WE ARE ARTISAN

ANNUAL REPORT 2015

New World Development Company Limited

(Stock Code: 0017)

The Artisanal Movement

New World Development,
a premium brand infused with unique personality.
This personality is best defined by
“The Artisanal Movement”

At New World, We Are All Artisans!

We are devoted to expand one’s imagination
through our persistence on delivering bespoke craftsmanship
manifested by originality.

WE ARE ARTISAN

CONTENTS

IMAGINATION

aspiration. boundless. cultivation.


BESPOKE
encounter. indulgence. peculiar.

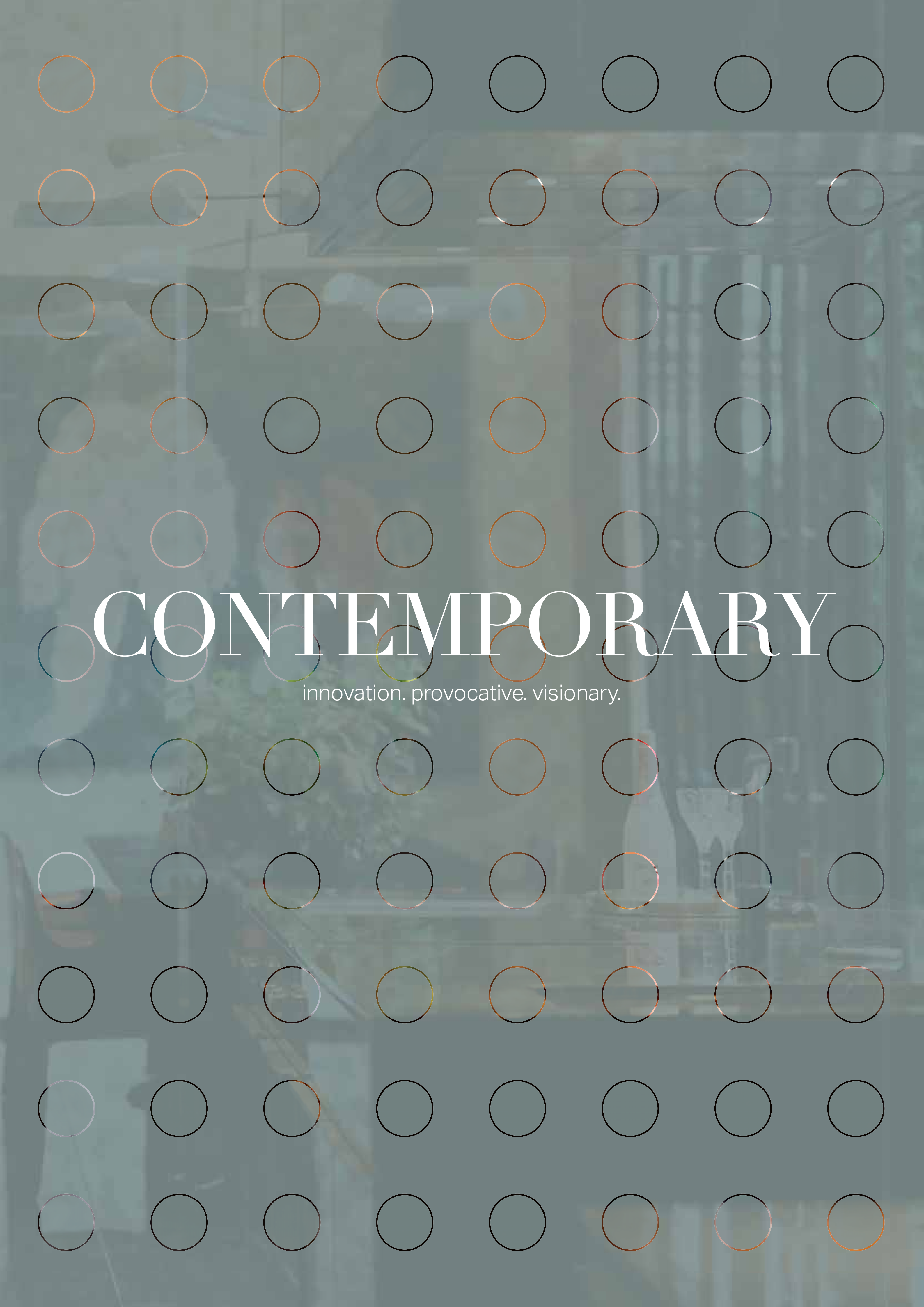
CRAFTSMANSHIP

artistry. creation. humanised.

HERITAGE

aesthetics. culture. legacy.


RENE
FURTERER
PARIS
North Point
Pierre Fabre大藥廠
專業養護髮品牌
Kodak
Kodak



CONTEMPORARY

innovation. provocative. visionary.

CORPORATE STRUCTURE

New World Development Company Limited
(HK stock code: 0017)

• **Hong Kong property**
(development & investment)

NWS HOLDINGS LIMITED
(HK stock code: 0659)
• Infrastructure
• Service

NEW WORLD CHINA LAND LIMITED
(HK stock code: 0917)
• Mainland property
(development & investment)

NEW WORLD DEPARTMENT STORE CHINA LIMITED
(HK stock code: 0825)
• Mainland department store

FINANCIAL HIGHLIGHTS

	FY2015 HK$m	FY2014 HK$m
Revenues	**55,245.0**	56,501.1
Segment results (include share of results of joint ventures and associated companies (excluding changes in fair value of investment properties))	**14,552.5**	16,796.6
Profit before taxation	**31,136.5**	19,076.0
Changes in fair value of investment properties	**3,165.5**	1,425.5
Profit attributable to shareholders of the Company	**19,112.0**	9,725.4
Underlying profit	**6,770.0**	6,506.7
Basic earnings per share (HK$)	**2.17**	1.37
Dividend per share (HK cents)		
Interim	**12.0**	12.0
Final	**30.0**	30.0
Full-year	**42.0**	42.0

For the year ended 30 June 2015, the Group's EBITDA amounted to HK$30,284.9 million, of which HK$21,735.6 million (representing 71.8%) was attributable to operations in Hong Kong and HK$8,549.3 million (representing 28.2%) was attributable to operations in Mainland China and other regions (note 6(d) on page 144).

	As at 30 June 2015 HK$m	As at 30 June 2014 HK$m
Total assets	**397,930.7**	369,227.4
Net debt[1]	**53,539.1**	54,738.8
Gearing ratio[2] (%)	**24.1**	27.3

Remarks:
(1) Net debt: The aggregate of bank loans, other loans and fixed rate bonds and notes payable less cash and bank balances
(2) Gearing ratio: Net debt divided by total equity

CHAIRMAN'S STATEMENT

Having clear and unified goals and sharing common values, the highly cohesive team of the Group will step forward and maximise the interests of our stakeholders.

To Our Shareholders,

In his academic collections, Karl Ritter, a famous German geography educator and the founder of Human Geography as a branch of modern Geography, stressed that Geography was the scientific study of the frameworks and theories of the delineation of space and place, revealing the uniqueness of a region by studying the interrelationship between geographic phenomena; and that a region had its own unique form and position and played a role in the development of mankind and its cultural behaviour, describing humanity by a nature-based approach. Such notion of analysis which blended and integrated the factor of the physical environment had led to the subsequent emergence of Political Geography and Geopolitics, deeply influencing the development of researches which pointed to geographic environment as a factor determining the physical and mental state of mankind as well as human distribution, social phenomena and its course of development.

During the long-standing development of mankind, an individual would, at different development stages and under the particularities of culture and environment, flexibly blend his unique living culture and mode by integrating personal and collective experiences, to pave his own distinctly individual way of life. It is always contemplated in an entrepreneur's mind as to how to pave way for the perpetual development of an enterprise. Mingling elements which are distinctly existent in a particular era and turning them into the unique strengths of an enterprise is the key to solution.

Take the history of China's development as an example. In his *An Introduction to the Cultural History of China*《中國文化史導論》, Ch'ien Mu, a Chinese Studies maestro, pointed out that Chinese culture had undergone various stages of development and generally been able to integrate different culture in a positive way, under the attitude of being "vividly and extensively keen, and willing to accept and assimilate new foreign materials for nourishing its own old tradition."

This year marked the 45th anniversary of New World Group. During the course of its long-standing development, the Group has faced challenges and opportunities at different stages. The unity, perseverance and seamless collaboration of our staff have reaped precious achievements for the Group in numerous aspects. We are not, however, overly self-satisfied for that. In the course of its corporate development, the Group has always stayed in line with latest development. With its open mindset, the Group has been able to blend all creative ideas and advices from different cultures, different social settings, different perspectives and different aspects to deliver to the general public new experience of life and living which is uniquely available from the New World brand, vastly uplifting the competitiveness of its core property development business and its brand equity.

Under The Artisanal Movement, which marks a new page for the development of the Group, unique brand characters will be seen in all future developments of the Group. This will be a journey of exploring unlimited imagination, one that will gather all of New World Group's tailor-made craftsmanship and innovative living experience in bringing modern life to a standard close to historic perpetuity.

