1 each	—	—	100%	100%	Investment holding
Dragon Joy (China) Limited	HK\$1 1 ordinary share of HK\$1	—	—	100%	100%	Investment holding
Global Hero Holdings Limited	HK\$1 1 ordinary share of HK\$1	—	—	100%	100%	Investment holding
Lingal Limited	HK\$2,000 1,800 ordinary shares of HK\$1 each 200 non-voting deferred shares of HK\$1 each	—	—	100%	100%	Investment holding
Max Charm Investment Limited	HK\$2 2 ordinary shares of HK\$1 each	—	—	100%	100%	Investment holding
New World China Property Limited	HK\$2 2 ordinary shares of HK\$1 each	100%	100%	100%	100%	Investment holding
New World Development (China) Limited	HK\$4 2 ordinary shares of HK\$1 each 2 non-voting deferred shares of HK\$1 each	100%	100%	100%	100%	Investment holding
New World Hotel Management Limited	HK\$1 1 ordinary share of HK\$1	—	—	100%	100%	Hotel management
Pacific Great Investment Limited	HK\$50,000,000 50,000,000 ordinary shares of HK\$1 each	—	—	100%	—	Investment holding

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
Silver World H.K. Development Limited	HK\$1 1 ordinary share of HK\$1	—	—	100%	100%	Investment holding
Spread Glory Investments Limited	HK\$1 1 ordinary share of HK\$1	—	—	100%	100%	Investment holding
Starlux Enterprise Limited	HK\$1 1 ordinary share of HK\$1	—	—	100%	100%	Investment holding
Sunny Trend Development Limited	HK\$2 2 ordinary shares of HK\$1 each	—	—	100%	100%	Investment holding
Wing Shan International Country Club Co. Limited	HK\$1,000,000 1,000,000 ordinary shares of HK\$1 each	—	—	89.2%	89.2%	Investment holding
<i>Incorporated in the British Virgin Islands</i>						
Art Shadow Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Art Bridge Development Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Banyan Developments Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Brilliant Alpha Investment Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Conful Enterprises Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Ever Brisk Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Fortune Star Worldwide Limited	US\$100 100 shares of US\$1 each	—	—	100%	100%	Investment holding
Fu Hong Investments Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Goodtrade Enterprises Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Hinto Developments Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
K Fai Investments Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding

Notes to the Financial Statements

43. Particulars of Principal Subsidiaries, Associated Companies and Jointly Controlled Entities (Continued)

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
Subsidiaries (Continued)						
<i>Incorporated in the British Virgin Islands (Continued)</i>						
Keep Bright Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Lucky Win Development Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Magic Chance Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
New World Anderson Development Company Limited	US\$100 100 shares of US\$1 each	—	—	100%	100%	Investment holding
New World China Finance (BVI) Limited	US\$1 1 share of US\$1	—	—	100%	100%	Financing
New World China Land Finance Limited	US\$1 1 share of US\$1	—	—	100%	100%	Financing
New World Hotel Management (BVI) Limited	US\$1,000 1,000 shares of US\$1 each	—	—	100%	100%	Investment holding
Radiant Glow Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Rise Eagle Worldwide Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Sparkling Rainbow Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Stand Fame Enterprises Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Superb Wealthy Group Limited	US\$1 1 share of US\$1	—	—	100%	100%	Financing
Sweet Prospects Enterprises Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Triumph Hero International Limited	US\$10,000 10,000 shares of US\$1 each	—	—	100%	100%	Investment holding
True Blue Developments Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Twin Glory Investments Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding
Vivid China Investment Limited	US\$1 1 share of US\$1	—	—	100%	100%	Investment holding