Historic glory has paved the way for future success. Remaining modest and pragmatic, the Group will continue to think boldly and creatively in pursuit of development opportunities and room for development, and work strenuously on its property development business. Further, the Group will continue to foster the excellent corporate culture of New World. Having clear and unified goals and sharing common values, the highly cohesive team of the Group will step forward and maximise the interests of our stakeholders.

Dr. Cheng Kar-Shun, Henry
Chairman
24 September 2015












EXECUTIVE VICE CHAIRMAN'S REPORT


PARK SIGNATURE
溱柏










At New World, we are all artisans! We are devoted to expand one's imagination through our persistence on delivering bespoke craftsmanship manifested by originality.

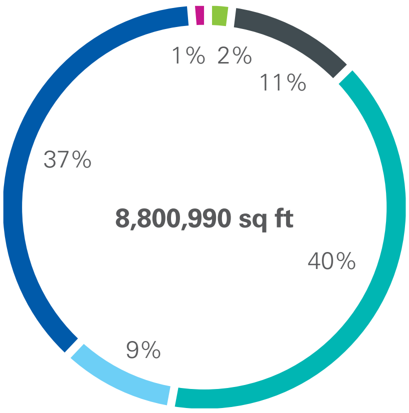
HONG KONG PROPERTY DEVELOPMENT

In 2014, the enormous demand for self-occupied flats, along with the HKSAR government's proposed relaxation of the double ad valorem stamp duty for home upgraders, contributed positively to the sales performance of Hong Kong residential properties. The total transaction amount of first-hand sales and purchases of private residential units in 2014 represented an all-time record high for the past 19 years since 1996. Stepping into 2015, the sound sales momentum continued, where premium projects at prime locations have been highly sought after by home buyers. Most property developers were eager to provide various concessionary offers or adopt a close-to-market pricing strategy to expedite sales, boosting the market sentiment of home purchases.

To counteract the downside risk arising from excessive pace of development of the residential property market and to safeguard the stability of the banking system, on 27 February 2015, the Hong Kong Monetary Authority announced the seventh round of measures on risk control to the property market, including lowering the maximum loan-to-value ratio for self-use residential properties valued below HK$7.0 million, the maximum debt-servicing ratio for borrowers acquiring a second residential property for self-use and the maximum debt-servicing ratio for mortgage loans of all types

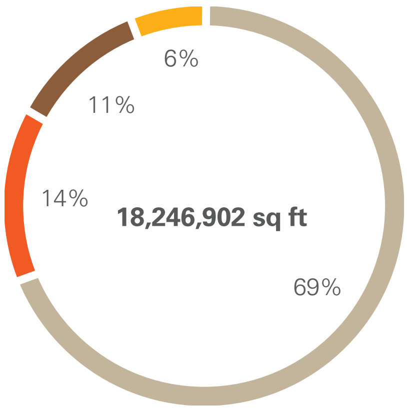
Hong Kong landbank
Attributable GFA
As at 30 June 2015

- Central and Western District
- Wanchai District and Eastern District
- Yau Tsim Mong District and Kwun Tong District
- Tsuen Wan District, Yuen Long District and Tuen Mun District
- Sha Tin District and Sai Kung District
- Others



Hong Kong agricultural landbank
Attributable land area
As at 30 June 2015

- Yuen Long District
- North District
- Sha Tin District and Tai Po District
- Sai Kung District and Tuen Mun District



of non-self-use properties. The maximum loan-to-value ratios under the Mortgage Insurance Programme offered by the Hong Kong Mortgage Corporation Limited was also tightened, dropping from the former maximum of 90% to 80%, despite exemption being available to first-time dwelling buyers who meet the new income requirements.

It is generally considered by the market that the new round of measures curbing property market risks shall effectively assist banks in their risk management and control for mortgage loans granted for the purchase of residential properties. On sales front, the transaction volume in the residential property market swiftly regained momentum after a period of adaptation to the new policies, given the sustained excess demand where homebuyers, especially those with rigid demand as well as first-time dwelling buyers, flocked to products with premium quality and attractive cost performance; and in view of the strong desire of those people who were attracted by the prevailing ultra-low interest rate for imminent home purchases prior to the anticipated interest rate hike in Hong Kong by the end of 2015 after the United States. The number and value of agreements for sale and purchase of first-hand private residential properties registered in the first half of 2015 increased by 24.5% and 42.6% respectively compared to the same period last year.

By carefully planning every step and process in project development, and finely blending artisanal elements to exemplify the tastes and atmosphere embraced by the projects, the Group strives to design customer-centric products which we are proud of and will be the best choice to home buyers.

Together with the attributable revenue from the joint-development projects, the Group's revenue and segment contributions from property development in Hong Kong during the year under review amounted to HK$10,389.2 million and HK$3,295.1 million respectively, representing an increase of 8.6% and 58.5% year-on-year. The contributions from property sales was mainly attributable to the sales of residential units recognised within this financial year, including "The Austin" and "Grand Austin" in Southwest Kowloon, "EIGHT SOUTH LANE" in Kennedy Town, "The Woodside" in Yuen Long and "Double Cove Starview" in Ma On Shan, together with the sales of residential projects completed in previous financial years including "Park Signature", "The Woodsville" and "The Reach" in Yuen Long, "The Masterpiece" in Tsim Sha Tsui and "Double Cove" in Ma On Shan.

During the year under review, the Group has already surpassed FY2015 attributable contracted sales target in Hong Kong of HK$12.0 billion, attaining HK$17.2 billion. If the period is calculated from January 2014 to December 2014, the Group's attributable contracted sales in Hong Kong would have amounted to HK$22.3 billion.

"Grand Austin" in Southwest Kowloon, which is a large-scale and high-end development in close proximity to the Hong Kong terminus of the future Guangzhou-Shenzhen-Hong Kong Express Rail Link, was launched in June 2014 with overwhelming market responses, over 99% of the residential units were sold as at 13 September 2015.

"THE PAVILIA HILL", a contemporary and premium project on Tin Hau Temple Road in North Point, was launched in October 2014. This key project has been uniquely designed to incorporate artisanal elements. Under the delicacy of Shunmyo Masuno, a renowned landscape designer, and Koichiro Ikebuchi, an interior designer, the project brings in a unique and cosy feeling for occupants. The project is highly appealing to home buyers and has received an overwhelming response since its first launch. Over 93% of the residential units were sold as at 13 September 2015.

"Double Cove Starview Prime", another new launch around the same time as "THE PAVILIA HILL", is a joint-development project in Ma On Shan that the Group has 32% stake and provides a total of 1,092 residential units. It is in close proximity to Wu Kai Sha MTR Station and is directly accessible from Ma

Leveraging its brand equity in Yuen Long where a number of new projects with outstanding sales performance had been launched in recent years, the Group will roll out "THE PARKHILL" which offers a total of 141 residential units with the primary focus on 2-bedroom and 3-bedroom layouts in addition to a small portion of 1-bedroom units.

Apart from the aforesaid projects, the Group also plans to launch its "BOHEMIAN HOUSE" in Western District, "FLEUR PAVILIA" in North Point, "Double Cove" Phase 5 in Ma On Shan, No. 55 Conduit Road in Mid-levels, and the remaining special units of "The Masterpiece" in Tsim Sha Tsui.

On Shan Bypass. Over 70% of the residential units were sold as at 13 September 2015.

The Group has actively reviewed the pace of launching new residential projects by assessing market conditions and the needs of the home-buyers, to bring strong momentum to the Group's Hong Kong property sales business.

In July 2015, the Group launched "SKYPARK" in Mong Kok, which offers a total of 439 residential units. Strategically located at the core district of Kowloon, the project enjoys geographical advantage. With numerous artisanal elements incorporated in its design, the project has a sky clubhouse named THE AURORA, which was created by Rob Wagemans, a renowned Dutch designer, together with his team, and comprises an indoor swimming pool, poolside seating and a library. The project also includes a sky garden named THE LAWN, comprising an outdoor rest garden, barbeque area and a herb farm, where occupants can leisurely gather together and have fun while enjoying the unique picnic experience in a sky garden.

"Double Cove Grandview", phase 4 under the "Double Cove" series in Ma On Shan, was launched in August 2015, offering a total of 474 residential units.

"MOUNT PAVILIA", which is another key project of the Group on Clear Water Bay, will provide 680 residential units offering a blended mix of layouts. This luxury hillside project is found to be rare besides the ones at the Peak. It is expected to draw strong interest from the market.

HONG KONG LANDBANK

The Group has made use of multiple channels to replenish its Hong Kong landbank. Apart from public auction and tender, the Group has also pursued diversified means for development, including old building acquisition and agricultural land conversion, that a stable supply of land resources will be available to the Group for property development as well as strategic planning in the long run.

As at 30 June 2015, the Group possessed a landbank with attributable GFA of around 8.8 million sq ft for immediate development. Of which, attributable GFA for residential property development amounted to approximately 5.2 million sq ft. Meanwhile, the Group had a total of approximately 18.2 million sq ft of attributable agricultural land area reserve in the New Territories pending for conversion, which are mainly located in the northwest of New Territories.