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
<i>Incorporated and operating in the Philippines</i>						
NWH Management Philippines, Incorporated	Peso 9,492,000 94,920 shares of Peso 100 each	—	—	100%	100%	Hotel management
<i>Incorporated and operating in the PRC</i>						
Beijing Dongfang Huamei Real Estate Development Co., Ltd.	RMB200,000,000	—	—	75% (note 2)	75%	Land development
Beijing Lingal Real Estates Development Co., Ltd.	US\$13,000,000	—	—	100%	100%	Property sales
Beijing New World Huamei Real Estate Development Co., Ltd.	RMB187,000,000	—	—	75%	—	Property development
Chengdu Xinyi Real Estate Development Co., Ltd.	US\$99,500,000	—	—	60% (note 2)	60%	Property development
Dalian New World Plaza International Co., Ltd.	RMB58,000,000	—	—	88%	88%	Property investment and development
Dalian New World Tower Co., Ltd.	US\$143,250,000	—	—	100%	100%	Property investment, development and hotel operation
Foshan Country Club Co., Ltd.	US\$52,923,600	—	—	75.9%	75.9%	Golf club operation and property development
Guangzhou Fong Chuen – New World Property Development Co., Ltd.	RMB330,000,000	—	—	100%	100%	Property development
Guangzhou Jixian Zhuang New World City Garden Development Limited	US\$24,000,000	—	—	100%	100%	Property development
Guangzhou Xin Hua Chen Real Estate Co., Ltd.	RMB200,000,000	—	—	100%	100%	Property development
Guangzhou Xin Hua Jian Real Estate Co., Ltd.	RMB244,000,000	—	—	100%	100%	Property development
Guangzhou Xin Sui Tourism Centre Ltd.	HK\$100,000,000	—	—	100%	100%	Property development
Guangzhou Xin Yi Development Limited	HK\$286,000,000	—	—	90.5%	90.5%	Property investment and development
Guiyang New World Real Estate Co., Ltd.	US\$191,350,000	—	—	100% (note 2)	100%	Property development
Haikou New World Housing Development Ltd.	US\$8,000,000	—	—	100%	100%	Property development
Huamei Wealth (Beijing) Technology Co., Ltd.	RMB640,000,000	—	—	100%	100%	Property investment
Hunan Success New Century Investment Company Limited	RMB376,389,430	—	—	95% (note 2)	95%	Property development

Notes to the Financial Statements

43. Particulars of Principal Subsidiaries, Associated Companies and Jointly Controlled Entities (Continued)

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
Subsidiaries (Continued)						
<i>Incorporated and operating in the PRC (Continued)</i>						
Hunan Fortune Lake Property Development Co., Ltd.	RMB55,800,000	—	—	100%	—	Property development
Jinan New World Sunshine Development Limited	US\$49,980,000	—	—	100%	100%	Property development
Nanjing New World Real Estate Co., Ltd.	US\$45,339,518	—	—	100%	100%	Property investment
New World Anderson (Tianjin) Development Co., Ltd.	US\$5,500,000	—	—	100%	100%	Property investment
New World (Anshan) Property Development Co., Ltd.	RMB1,240,000,000	—	—	100%	100%	Property development
New World China Land Investments Company Limited	US\$80,000,000	100%	100%	100%	100%	Investment holding
New World China Land (Haikou) Limited	US\$100,000,000	—	—	100%	100%	Property investment and development
New World Development (Wuhan) Co., Ltd.	US\$75,000,000	—	—	100%	100%	Property investment and development
New World Development (Wuhan) Landscape Engineering Limited	US\$1,500,000	—	—	100%	100%	Landscape engineering
New World Goodtrade (Wuhan) Limited	US\$120,000,000	—	—	100%	100%	Property investment and development
New World Enterprises (Wuhan) Co., Ltd.	US\$16,000,000	—	—	100%	100%	Property development
New World Hotel Management (Shanghai) Ltd.	RMB500,000	—	—	100%	—	Hotel management consultancy services
New World (Shenyang) Property Development Limited	RMB1,647,800,000	—	—	90%	90%	Property investment and development
New World Zhonghong Property Co., Ltd.	RMB212,209,000	—	—	80%	70%	Property development
Shanghai Ramada Plaza Ltd.	US\$42,000,000	—	—	100%	100%	Property investment and hotel operation
Shanghai Trio Property Development Co., Ltd.	US\$81,000,000	—	—	100%	100%	Property development and investment
Shenyang New World Hotel Co., Ltd.	RMB201,520,000	—	—	100%	100%	Hotel operation and property development
Shenzhen Topping Real Estate Development Co., Ltd.	HK\$294,000,000	—	—	100%	100%	Property development
Shenzhen Top One Real Estate Development Co., Ltd.	HK\$150,000,000	—	—	100%	100%	Property development