During the year under review, the Group won the tender for the property development project atop the Tai Wai Station of MTR Corporation Limited at HK$2,856.0 million. With a total GFA of 2,050,327 sq ft, the project will comprise at least 2,900 residential units. Located in the core district of Sha Tin, the project will be conveniently situated at the intersecting point of the MTR's "North-South Corridor" and "East-West Corridor", which are the rail lines running between Lo Wu and Admiralty and between Wu Kai Sha and Tuen Mun respectively, upon completion of the Sha Tin to Central Link.

In past years, the Group has been actively carrying out large-scale old building acquisitions. The Group completed the acquisition of several residential projects on Hong Kong Island in recent years. During the year under review, the title unification of 704-730 King's Road (previously named as "Kut Cheong Mansion") in North Point was completed in the third quarter of 2014. In January 2015, the Group invested HK$1,779.0 million to further acquire 40% equity interests in Sunbig Limited from Chow Tai Fook Enterprises Limited

("CTF"), which increased its share of ownership in this project from 50% to 90%. The project has a site area of approximately 32,500 sq ft. Based on the prevailing plot ratio for non-domestic usage, the total GFA will amount to approximately 487,500 sq ft for non-domestic use. The Group is currently in the progress of the related works and will actively plan for its redevelopment.

Acquisition of over 80% ownership of 4A-4P Seymour Road in Mid-levels has been completed under a joint-development old building redevelopment project that the Group has 35% stake. The site area is 52,466 sq ft. With reference to the government's latest city planning, the expected attributable GFA of this project upon redevelopment is approximately 165,300 sq ft. This project has proceeded to the court for compulsory sale under the "Land (Compulsory Sale for Redevelopment) Ordinance".

Furthermore, acquisition of over 80% ownership of 74-74C Waterloo Road and 15-25 Yau Moon Street in Ho Man Tin has been completed under a joint-development old building redevelopment project that the Group has 51% stake. The site area is 10,677 sq ft. With reference to the government's latest city planning, the expected attributable residential GFA of this project upon redevelopment is approximately 40,000 sq ft. This project will proceed to the court for compulsory sale under the "Land (Compulsory Sale for Redevelopment) Ordinance".

In addition, the Group has been keen on fostering agricultural land conversion. One of its initiatives has been the active exploration of the "Pilot Scheme for Arbitration on Land Premium" in the 2014 Policy Address of the HKSAR government in order to improve the efficiency of agricultural land conversion for a stable supply of land available for the Group.

Landbank by location	Attributable GFA (sq ft)
Central and Western District	175,346
Wan Chai District and Eastern District	1,005,138
Yau Tsim Mong District and Kwun Tong District	3,506,218
Tsuen Wan District, Yuen Long District and Tuen Mun District	786,180
Sha Tin District and Sai Kung District	3,220,188
Others	107,920
Total	**8,800,990**

Agricultural landbank by location	Total land area (sq ft)	Attributable land area (sq ft)
Yuen Long District	13,509,960	12,506,844
North District	2,854,740	2,512,740
Sha Tin District and Tai Po District	2,024,508	2,024,508
Sai Kung District	1,358,830	1,161,810
Tuen Mun District	41,000	41,000
Total	**19,789,038**	**18,246,902**

HONG KONG INVESTMENT PROPERTY

The retail industry in Hong Kong was undergoing an adjustment stage. Since the launch of the Individual Visit Scheme in 2003, the spending by inbound visitors from Mainland China has been a strong support for the Hong Kong retail industry and the rental of retail shops. Nevertheless, with more experience in travelling and spending, the rapid growth of the middle class, and the implementation of the Central Government's anti-corruption policies, inbound visitors from Mainland China have demonstrated prominent changes in their consumption patterns, from the preference for high-end luxury goods and jewellery and watches to mid-range brands and mass market products gradually, and from touring core tourism districts to sightseeing at peripheral areas of local neighbourhoods. Meanwhile, local consumption maintained a steady pace of development, under the favourable economic climate and low unemployment rate in recent years. The pursuit from youngsters and the middle class for trendy and unique lifestyle drove relevant consumption, attracting some brands with the same style establishing their footprints in Hong Kong for the first time.

In response to the opportunities brought by the above changes, many mall owners had in recent years proactively reviewed the layout and visitor flow of their projects, enhanced the variability in physical facilities, reshuffled the brand and retail mix and brought in assorted themes and activities, aiming at uplifting the appeals, catering for the changing consumer taste, and in turn stabilising the rental performance of the projects. For some street shops at prime retail locations, the diminished sales performance of luxury goods had led to the removal of relevant luxury brands which used to be willing to lease at higher rents, and in turn heightened vacancy rate of those street shops. In view of this, and owing to the lower variability of street shops as compared to malls, the sole strategy available to these owners was to adjust rental rates to attract the original and new tenants to lease, resulting in a larger downward pressure on the rental rates of street shops at prime retail locations.

The overall sentiment of economic activities in Hong Kong was positive, with expedited business expansion of enterprises relating to banking and finance sectors, including the commencement of operations in Hong Kong for many enterprises engaged in financial services following the official launch of Shanghai-Hong Kong Stock Connect at the end of 2014. Furthermore, the interest rate cut policy promulgated in Mainland China since 2014 and the reduction in deposit reserve ratios for financial institutions by the People's Bank of China gave rise to the sufficient capital in Mainland China and its flow to the Hong Kong capital market contributing to the robust IPO activities in Hong Kong. In the first half of 2015, Hong Kong, being the first time, raised the most funds from IPO in the world. The entry of newly-listed enterprises stimulated the demand for quality office space. In June 2015, the vacancy rate of office buildings in Central was 1.7%, which was the lowest since the outbreak of global financial crisis in late 2008. The vacancy rate in the overall market

also dropped to a low level of 3.5% in general, providing a strong support to the rental performance on the back of excessive demand.

In FY2015, the Group's gross rental income in Hong Kong amounted to HK$1,486.1 million. The rental income was impacted by the resumption of the underground retail space at 12 Salisbury Road Tsim Sha Tsui (previously named as"SOGO Tsim Sha Tsui") on 14 February 2014 for alterations and the overhaul of Discovery Park Shopping Centre in Tsuen Wan. If stripping out the effect of the abovementioned two projects, the Group's gross rental income in Hong Kong up 5.0% year-on-year. All major properties of the Group's investment properties portfolio attained satisfactory occupancy.

Tsim Sha Tsui K11, which is located in a traditional core retail and tourism district, recorded an occupancy rate of almost 100% during the year under review, an average monthly pedestrian flow of approximately 1.3 million, the majority of which was high-spending local young customers. In order to enhance the shopping experience, several new brands will establish its foothold at Tsim Sha Tsui K11 before Christmas of 2015.

For Discovery Park Shopping Centre in Tsuen Wan, a densely-populated cross-border transportation hub in the western part of Hong Kong, the first three phases of renovation works were completed, and the final phase of renovation works was in smooth progress. The entire programme is expected to be completed in 2015. In the course of emergence of Discovery Park Shopping Centre, efforts have been made to optimise its mix of merchants and enhance the mall facilities in order to address the needs of customers and deliver a totally fresh and pleasant shopping experience to consumers.

In addition, benefiting from the redevelopment of Kowloon East and the expanded population of Tseung Kwan O, Telford Plaza in Kowloon Bay reported satisfactory rental performance driven by increasing daily patronage of local residents. Pearl City, located in the trendy locality of Causeway Bay, recorded high pedestrian flow following the completion of property refinements and quality enhancement works in December 2012.

For office buildings, New World Tower and Manning House, both being Grade A office buildings located in the traditional prime commercial area on Queen's Road Central in Central, achieved satisfactory performance in terms of occupancy and rental rates. New World Tower is undergoing an asset enhancement programme to meet the new market leasing demand. Its office lobbies and other major facilities will be upgraded.

New World Centre redevelopment project located at the core area of Tsim Sha Tsui promenade is currently the most important redevelopment project of the Group. The construction of the basement and the podium are being carried out as scheduled, and the development of the high tower located at the junction of Salisbury Road and Mody Road is also at good progress. The underground retail space at 12 Salisbury Road Tsim Sha Tsui (previously named as "SOGO Tsim Sha Tsui") will be altered in parallel with the redevelopment project of the adjacent New World Centre.

HOTEL OPERATIONS

Under the Central Government's anti-corruption drive and the policy adjustment regarding the grant of multiple-entry permits to Shenzhen residents, coupled with the fluctuations of global currency exchange rates and the Middle East respiratory syndrome in South Korea, visitor arrivals at Hong Kong showed slackened growth. According to the statistics of the Hong Kong Tourism Board, for the first six months in 2015, the number of inbound visitors totalled 29.3 million, an increase of 2.8% year-on-year. The change in external market environment and policy changes in the region have varied the previous pattern of development of the tourism and hospitality industry, with heavy reliance on the rapid year-on-year growth in visitor arrivals at Hong Kong over the past few years. There were also adjustments in the overall occupancy rate and average room rate of hotels in Hong Kong. In particular, the adjustments to high and medium Tariff B hotels were more prominent, whilst adjustments to those Tariff A hotels, which target business travellers, were relatively minor under the robust economic activities in the region and the drive from the customer loyalty programme, in addition to the limited availability of new supply of hotels in the same tariff grading in recent years. To embrace opportunities presented by market changes, some international hotel brands actively upgraded their hotel facilities and improved their services, in order to uplift customer experience and satisfaction.