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
Tianjin New World Housing Development Co., Ltd.	RMB80,000,000	—	—	100%	100%	Property development
Tianjin New World Properties Development Co., Ltd.	US\$75,000,000	—	—	100%	100%	Property development
Tianjin Xin Guang Development Co., Ltd.	US\$4,500,000	—	—	100%	100%	Property investment
Wuhan New Eagle Enterprises Co., Limited	US\$2,830,000	—	—	100%	100%	Property investment
Wuhan New World Hotel Properties Co., Ltd.	US\$10,447,500	—	—	100%	100%	Property investment
Wuhan Xinhan Development Co., Ltd.	US\$16,000,000	—	—	100% (note 3)	100%	Property development
Zhaoqing New World Property Development Limited	US\$13,750,000	—	—	100%	100%	Property development
Zuhai New World Housing Development Limited	US\$8,000,000	—	—	100%	100%	Property development
Associated companies						
<i>Incorporated and operating in Hong Kong</i>						
Global Perfect Development Limited	HK\$1,000,000 1,000,000 ordinary shares of HK\$1 each	—	—	50%	50%	Investment holding
Sun City Holdings Limited	HK\$8,000,000 8,000,000 ordinary shares of HK\$1 each	—	—	30.6%	30.6%	Investment holding
Jointly controlled entities						
<i>Incorporated in the British Virgin Islands</i>						
Concord Properties Holding (Guangzhou) Limited	US\$10 10 shares of US\$1 each	—	—	40%	40%	Investment holding
<i>Incorporated and operating in the PRC</i>						
<i>(i) Co-operative joint ventures</i>						
Beijing Chong Wen — New World Properties Development Co., Ltd.	US\$225,400,000	—	—	70%	70%	Property investment and development
Beijing Chong Yu Real Estate Development Co., Ltd	US\$171,840,000	—	—	70%	70%	Property investment and development
Beijing Xin Kang Real Estate Development Co., Ltd	US\$12,000,000	—	—	70%	70%	Property investment and development

Notes to the Financial Statements

43. Particulars of Principal Subsidiaries, Associated Companies and Jointly Controlled Entities (Continued)

Company name	Issued and fully paid up share capital/ paid up registered capital	Attributable interest held (note 1)				Principal activities
		By the Company		By the Group		
		2011	2010	2011	2010	
Jointly controlled entities (Continued)						
<i>Incorporated and operating in the PRC (Continued)</i>						
<i>(i) Co-operative joint ventures (Continued)</i>						
Beijing Xin Lian Hotel Co., Ltd.	US\$12,000,000	—	—	55%	55%	Hotel operation
China New World Electronics Ltd.	US\$57,200,000	—	—	70%	70%	Property Investment and development
Huizhou New World Housing Development Limited	RMB80,000,000	—	—	62.5%	62.5%	Property development
Wuhan New World Housing Development Limited	RMB96,000,000	—	—	60%	60%	Property development
Wuhan Wuxin Hotel Co. Ltd.	US\$49,750,000	—	—	60%	60%	Hotel operation
<i>(ii) Equity joint ventures</i>						
Fortune Leader Overseas Chinese (Daiyawan) Investment Co. Ltd.	US\$16,950,000	—	—	39%	39%	Golf club and resort operation
<i>(iii) Wholly foreign owned enterprises</i>						
Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co. Ltd.	US\$20,820,000	—	—	59%	59%	Property development
Guangzhou Bosson Real Estate Co., Ltd.	RMB50,003,000	—	—	62.5%	62.5%	Property development
Guangzhou Hemsell Real Estate Development Co., Ltd.	RMB79,597,000	—	—	62.5%	62.5%	Property development
Shanghai New World Huai Hai Property Development Co., Ltd.	US\$108,500,000	—	—	50%	50%	Property investment

Notes:

1. Represent equity interest in case of companies incorporated outside the PRC or the percentage of equity interest in case of equity joint ventures or profit sharing ratio in accordance with the joint venture contracts in case of co-operative joint ventures in the PRC.
2. Represent equity interest of the Group in these companies. Pursuant to the participation agreement dated 11th September 2006 entered into between the Company and Solar Leader Limited ("Solar Leader"), a wholly-owned subsidiary of NWD, Solar Leader has a participating interest, representing 50% of the total interest of the Group in certain property projects undertaken by these companies.
3. Represent profit sharing ratio of the Group in accordance with the contractual arrangement between the shareholders.

Financial Summary

RESULTS

	2011 HK\$'000	2010 HK\$'000	2009 HK\$'000	2008 HK\$'000	2007 HK\$'000
Revenues	13,557,227	6,340,752	2,038,623	3,523,527	2,474,238
Operating profit after finance costs	4,685,543	2,790,676	1,208,255	1,851,831	721,433
Share of results of					
Associated companies	18,864	15,860	171,783	241,514	141,133
Jointly controlled entities	359,312	463,814	93,547	285,972	452,276
Profit before taxation	5,063,719	3,270,350	1,473,585	2,379,317	1,314,842
Taxation charge	(1,917,443)	(629,183)	(179,362)	(355,739)	(132,054)
Profit for the year	3,146,276	2,641,167	1,294,223	2,023,578	1,182,788
Attributable to:					
Equity holders of the Company	3,025,826	2,636,427	1,359,369	2,019,935	1,191,444
Non-controlling interests	120,450	4,740	(65,146)	3,643	(8,656)
	3,146,276	2,641,167	1,294,223	2,023,578	1,182,788

ASSETS AND LIABILITIES

	2011 HK\$'000	2010 HK\$'000	2009 HK\$'000	2008 HK\$'000	2007 HK\$'000
Property, plant and equipment, investment					
properties and land use rights	16,723,223	14,654,688	11,499,361	8,803,282	7,124,336
Properties held for development	12,478,678	10,610,021	7,344,944	6,870,382	7,852,456
Associated companies	413,476	400,705	383,246	1,947,102	1,746,047
Jointly controlled entities	9,633,728	9,905,121	13,284,317	11,278,973	10,484,071
Goodwill	23,394	23,394	82,766	127,766	48,095
Available-for-sale financial assets	58,362	221,996	217,910	209,275	71,427
Financial assets at fair value through					
profit or loss	—	—	—	120,308	—
Other non-current assets	—	9,091	26,136	40,909	—
Net current assets	21,054,114	21,922,155	11,115,283	12,443,887	10,444,692
Total assets less current liabilities	60,384,975	57,747,171	43,953,963	41,841,884	37,771,124
Long term borrowings and payable	(14,151,021)	(16,076,473)	(11,117,308)	(10,253,824)	(9,797,465)
Deferred tax liabilities	(2,185,100)	(2,266,299)	(799,773)	(551,554)	(502,076)
	44,048,854	39,404,399	32,036,882	31,036,506	27,471,583