The Group's premium hotels targeted at business travellers in Hong Kong have become major contributors to the results of the Group's hotel operations segment. The large-scale renovation at Grand Hyatt Hong Kong is currently underway with good progress. The renovation of approximately 158 guest rooms under phase two of the renovation has commenced in the first half of 2015. Despite the impact on occupancy rate caused by the renovation of guest rooms during the year under review, the hotel's average room rate achieved HK$3,268 per night. Benefiting from the continual growth of conventions and exhibitions, Renaissance Harbour View, which is adjacent to Hong Kong Convention and Exhibition Centre, reported satisfactory occupancy rate which increased by 1.5 percentage points year-on-year to 78%, with solid performance in its average room rate.

Hyatt Regency Hong Kong, Tsim Sha Tsui, centrally located in Tsim Sha Tsui at the junction where MTR Tsuen Wan line at Tsim Sha Tsui Station intersects with MTR West Rail line at East Tsim Sha Tsui Station, achieved an average occupancy rate of 89% and an average room rate of HK$2,099 per night during the year under review. Hyatt Regency Hong Kong, Sha Tin, which is adjacent to University Station on MTR East Rail line, reached an average occupancy rate of 83% and average room rate of HK$1,332 per night during the year under review. pentahotel Hong Kong, Kowloon, which is located near the Kai Tak Cruise Terminal in Kowloon East, targets young fashionable gurus and travellers looking for novel experience. It attained an average occupancy rate of 78% and reported satisfactory performance in its average room rate during the year under review.

On 29 April 2015, the Group and its subsidiaries, of which the interests are owned 64% by the Group and 36% by CTF respectively, entered into transaction agreements with HIP Company Limited, a wholly owned subsidiary of the Abu Dhabi Investment Authority, with a view to establish a new joint venture company to jointly own the Grand Hyatt Hong Kong, the Renaissance Harbour View and the Hyatt Regency Hong Kong, Tsim Sha Tsui. The total consideration for the sale and transfer of the hotels is HK$18.5 billion, out of which around HK$10 billion has been received by the Group after closing adjustments. The transaction was completed during the year under review and favourable effect to the shareholders of the Group is two-folded. On the one hand, The Group will continue to hold interests in quality hotel assets on a long-term basis. At the same time, some of its capital may be reserved for other investments which will potentially increase in value. In line with the Group's long-term strategies, the transaction has realised effective allocation of resources.

During the year under review, two new hotels under the Group commenced operations in Mainland China. The ultra-luxury Rosewood Beijing, located in the core city area of Chaoyang District, Beijing, had its soft-opening on 23 October 2014. Being the first project under the Rosewood Hotels & Resorts brand in Mainland China, Rosewood Beijing targets the high-end segment of the market. In addition, Guiyang New World hotel, located in the provincial capital of Guizhou, had its soft-opening on 25 September 2014.

As at 30 June 2015, the Group had a total of 18 hotel properties providing over 8,000 guest rooms in Hong Kong, Mainland China and Southeast Asia.

MAINLAND CHINA PROPERTIES

To alleviate the vast demand for housing and the downside pressure on economic growth, it was jointly announced by the People's Bank of China and China Banking Regulatory Commission in September 2014 that mortgage restrictions applicable to the property market were to be relaxed. Accordingly, for a family purchasing its first ordinary dwelling, the minimum down payment on mortgage was set at 30% and the minimum interest rate of mortgage lending was set at 0.7 times of the benchmark lending rate; while mortgage lending for the purchase of a second dwelling was to be subject to a much lower barrier than before. At the same time, the home purchase restriction policies adopted by local governments were gradually relaxed in most cities in Mainland China with effect from the third quarter of 2014. In late November 2014, interest rate cut was announced by the People's Bank of China. Under such favourable factors, rigid demand in residential housing was to a certain extent unlocked in the property market in Mainland China, and the sentiment on residential property sales started to improve.

Back in 2014 during the annual sessions of the National People's Congress ("NPC") and the Chinese People's Political Consultative Conference ("CPPCC"), Premier Li Keqiang already proposed the adoption of category-based regulatory measures and bilateral regulatory measures for the real estate market, as opposed to the previous adherence to the steadfast control over the real estate market, bearing testimony to the Chinese Government's advocacy of the reform direction under which the real estate market shall become more driven by market forces. In the Report on the Work of the Chinese Government released during the annual sessions of the NPC and the CPPCC in 2015, the Chinese Government articulated the aim for stabilising spending on residential housing and supporting the housing demand from those seeking to acquire their dwellings as well as those dwelling upgraders, in fostering the steady and healthy development of the property sector. Such series of favourable measures were considered by the market as indications of the Central Government's focus on unlocking demand for residential housing, stimulating domestic demand, and seeking a breakthrough beyond the current bottleneck in the development of the nation's real estate market and its overall economic growth. In view of the opportunities presented by the policy adjustments, developers were actively preparing for their new development plans as well as adjusting the combination of project launches in order to foster sales. According to the National Bureau of Statistics, in the first half of 2015, the aggregate floor area sold and sales proceeds of residential properties on a nationwide basis grew at 4.5% and 12.9% year-on-year respectively.

New World China Land Limited ("NWCL") is the flagship Mainland China property arm of the Group. The development portfolio comprises 30 major projects spanning over several large cities or major transportation hubs in Mainland China. During the year under review, NWCL achieved a profit attributable to shareholders of HK$3,313.1 million, representing a decrease of 28.6% year-on-year.

Taking into account the attributable revenue from the joint-development projects, the revenue and segment results from property development in Mainland China during the year under review amounted to HK$15,292.7 million and HK$4,837.7 million respectively, representing a decrease of 22.6% and 35.6% year-on-year. The contributions from property development in Mainland China was mainly attributable to the sales of residential units in the projects located in Guangzhou, Shenzhen, Shenyang, Tianjin, Wuhan and Beijing.

The overall contracted property sales of NWCL in FY2015 reached a total GFA of 1,090,891 sq m and the gross sales proceeds amounted to RMB15.4 billion.

During the year under review, NWCL's completed property development projects for sale in Mainland China amounted to a total GFA of 1,089,163 sq m, of which residential GFA amounted to 1,015,223 sq m. In FY2016, it is anticipated to complete property development projects totalling a GFA of 1,254,982 sq m in Mainland China, of which residential GFA will amount to 1,047,432 sq m.

The opening of Shanghai K11 Art Mall has stimulated the patronage, occupancy and enhanced the rental performance of Shanghai Hong Kong New World Tower. Furthermore, positive rental reversion has been achieved for Wuhan New World International Trade Tower upon tenancy renewal. The abovementioned factors have provided upside support to NWCL's rental businesses.

INFRASTRUCTURE AND SERVICE

NWS Holdings Limited ("NWSH") is the infrastructure and service flagship of the Group. In FY2015, amid an unsteady external environment and volatile global financial market, NWSH managed to sustain its growth momentum, albeit at a moderate pace. During the year under review, NWSH achieved a profit attributable to shareholders of HK$4,477.6 million, representing an increase of 3.5% year-on-year.

During the year under review, NWSH successfully expanded into aircraft leasing business by investing in Goshawk Aviation Limited. Together with the full-year contribution from Beijing Capital International Airport Co., Ltd ("BCIA") and Xiamen Container Terminal Group Co., Ltd., the performance of infrastructure businesses in FY2015 registered a growth, despite the divestment of Macau Power in July 2014.

The performance of services businesses recorded a decrease from FY2014. The drop reflected its cyclical nature while the performance of the Free Duty and Transport businesses declined due to rising rental and the effects of "Occupy Central Movement" and the new MTR West Island Line respectively. The above impacts were partly offset by the construction business, which reported healthy growth alongside the booming property market.

In FY2015, NWSH shared a gain of approximately HK$1.5 billion from the disposal of its indirect interest in Macau Power. Apart from unlocking the value of this mature asset and providing capital for new investments, the disposal also allowed Sino-French Holdings (Hong Kong) Limited, a 50:50 joint venture beneficially owned by NWSH and Suez Environment, to focus its resources on the development of water and related businesses.

In view of the continuous dilution of NWSH's shareholding in Haitong International Securities Group Limited following the past rights issues and fund raising activities and its past share price performance, NWSH decided to divest this investment in order to unlock shareholder value in June 2015. Thereafter, this investment was reclassified from an associated company to available-for-sale financial asset and a fair value gain on re-measurement which

amounted to HK$0.9 billion was recognised in FY2015 pursuant to HKAS 39 "Financial Instruments: Recognition and Measurement".