Major Projects Profile

No	Project Name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq. m.)
Properties under development/held for development				
1	Beijing Xin Yi Garden Phase IV	JCE	70%	85,626
2	Beijing New View Garden Phase III	JCE	70%	20,414
	Beijing New View Garden Remaining Phases			34,808
	Beijing New View Garden Commercial Centre			69,263
3	Beijing Xin Yu Garden Remaining Phases	JCE	70%	978,881
	Beijing Xin Yu Commercial Centre			121,676
4	Beijing Yanjing Building	JCE	70%	30,626
5	Beijing Yuzhuang Project	Subsidiary	75%	104,240
6	Langfang Zhougezhuang Project	Subsidiary	100%	345,400
7	Langfang Jianta Project	Subsidiary	100%	277,500
8	Tangshan New World Garden	Subsidiary	100%	240,002
9	Tianjin Xin Hui Hua Ting	Subsidiary	100%	301,641
10	Jinan Sunshine Garden Phase III	Subsidiary	100%	214,018
	Jinan Sunshine Garden Remaining Phases			80,831
11	Shenyang New World Garden Phase IIB	Subsidiary	90%	38,452
	Shenyang New World Garden Phase IIB			595,403
	Shenyang New World Garden Remaining Phases			1,334,021
12	Shenyang New World Centre Phase I	Subsidiary	90%	648,784
	Shenyang New World Centre Remaining Phases			581,032
13	Shenyang New World Commercial Centre Phase I	Subsidiary	100%	79,497
14	Anshan New World Garden Phase IA III-IV	Subsidiary	100%	148,143
	Anshan New World Garden Phase IIA			24,969
	Anshan New World Garden Remaining Phases			963,031
15	Dalian New World Tower Remaining Portion	Subsidiary	100%	83,571
16	Wuhan Menghu Garden Phase IIIC	Subsidiary	100%	25,900
	Wuhan Menghu Garden Phase IIID			38,895
	Wuhan Menghu Garden Phase IIIE			8,483
17	Wuhan Changqing Nanyuan Phase III	JCE	60%	70,438
	Wuhan Changqing Garden Phase VII			54,032
	Wuhan Changqing Garden Phase VIIIA			260,903
	Wuhan Changqing Garden Phase VIIIB			177,107
	Wuhan Changqing Garden Remaining Phases			1,024,391
18	Wuhan New World Centre Western Portion	Subsidiary	100%	63,955
19	Wuhan Guanggu New World Centre	Subsidiary	100%	312,850
	Wuhan Guanggu New World Centre Remaining Portion			340,000
20	Changsha La Ville New World Phase IIA	Subsidiary	48%	109,169
	Changsha La Ville New World Phase IIB			121,563
	Changsha La Ville New World Phase IIIA			178,560
	Changsha La Ville New World Phase IIIB			120,711
	Changsha La Ville New World Phase IV			467,418
21	Yiyang Fortune Lake Project	Subsidiary	100%	1,240,264
22	Chengdu New World Riverside Phase IB	Subsidiary	30%	142,895
	Chengdu New World Riverside Phase II			225,123
	Chengdu New World Riverside Remaining Phases			3,258,005

Residential (sq. m.)	Commercial (sq. m.)	Office (sq. m.)	Hotel (sq. m.)	Carpark (sq. m.)	Development Status	Expected Completion Date
	768	17,311	52,625	14,922	Under development	Oct-12
18,146	2,268				Under development	Mar-13
	8,661	17,487		8,660	Under planning	TBD
	10,842	37,181		21,240	Under planning	Oct-14
578,493	145,778			254,610	Under planning	TBD
	78,670			43,006	Under planning	Jun-15
	22,888			7,738	Under development	Sep-12
100,921	3,319				Under planning	Dec-13
111,120	14,930	130,540	45,330	43,480	Under planning	Jun-14
256,000				21,500	Under planning	Nov-14
86,885	39,295	48,805		65,017	Under planning	Dec-14
189,401	10,069			102,171	Under development	Dec-13
145,201	6,587	16,669		45,561	Under development	May-14
	43,201		11,500	26,130	Under planning	Aug-15
38,452					Under planning	Oct-12
451,654	14,587			129,162	Under planning	Dec-13
1,076,438	5,413			252,170	Under planning	TBD
	285,704		66,669	296,411	Under development	Mar-13
283,673		267,648	29,711		Planning completed	TBD
46,624	25,363			7,510	Under development	Jun-13
112,024	1,328			34,791	Under development	May-13
24,969					Under development	Sep-12
695,171	30,200			237,660	Under planning	May-17
83,571					Under development	Sep-12
25,900					Under development	Jun-12
38,895					Under development	Jun-13
8,483					Planning completed	Dec-13
62,235	2,503			5,700	Under development	Oct-13
33,126	2,597			18,309	Under development	Jun-12
239,681	9,490			11,732	Under development	Jun-13
137,056	4,286			35,765	Planning completed	Jun-14
592,318	125,437	54,100	74,000	178,536	Under planning	TBD
	12,000	40,792		11,163	Under planning	TBD
265,000	12,300			35,550	Under development	Jun-12
45,000	45,000	100,000	50,000	100,000	Under planning	TBD
79,958	8,341			20,870	Under development	Jun-13
104,089				17,474	Under development	Jun-12
131,820				46,740	Under development	Jun-13
98,234	4,977			17,500	Under development	Dec-14
388,182	37,336			41,900	Under planning	TBD
946,780	61,794			231,690	Under planning	TBD
142,895					Under development	Jan-12
149,373				75,750	Planning completed	Jun-13
2,112,303	184,277		50,210	911,215	Under planning	TBD

Major Projects Profile

No	Project Name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq. m.)
Properties under development/held for development				
23	Guiyang Jinyang Sunny Town Phase I	Subsidiary	50%	428,658
	Guiyang Jinyang Sunny Town Phase II			147,249
	Guiyang Jinyang Sunny Town Phase II Remaining Portion			10,203
	Guiyang Jinyang Sunny Town Remaining Phases			2,931,712
24	Guangzhou Dong Yi Garden Phase V	Subsidiary	100%	25,236
25	Guangzhou New World Oriental Garden Phase III	Subsidiary	100%	92,743
26	Guangzhou Central Park-view Phase II	Subsidiary	91%	125,664
27	Guangzhou Covent Garden Phase IIIA	Subsidiary	100%	129,369
	Guangzhou Covent Garden Phase IIIB			87,218
	Guangzhou Covent Garden Phase III Remaining Portion			425,267
	Guangzhou Covent Garden Phase IV			268,251
28	Guangzhou Park Paradise Phase IIE	Subsidiary	100%	50,483
	Guangzhou Park Paradise Phase III			166,522
	Guangzhou Park Paradise Phase IVA			26,820
	Guangzhou Park Paradise Phase IVB			85,768
	Guangzhou Park Paradise Phase IV Remaining Portion			189,192
	Guangzhou Park Paradise Remaining Phases			425,536
29	Guangzhou Baiyun Project Phase I	Subsidiary	100%	122,395
	Guangzhou Baiyun Project Remaining Phases			64,932
30	Guangzhou Xintang New World Garden Phase VB	JCE	63%	103,819
	Guangzhou Xintang New World Garden Remaining Portion			86,219
31	Guangzhou Foshan New World Metropolitan Complex	Subsidiary	76%	979,991
32	Shenzhen New World Yi Shan Garden Phase III	Subsidiary	100%	125,385
33	Shenzhen Jian Gang Shan Project	Subsidiary	100%	69,972
34	Zhaoqing New World Garden Phase III	Subsidiary	100%	92,271
	Zhaoqing New World Garden Phase III Remaining Portion			81,582
	Zhaoqing New World Garden Phase IV			13,982
	Zhaoqing New World Garden Phase IV Remaining Portion			36,225
35	Huiyang Hu Xia Liao Project	Subsidiary	88%	162,717
36	Huiyang Palm Island Resort Phase VI	JCE	59%	17,531
	Huiyang Palm Island Resort Remaining Portion			264,730
37	Huizhou Changhuyuan Phase III	JCE	63%	148,307
	Huizhou Changhuyuan Phase IV			84,712
38	Zhuhai Jin Hai New World Phase IV	Subsidiary	100%	145,849
39	Haikou New World Garden Phase III	Subsidiary	100%	165,421
40	Haikou Meilisha Project Phase I	Subsidiary	100%	111,815
	Haikou Meilisha Project Remaining Phases			2,393,813
Total (Properties under development/held for development)				26,530,050

Residential (sq. m.)	Commercial (sq. m.)	Office (sq. m.)	Hotel (sq. m.)	Carpark (sq. m.)	Development Status	Expected Completion Date
287,949				140,709	Under development	Jun-12
57,349	983	18,333	39,521	31,063	Under development	Jun-13
			10,203		Planning completed	Dec-13
2,086,515	242,462			602,735	Under planning	TBD
22,661	2,575				Under planning	Jul-15
82,905				9,838	Under development	May-13
115,315	2,674			7,675	Under development	Mar-12
119,138				10,231	Under development	May-13
87,218					Under development	Nov-13
383,704	24,862			16,701	Planning completed	TBD
220,737	19,199			28,315	Under planning	TBD
40,611	1,970			7,902	Under development	Nov-11
66,012	67,152			33,358	Planning completed	TBD
24,900				1,920	Under development	Jun-12
85,768					Under development	Aug-12
168,154				21,038	Under development	Sep-13
263,675	49,005			112,856	Planning completed	TBD
78,225				44,170	Under development	Apr-14
64,932					Planning completed	TBD
73,122				30,697	Under development	Dec-12
86,219					Under planning	Jun-14
926,464			53,527		Under planning	TBD
95,686				29,699	Under development	Aug-13
59,202				10,770	Under development	Nov-12
69,174	2,269			20,828	Under development	Dec-11
79,351	2,231				Under planning	TBD
13,982					Under development	Jun-13
28,625				7,600	Under development	TBD
162,717					Under planning	TBD
17,531					Planning completed	Mar-12
264,730					Under planning	TBD
108,529	1,950			37,828	Under development	Feb-13
50,804	13,840			20,068	Under planning	Jan-14
106,456	10,162			29,231	Under development	Aug-13
124,351				41,070	Under development	Dec-13
70,847	7,813			33,155	Under planning	Jul-13
1,569,800	125,053	20,000	38,860	640,100	Under planning	TBD
18,063,429	1,834,409	768,866	522,156	5,341,190		