In June 2015, NWSH completed the disposal of 12.5% of equity interest in Newton Resources Ltd to a wholly owned subsidiary of Shougang Holding (Hong Kong) Limited, a substantial shareholder of Newton Resources Ltd. The disposal enabled NWSH to realise part of its non-core assets and reallocate more resources to invest in its core businesses. Immediately upon completion of the aforesaid disposal, NWSH owns 35.5% of the total issued shares of Newton Resources Ltd. Based on the consideration of such disposal, further impairment loss in the carrying value of the remaining interest in Newton Resources Ltd had to be accounted for by NWSH. Accordingly, the total impairment loss on the carrying value of NWSH's interest in Newton Resources Ltd and the loss on partial disposal recognised in FY2015 amounted to HK$1.9 billion. In addition, an impairment loss of HK$0.3 billion for Guangzhou Dongxin Expressway was shared by NWSH which was primarily attributable to the lower-than-expected traffic flow of the expressway. As the abovementioned impairment losses were non-cash items, they bore no significant impact on the cash flow and the operation of NWSH.

DEPARTMENT STORES

New World Department Store China Limited ("NWDS") is the retail arm of the Group in Mainland China. During the year under review, China's economic growth continued to slow down. The intensified competition brought by e-commerce and shopping malls, coupled with consumers' diverse needs and rising operating expenses, deteriorated the operating environment persistently. In FY2015, NWDS recorded a profit attributable to shareholders of HK$69.7 million, representing a decrease of 86.6% year-on-year.

In response to the market challenges, traditional retail companies are under great pressure for fundamental transformation, such as precise market positioning and optimised merchandise and service portfolio, in order to be on the right track for long-term development. NWDS accelerated its restructuring during the year under review through widening its revenue streams to reduce reliance on commission income from concessionaire sales. NWDS also revamped its operational structure from the former sole-department store model to a diversified business model comprising department store, shopping mall and direct sales businesses, strengthening its expertise in each business area so as to improve gross margin and overall competitiveness.

During the year under review, the commission income from concessionaire sales was the major income contributor to NWDS, accounting for 60.6% of the total revenue. Proceeds from direct sales and rental income accounted for 22.2% and 15.9% respectively of the total revenue. The remaining 1.3% was derived from management and consultancy fees.

Regional-wise, Northern China Region contributed the most to the revenue of NWDS, amounting to 50.3% of total revenue, followed by the South Eastern China Region and the Central Western China Region, which accounted for 30.9% and 18.8% of the total revenue respectively.

As at 30 June 2015, NWDS operated and managed a total of 43 stores spreading across 21 cities in Mainland China with total GFA of over 1.6 million sq m.

The Artisanal Movement

OUTLOOK

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way." This is the social setting, both positive and negative, illustrated in the first chapter of A Tale of Two Cities by renowned writer Charles Dickens in the nineteenth century. From the viewpoint of a modern-day person, this is also a good manifestation of the acute contradictions arising from the complicated economic landscape in the modern world.

In 2015, the global economy recovered at variant pace, with imbalanced prospects of growth across different regions. The drop in oil prices has put the United States in a leading position in terms of the pace of economic growth. In Russia, which relies heavily on the export of oil and its by-products, economic performance nevertheless encountered tremendous downside pressure. Economic performance has been relatively stable in developed economies in the Eurozone, such as Germany and the United Kingdom. However, the debate over Greece's possibility of pulling out of the Eurozone has given rise to enormous uncertainties underlying the region. Slackened economic growth has come to China and a number of emerging economies, which rely upon international export trade. The appreciation of the US dollars is causing international capital to flow from emerging markets back to the United States, elevating financial risks in some regions. The best and the worst, light and darkness, all happened in the same space and time, depicting the multiplicity of reality.

The latest economic landscape of Hong Kong depends on two major factors, namely the policy trend and economic performance of Mainland China on the one hand, and the interest rate change of the United States on the other hand. Since the introduction of accommodative monetary policy by the Central Government in late 2014, improvements have been seen in fixed-asset investments and retail consumption, alleviating the constrained export performance under global economic slowdown. China's economic growth in the second quarter of 2015 managed to stay at 7%, showing China's efforts in adapting to the new norms under which China's economic growth is turning from high-speed to medium-to-high speed, and to the adjustment of industrial structure. It is expected in the market that China's economy will gradually achieve stable and healthy growth through optimisation, enhancement and alteration. It is believed that positive effects will be seen in major industries in the long run, during the course of China's intensified reforms and adjustment of its economic structure.

In a number of her public speeches, Janet Yellen, the chair of the United States Federal Reserve, has conveyed the message on the impending rise in interest rate in 2015. In the release of its September meeting in 2015, the Federal Open Market Committee ("FOMC") suggested that economic activities in the United States were expanding at a moderate pace, with solid job gains. However, as inflation continued to run below its longer-run objective, FOMC anticipates that it will be appropriate to raise the interest rate when it has seen some further improvement in the labour market and is reasonably confident that inflation will move back to its 2 percent objective. Once the United States' first interest rate rise in these years is confirmed, there may be impact on other related economies. However, the market will be in a better position to get used and respond to such potentially upcoming rate rise, which is generally anticipated to come in a slow and orderly manner against the backdrop of improved economic sentiments.

Confronted by new opportunities and challenges ahead, the dialectic mediation of diversity on the back of the multitude of circumstantial factors would help in identifying and grasping the latest development. As pointed out by Xi Jinping, the President of China, in understanding the new norm of China's economy, the dialectic relationship among boldness for reform, boldness for innovation, stability and prudence, and progress amidst stability shall be properly dealt with. In the course of China's economic reform and development, there are both "long-existed stubborn illnesses" from the past, as well as "hard bones" and "dangerous shoals" from the present day and the future. A "norm" of economic development standing firmly by pre-existing achievements and experience and a "new" pattern of ongoing exploration and advancement are both paramount.

Since its establishment in 1970, the New World Group has encountered tests and challenges in different epochs at different stages, gaining precious experience which provided a solid foundation upon which the Group have grown up and prospered. Amidst evolutions of enterprises and changes of eras, we are willing to take one step forward and utilise our flexible mindset with boldness and innovation to seek and explore development opportunities, providing the best choices to customers and maximising the interests of our stakeholders. Creating a better world with innovation and sustainable development is our vision in the new era. In particular, the harmonious interaction between mankind and the nature and the mingling of art and life will be emphasised in our new residential and commercial products.

Under The Artisanal Movement, which marks a new page for the development of the Group, unique brand characters will be seen in all future developments of the Group. This will be a journey of exploring unlimited imagination, one that will gather all of New World Group's tailor-made craftsmanship and innovative living experience in bringing modern life to a standard close to historic perpetuity. The characters under The Artisanal Movement comprise five major elements: Imagination, Bespoke, Craftsmanship, Heritage and Contemporary. Through The Artisanal Movement, the Group looks forward to providing customers with fine living experience with a mix of superb craftsmanship, traditional culture and the use of upmarket materials. The customised living environment embraced by craftsmanship and aesthetics, where dreams come true and imagination is explored, ideally gives rise to a type of unique culture and quality of modern life.

"Fashion is not something that exists in dresses only. Fashion is in the sky, in the street, fashion has to do with ideas, the way we live, what is happening." said Coco Chanel, the renowned French fashion designer who has created countless classical works with a pair of hands. This is an explicit utterance that the thoughts of a craftsman may go far beyond people's imagination. In fact, sophisticated craftsmanship blends with endless innovation and the spirit of pursuing excellence, catering to customers' needs in every detail and passionately leading the way to realising dreams. The fine fabrication of every detail with dexterous craftsmanship is the very soul of The Artisanal Movement. A tailor-made sculpture, a unique antique lighting, or even a handle may give a warm and real sense of touch. The New World Group is dedicated to searching for unique collections from all over the world, to create personalised experience and uplift the standard of modern life.

For property development in Hong Kong, following the launch of a series of finely-designed projects which received overwhelming market responses, and leveraging the sound performance in property sales in FY2015, the Group will work hard on the preparations for new launches for projects including "MOUNT PAVILIA" in Clear Water Bay, "THE PARKHILL" in Yuen Long, "BOHEMIAN HOUSE" in Western District and "FLEUR PAVILIA" in North Point. It is expected that a total of more than 2,500 new residential units will be launched to the market.

For sustaining a quality landbank in Hong Kong, the Group will carefully identify and select development opportunities to expand its landbank in Hong Kong with reference to future market supply and consumption preference of home buyers. Taking into account the flexibility provided for under the development conditions of the respective projects, the Group will strive to secure unique land resources of premium quality to support the Group's sustainable development. The Group will continue to enhance its development resources through public auction and tender, old building redevelopment and agricultural land conversion.

For property rental business in Hong Kong, in response to the changing structure and consumption patterns of local consumers and those from Mainland China, the Group pioneered in creating the original brand K11 in 2009, offering new shopping experience to the high-spending middle class. In recent years, the Group has further introduced the refinements and quality enhancement programs to its investment projects, Discovery Park Shopping Centre is now undergoing the final stages of overhaul. Efforts have been made to upgrade the tenant mix and improve the physical facilities, for bringing fresh and comfortable shopping experiences to its consumers upon completion.

The redevelopment of New World Centre, located at the core area of Tsim Sha Tsui promenade, the construction is being carried out as scheduled. Upon completion, the project is expected to become a key landmark in Hong Kong.