Major Projects Profile

No	Project Name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq. m.)
Completed investment properties				
41	Beijing New World Centre Phase I	JCE	70%	94,188
42	Beijing New World Centre Phase II	JCE	70%	73,392
43	Beijing Zhengren Building	JCE	70%	16,415
44	Beijing New World Garden	JCE	70%	34,544
	Beijing Xin Yang Commercial Building			3,439
	Beijing Xin Cheng Commercial Building			8,051
1a	Beijing Xin Yi Garden	JCE	70%	43,707
2a	Beijing New View Garden	JCE	70%	24,004
3a	Beijing Xin Yu Garden	JCE	70%	24,800
45	Beijing Xin Kang Garden	JCE	70%	39,915
46	Beijing Baoding Building Shopping Arcade	Subsidiary	100%	62,286
47	Tianjin Xin An New World Plaza	Subsidiary	100%	97,784
48	Tianjin New World Garden	Subsidiary	100%	7,395
10a	Jinan Sunshine Garden	Subsidiary	100%	6,512
11a	Shenyang New World Garden	Subsidiary	90%	204,821
14a	Anshan New World Garden	Subsidiary	100%	34,442
49	Dalian New World Plaza	Subsidiary	88%	69,196
15a	Dalian New World Tower	Subsidiary	100%	48,982
50	Shanghai Hong Kong New World Tower	JCE	50%	130,385
51	Shanghai Zhongshan Square	Subsidiary	100%	24,081
52	Shanghai Ramada Plaza	Subsidiary	100%	34,340
	Shanghai Belvedere Service Apartment			37,935
53	Shanghai Jiu Zhou Shopping Arcade	Subsidiary	100%	130
54	Wuhan New World International Trade Tower I	Subsidiary	100%	121,828
	Wuhan New World International Trade Tower II	Subsidiary	100%	10,004
18a	Wuhan New World Centre	Subsidiary	100%	142,013
55	Wuhan K11 Gourmet Tower	Subsidiary	100%	20,709
17a	Wuhan Changqing Garden	JCE	60%	96,019
56	Wuhan Xin Hua Garden	JCE	60%	72,006
20a	Changsha La Ville New World Phase I	Subsidiary	48%	29,640
22a	Chengdu New World Riverside Phase I	Subsidiary	30%	76,561
57	Nanjing New World Centre	Subsidiary	100%	52,794
23a	Guiyang Jinyang Sunny Town	Subsidiary	50%	22,448
24a	Guangzhou Dong Yi Garden	Subsidiary	100%	13,873
25a	Guangzhou New World Oriental Garden	Subsidiary	100%	31,836
26a	Guangzhou Central Park-view	Subsidiary	91%	60,395
27a	Guangzhou Covent Garden	Subsidiary	100%	37,327
28a	Guangzhou Park Paradise	Subsidiary	100%	78,518
30a	Guangzhou Xintang New World Garden	JCE	63%	41,364
32a	Shenzhen New World Yi Shan Garden	Subsidiary	100%	14,162
58	Shunde New World Centre	Assoc. Co.	35%	48,517
34a	Zhaoqing New World Garden Phase III	Subsidiary	100%	15,062
37a	Huizhou Changhuyuan	JCE	63%	31,128
Subtotal				2,136,948