NWSH, NWCL and NWDS, the listed subsidiaries of the Group, are expected to be benefited from the stable and healthy development of China's economy in the medium-to-long term under its structural optimisation, enhancement and alteration. Meanwhile, the Group will also strive to collaborate closely with the three listed subsidiaries to effectively utilise and leverage the brand equity and synergy of the New World Group, bringing forth positive effects to operations.

Exploring unlimited imagination, arousing craftsmanship and inheriting an aesthetic spirit represent the unique characters of the New World brand. Going forward, the Group will remain its pursuit of ongoing innovation and excellence, attend to every detail of customers' needs, accomplish dreams with passion, and maximise interests of its stakeholders.

Dr. Cheng Chi-Kong, Adrian
Executive Vice-chairman & Joint General Manager

24 September 2015

MANAGEMENT DISCUSSION AND ANALYSIS

NWD recorded consolidated revenues of HK$55,245.0 million, and profit attributable to shareholders of the Company amounted to HK$19,112.0 million in FY2015, up 96.5% year-on-year. The Group's underlying profit amounted to HK$6,770.0 million, representing 4.0% year-on-year growth. Total segment results (including share of results of joint ventures and associated companies (excluding changes in fair value in investment properties)) amounted to HK$14,552.5 million, down 13.4%.

For the year ended 30 June 2015, the Group's EBITDA amounted to HK$30,284.9 million, of which HK$21,735.6 million (representing 71.8%) was attributable to operations in Hong Kong and HK$8,549.3 million (representing 28.2%) was attributable to operations in Mainland China and other regions (note 6(d) on page 144).

ANALYSIS OF SEGMENT REVENUES

	FY2015 HK$m	FY2014 HK$m
Property development	**25,681.9**	29,329.2
Property investment	**2,401.5**	2,348.3
Service	**15,844.0**	13,786.8
Infrastructure	**2,470.7**	2,345.8
Hotel operations	**4,060.8**	3,751.4
Department stores	**3,913.0**	3,975.4
Others	**873.1**	964.2
Total	**55,245.0**	56,501.1

The Group's revenues slightly decreased 2.2% to HK$55,245.0 million in FY2015 from HK$56,501.1 million in FY2014, mainly due to the decrease in property sales in Mainland China. Whereas, it was mitigated by the significant growth from service segment, up 14.9%. The revenues from other segments such as property investment, infrastructure and hotel operations maintained a healthy increment, up 2.3%, 5.3% and 8.2% respectively.

ANALYSIS OF SEGMENT RESULTS

	FY2015 HK$m	FY2014 HK$m
Property development	**8,132.8**	9,586.9
Property investment	**1,916.7**	2,031.9
Service	**1,504.0**	1,526.2
Infrastructure	**2,711.2**	2,518.2
Hotel operations	**244.7**	361.4
Department stores	**307.4**	543.2
Others	**(264.3)**	228.8
Total	**14,552.5**	16,796.6

Property development

Analysis of segment results by region	**FY2015 HK$m**	FY2014 HK$m
Hong Kong	**3,295.1**	2,079.5
Mainland China	**4,837.7**	7,507.4
Total	**8,132.8**	9,586.9

In FY2015, the segment results from property development was HK$8,132.8 million, down 15.2%. In Hong Kong, the segment results increased over 50% year-on-year. Several residential projects, namely "The Austin" and "Grand Austin" in Southwest Kowloon, "Park Signature" and "The Reach" in Yuen Long, together with "Double Cove" and "Double Cove Starview" in Ma On Shan, provided major contribution to the segment results.

During the year under review, the Group has already surpassed the FY2015 attributable contracted sales target in Hong Kong of HK$12.0 billion, attaining HK$17.2 billion.

The Group launched two new residential projects in Hong Kong, namely "THE PAVILIA HILL" and "Double Cove Starview Prime" in FY2015. In particular, "THE PAVILIA HILL", a trendy and premium project on Tin Hau Temple Road in North Point, has attracted the attention of many home-buyers. Up to 13 September 2015, over 93% residential units were sold.

In Mainland China, the overall recorded property sale volume of NWCL for the year under review decreased by 39.5% to GFA of 855,414 sq m, with gross contracted sales registered at approximately RMB13,068.3 million. The decrease in contribution from property sales was mainly resulted from decrease in volume of completed projects by 30% to 1,089,163 sq m during the year under review.

Property investment

Analysis of segment results by region	**FY2015 HK$m**	FY2014 HK$m
Hong Kong	**1,185.1**	1,233.3
Mainland China	**731.6**	798.6
Total	**1,916.7**	2,031.9

Segment contribution from property investment recorded HK$1,916.7 million in FY2015, down 5.7%, mainly due to the decrease in the rental income of NWDS.

In FY2015, due to resumption of the underground retail space at 12 Salisbury Road Tsim Sha Tsui (previously named as "SOGO Tsim Sha Tsui") on 14 February 2014 for alterations and the overhaul of Discovery Park Shopping Centre, the contribution from the investment properties in Hong Kong was affected. If stripping out the effect of the abovementioned two projects, the Group's gross rental income in Hong Kong was up 5.0%. New World Tower and Manning House, both being office buildings located in Central, achieved satisfactory performance in terms of occupancy and rental rates. For Tsim Sha Tsui K11, FY2015 marked the 5th anniversary of its opening. K11 has continued to reinforce its differentiated museum retail concept with clear positioning for locals market which has demonstrated strong performance with almost 100% occupancy rate during the year under review.

In Mainland China, the segment results from the rental portfolio of NWCL recorded a moderate growth. The increase was mainly attributable to the increase in occupancy rate from Shanghai Hong Kong New World Tower K11 Art Mall and increase in average rental rate upon renewal of tenancy contract from Wuhan New World International Trade Tower.

Service

In FY2015, service segment recorded HK$1,504.0 million, drop 1.5% year-on-year. The slight decline was mainly caused by the rising rental impact under new concession on the Free Duty business, the effects of "Occupy Central Movement" and the operation of the new MTR West Island Line in the transport business. The above impacts were partly offset by the construction business, which reported healthy growth alongside the booming property market.

Hong Kong Convention and Exhibition Centre ("HKCEC") continued to be the preferred venue for international event organisers in staging world-class exhibitions and conferences in Hong Kong. During FY2015, 1,113 events were held at HKCEC with a record-breaking total patronage of approximately 6.4 million.

Infrastructure

During the year under review, infrastructure segment reported HK$2,711.2 million, up 7.7%, mainly due to the strong performance from ATL Logistics Centre and BCIA.

The occupancy rate of ATL Logistics Centre remained at the all-time high level of 99.5% while its average rental rose by 17%. BCIA delivered the first full-year profit contribution in FY2015. As the world's second busiest airport in terms of passenger throughput, BCIA served 88.62 million passengers in FY2015.

To capture the growing demand for air transportation, NWSH entered the commercial aircraft leasing sector by acquiring 40% equity interest in Goshawk and certain outstanding loan notes together with interest payable at a cash consideration of approximately US$222.5 million (equivalent to approximately HK$1,724.4 million) in February 2015. As at 30 June 2015, Goshawk owned a fleet of 40 aircraft, which were all on lease to airlines around the world.

Hotel operations

In FY2015, hotel operations segment recorded HK$244.7 million, down 32.3%, mainly due to the pre-opening expenses incurred for the new hotels in Mainland China. Meanwhile, the effects of "Occupy Central Movement" had negative impact on the performance of the Group's hotels in Wan Chai District.

The large-scale renovation at Grand Hyatt Hong Kong is currently underway with good progress. The renovation of approximately 158 guest rooms under phase two of the renovation has commenced in the first half of 2015. Despite the impact on occupancy rate caused by the renovation of guest rooms during the year under review, the hotel's average room rate achieved a high level of HK$3,268 per night. In addition, the other three major hotels in Hong Kong, namely Renaissance Harbour View Hotel, Hyatt Regency Hong Kong, Tsim Sha Tsui and Hyatt Regency Hong Kong, Sha Tin, performed steadily in terms of average room rates and occupancies.

On 29 April 2015, the Group and its subsidiaries entered into transaction agreements with HIP Company Limited, a wholly owned subsidiary of the Abu Dhabi Investment Authority, to establish a new joint venture company to own the Grand Hyatt Hong Kong, the Renaissance Harbour View Hotel and the Hyatt Regency Hong Kong, Tsim Sha Tsui. The transaction was completed during the year under review. The total consideration for the sale and transfer of the hotels was HK$18.5 billion (subject to customary closing adjustment), out of which around HK$10 billion was received by New World Development.

In Mainland China, overall slow market and the banning of extravagance and fighting corruption initiatives from the Central Government led to overall decrease in patronage of corporate customers in the hotels in Mainland China.

Department stores

During the year under review, department stores segment contributed HK$307.4 million, down 43.4%.

On 16 January 2015, NWDS entered into a share purchase agreement to acquire the entire issued share capital of Well Metro Group Limited for a consideration of HK$1.0 million. Well Metro Group Limited and its subsidiaries have the franchise and distribution right in relation to fashion apparels and accessories for certain brand names in the PRC and have a network of retail operation in the PRC.

As at 30 June 2015, NWDS operated and managed a total of 43 stores spreading across 21 cities in Mainland China with total GFA of over 1.6 million sq m.

Others

Other businesses reported a loss of HK$264.3 million. This was mainly attributable to the mobile business disposed in May 2014, which generated positive contribution in previous financial year and less dividend income from investments in FY2015.

Other gains, net

Net other gains increased 5.6 times to HK$15,276.4 million in FY2015 mainly due to the disposal gain on partial disposal of the hotel assets.

Net other gains also included gain on remeasuring previously held assets of a joint venture at fair value upon acquiring control, gain on disposal of available-for-sale financial assets and net exchange gain.

Changes in fair value of investment properties

With the stable performance of the Group's investment properties and healthy market outlook in both Hong Kong and Mainland China, changes in fair value of investment properties amounted to HK$3,165.5 million.

Taxation

In FY2015, taxation charge amounted to HK$4,264.4 million, down 25.7%. The drop was mainly due to the Mainland China land appreciation tax, which was decreased from HK$2,425.0 million in FY2014 to HK$1,667.6 million in FY2015.

LIQUIDITY AND CAPITAL RESOURCES

The Group's debts were primarily denominated in Hong Kong dollar and Renminbi. In respect of the Group's operations in Mainland China, the Group maintains an appropriate level of external borrowings in Renminbi for natural hedging of Renminbi attributed to those projects. Apart from this, the Group does not have any material foreign exchange exposure.

The Group's bank borrowings were mainly arranged on a floating rate basis while bonds were arranged on fixed interest rate. The Group used interest rate swaps and foreign currency swaps to hedge part of the Group's underlying interest rate and foreign exchange exposure. As at 30 June 2015, the Group had outstanding derivative instruments in the amounts of HK$5,800.0 million and US$600.0 million (equivalent to approximately HK$4,662.0 million). As at 30 June 2015, the Group had outstanding foreign currency swap contracts in the amounts of US$20.0 million (equivalent to approximately HK$155.4 million).

During the year, a subsidiary of the Group issued US$900.0 million notes (equivalent to approximately HK$6,993.0 million) and HK$1,071.0 million notes at fixed rates ranging from 4.75% to 5.375% due in 2019 and 2022 respectively.

The RMB1,000.0 million (equivalent to approximately HK$1,250.0 million) 2.75% guaranteed bonds due 2014, which were issued by a subsidiary of the Group and listed on The Singapore Exchange Securities Trading Limited, matured on 14 July 2014. Such bonds were fully redeemed by that subsidiary at their principal amount on the said maturity date.

The RMB4,300.0 million (equivalent to approximately HK$5,375.0 million) 8.5% bonds due 2015, which were issued by a subsidiary of the Group and listed on the Stock Exchange of Hong Kong Limited, matured on 13 April 2015. Such bonds were fully redeemed by that subsidiary of the Group at their principal amount on the said maturity date and there was no outstanding balance of such bonds as at 30 June 2015.

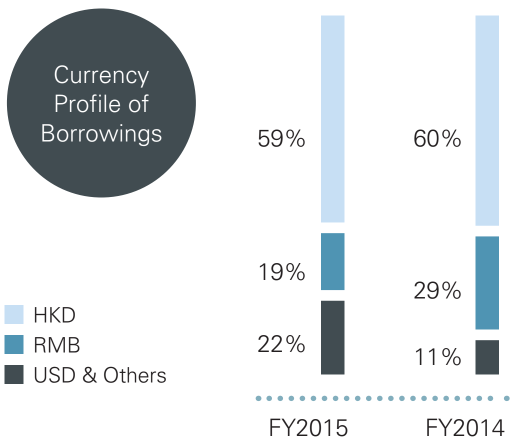
As at 30 June 2015, the Group's cash and bank balances (including restricted bank balances) stood at HK$59,465.2 million (2014: HK$61,823.2 million) and the consolidated net debt amounted to HK$53,539.1 million (2014: HK$54,738.8 million). The net debt to equity ratio was 24.1%, a decrease of 3.2 percentage points as compared with FY2014.

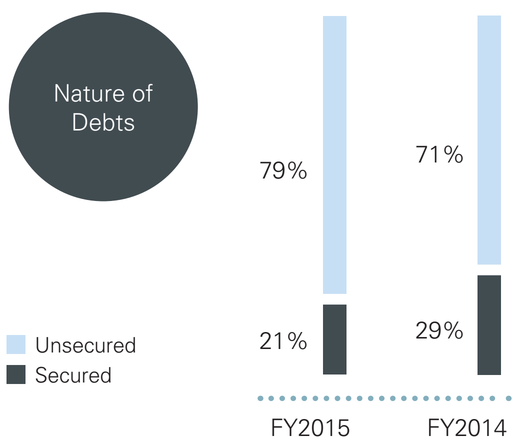
Maturity profile

As at 30 June 2015, the Group's long-term bank loans, other loans and fixed rate bonds and notes payable amounted to HK$109,726.7 million. Short-term bank and other loans as at 30 June 2015 were HK$3,277.6 million. The maturity of bank loans, other loans and fixed rate bonds and notes payable as at 30 June 2015 was as follows:

	HK$m
Within one year	**30,534.7**
In the second year	**16,656.8**
In the third to fifth year	**50,128.3**
After the fifth year	**15,684.5**
Total	**113,004.3**

As at 30 June 2015, the Group's assets of HK$61,374.1 million and certain shares of subsidiaries of the Group were pledged as securities for certain banking facilities of the Group. Equity of the Group as at 30 June 2015 increased to HK$222,358.0 million against HK$200,276.5 million as at 30 June 2014.



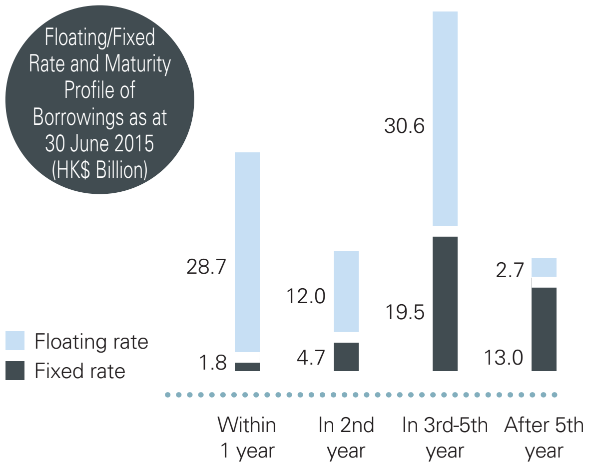


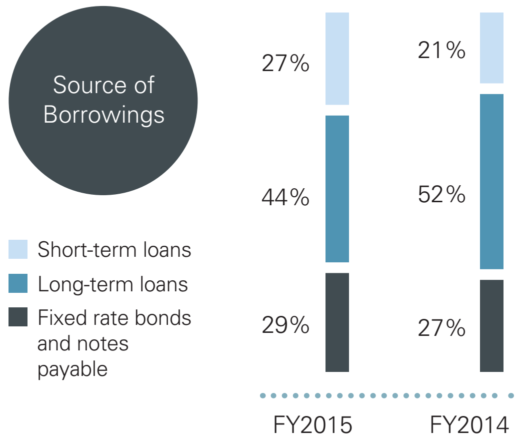
Gross Debt

	FY2015 HK$m	FY2014 HK$m
Consolidated gross debt	**113,004.3**	116,562.0
NWSH	**16,811.4**	17,667.5
NWCL	**43,029.3**	37,207.8
NWDS	**1,707.0**	696.8
Gross debt (exclude listed subsidiaries)	**51,456.6**	60,989.9