Residential (sq. m.)	Commercial (sq. m.)	Office (sq. m.)	Hotel (sq. m.)	Carpark (sq. m.)
	74,232			19,956
	46,378			27,014
				16,415
				34,544
				3,439
				8,051
				43,707
	12,606			11,398
	3,603			21,197
	11,730			28,185
	40,286			22,000
	78,325	8,175		11,284
				7,395
	6,512			
	5,692			199,129
				34,442
	49,413			19,783
	27,067			21,915
	35,474	80,549		14,362
				24,081
	20,743			13,597
37,935				
	130			
		104,556		17,272
		10,004		
	45,766	62,714		33,533
	10,295			10,414
	64,370	13,607		18,042
	36,069			35,937
	5,846			23,794
				76,561
	41,712			11,082
	18,958			3,490
	8,275			5,598
	23,854			7,982
29,868	17,408			13,119
	14,906			22,421
22,220	6,957			49,341
	22,887			18,477
	3,099			11,063
	33,577			14,940
	15,062			
	17,856			13,272
90,023	799,088	279,605		968,232

Major Projects Profile

No	Project Name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq. m.)
Completed hotel properties				
59	pentahotel Beijing	JCE	55%	23,988
60	New World Shenyang Hotel	Subsidiary	100%	21,169
61	New World Dalian Hotel	Subsidiary	100%	53,248
62	New World Shanghai Hotel	Subsidiary	100%	46,942
63	pentahotel Shanghai	Subsidiary	100%	13,353
64	New World Wuhan Hotel	JCE	60%	29,411
65	New World Shunde Hotel	Assoc. Co.	33%	36,524
Subtotal				224,635
Total (Completed investment and hotel properties)				2,361,583

Residential (sq. m.)	Commercial (sq. m.)	Office (sq. m.)	Hotel (sq. m.)	Carpark (sq. m.)
			23,988	
			21,169	
			53,248	
			46,942	
			13,353	
			29,411	
			36,524	
			224,635	
90,023	799,088	279,605	224,635	968,232

Glossary of Terms

GENERAL TERMS

Company or NWCL:	New World China Land Limited
FY:	Financial year, 1st July to 30th June
GFA:	Gross floor area
Group:	New World China Land Limited and its subsidiaries
New World Group:	New World Development Company Limited and its subsidiaries
HK:	Hong Kong
HK\$:	Hong Kong dollar(s), the lawful currency of Hong Kong
N/A:	Not applicable
NGOs:	Non-governmental organisations
China, PRC or Mainland China:	The People's Republic of China
RMB:	Renminbi, the lawful currency of The People's Republic of China
SAR or HKSAR:	Special Administrative Region — A status granted to Hong Kong to own an independent government and legislative system and to enjoy a degree of autonomy from the PRC Government under the principle of “one country, two systems”
SEHK:	The Stock Exchange of Hong Kong Limited
TBD:	To be determined
US:	The United States of America
US\$:	United States dollar(s), the lawful currency of the United States of America

FINANCIAL TERMS

Basic Earnings Per Share or EPS:
$$\frac{\text{Profit attributable to equity holders of the Company}}{\text{Weighted average number of shares in issue during the year}}$$

Current Ratio:
$$\frac{\text{Current assets}}{\text{Current liabilities}}$$

HIBOR: Hong Kong Interbank Offered Rate

Net Debt: The aggregate of borrowings, net of cash and bank balances

Gearing Ratio:
$$\frac{\text{Net debt}}{\text{Total equity}}$$

MEASUREMENT

Sq. m.: Square meter

Km.: Kilometer

Sq. km.: Square kilometer

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-Executive Directors

Mr. Doo Wai-hoi, William (*Vice-chairman*)
Mr. Leung Chi-kin, Stewart
Mr. Chow Kwai-cheung
Mr. Chow Yu-chun, Alexander

Independent Non-Executive Directors

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

COMPANY SECRETARY

Ms. Ngan Man-ying, Lynda

AUDITOR

PricewaterhouseCoopers

PRINCIPAL BANKERS

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

WEBSITE

www.nwcl.com.hk

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE

Hong Kong Stock Exchange 00917

INVESTOR INFORMATION

For more information about the Group please contact the Corporate Communications Department at:
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Email: enquiry@nwcl.com.hk

Chinese Version

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

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New World China Land Limited

(incorporated in the Cayman Islands with limited liability)

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