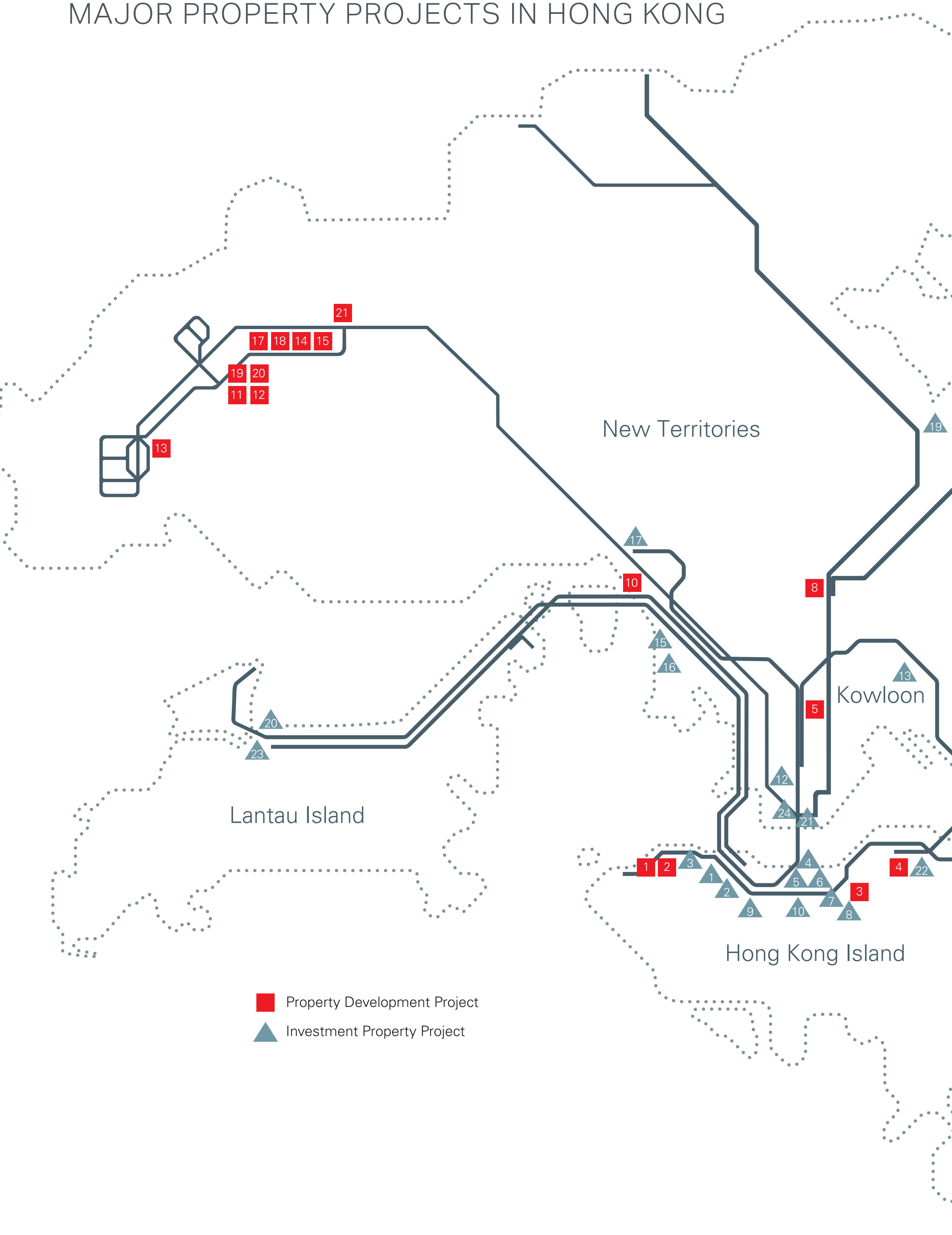
Net Debt

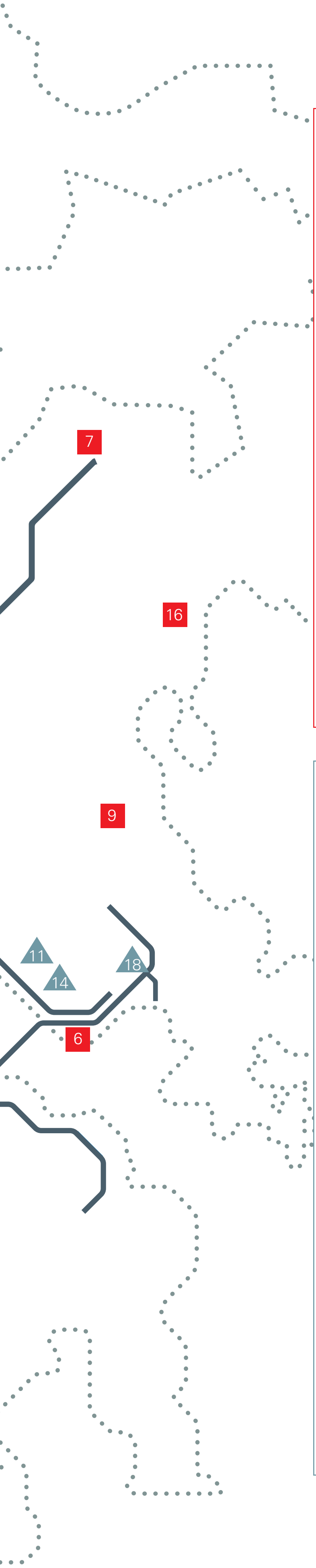
	FY2015 HK$m	FY2014 HK$m
Consolidated net debt	**53,539.1**	54,738.8
NWSH	**6,389.1**	10,030.6
NWCL	**27,255.6**	19,856.2
NWDS – net cash and bank balances	**(408.8)**	(830.3)
Net debt (exclude listed subsidiaries)	**20,303.2**	25,682.3





MAJOR PROPERTY PROJECTS IN HONG KONG





No.	Major Development Properties in Hong Kong
1	BOHEMIAN HOUSE, 321 Des Voeux Road West, Western District
2	1-17 Sai Yuen Lane, Western District
3	THE PAVILIA HILL, 18A Tin Hau Temple Road, North Point
4	FLEUR PAVILIA, Upper & Lower Kai Yuen Lane and 5 Kai Yuen Street, North Point
5	SKYPARK, 17 Nelson Street, Mongkok
6	Yau Tong Redevelopment Project, Kowloon East
7	DOUBLE COVE STARVIEW PRIME, 8 Wu Kai Sha Road (Phase 3), Ma On Shan DOUBLE COVE GRANDVIEW, 8 Wu Kai Sha Road (Phase 4), Ma On Shan 8 Wu Kai Sha Road (Phase 5), Ma On Shan
8	Tai Wai Station Development Project, STTL No. 520, Sha Tin
9	MOUNT PAVILIA, 663 Clear Water Bay Road, Sai Kung
10	West Rail Tsuen Wan West Station (TW6), TWTL No. 402, Tsuen Wan
11	THE PARKHILL, 138 Tong Yan San Tsuen Road, Yuen Long
12	Lot No.2131 in DD121, Tong Yan San Tsuen (Phase 1 - Site A), Yuen Long
13	76-92 Tuen Mun Heung Sze Wui Road, Tuen Mun
14	Lot No. 4537 in DD116, Tai Tong Road, Yuen Long
15	YLTL 524, Tai Tong Road, Yuen Long
16	DD221, Sha Ha, Sai Kung
17	Lung Tin Tsuen (Phase 2), Yuen Long
18	Lung Tin Tsuen (Phase 3), Yuen Long
19	Tong Yan San Tsuen (Phase 3), Yuen Long
20	Tong Yan San Tsuen (Phase 4), Yuen Long
21	Sha Po North, Yuen Long

No.	Major Investment Properties in Hong Kong
1	Manning House, Central
2	New World Tower, Central
3	Shun Tak Centre, Shopping Arcade, Sheung Wan
4	Hong Kong Convention and Exhibition Centre, Shopping Arcade, Wan Chai
5	Grand Hyatt Hong Kong
6	Renaissance Harbour View Hotel
7	Pearl City, Causeway Bay
8	EIGHT KWAI FONG, Happy Valley
9	2 MacDonnell Road, Mid-levels
10	Methodist House, Wan Chai
11	Telford Plaza, Kowloon Bay
12	K11, Tsim Sha Tsui Hyatt Regency Hong Kong, Tsim Sha Tsui
13	pentahotel Hong Kong, Kowloon
14	KOHO, Kwun Tong
15	ATL Logistic Centre, Kwai Chung
16	NWS Kwai Chung Logistics Centre, Kwai Chung
17	Discovery Park Shopping Centre, Tsuen Wan
18	PopCorn II, Tseung Kwan O
19	Hyatt Regency Hong Kong, Sha Tin
20	Citygate, Tung Chung Novotel Citygate Hong Kong
21	New World Centre, Tsim Sha Tsui (To be completed/Under development)
22	704-730 King's Road, North Point (To be completed/Under development)
23	TCTL 11, Tung Chung (To be completed/Under development)
24	12 Salisbury Road, Tsim Sha Tsui (previously named as "SOGO Tsim Sha Tsui") (Alteration and additional work)

DIRECTORS' PROFILE

Dr. Cheng Kar-Shun, Henry
GBS (Aged 68)

Appointed as Director in October 1972, Executive Director in 1973, became Managing Director from 1989 and Chairman from March 2012. Dr. Cheng is a member of the Remuneration Committee and the chairman of the Nomination Committee and Executive Committee of the Board of Directors of the Company. Dr. Cheng is the chairman and managing director of New World China Land Limited, the chairman and executive director of NWS Holdings Limited, Chow Tai Fook Jewellery Group Limited and International Entertainment Corporation, the chairman and non-executive director of New World Department Store China Limited and Newton Resources Ltd, an independent non-executive director of HKR International Limited and Hang Seng Bank Limited, and a non-executive director of SJM Holdings Limited, all of them are listed public companies in Hong Kong. He was a non-executive director of Lifestyle International Holdings Limited, a listed public company in Hong Kong, up to his retirement on 4 May 2015. Dr. Cheng is also the chairman of New World Hotels (Holdings) Limited and a director of certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Twelfth 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 father of Dr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia, the brother-in-law of Mr. Doo Wai-Hoi, William, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng.

Mr. Doo Wai-Hoi, William
JP (Aged 71)

Appointed as the Vice-chairman and Non-executive Director in July 2013. Mr. Doo is also a non-executive director of Lifestyle International Holdings Limited upon re-designation from executive director on 11 June 2015 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. Mr. Doo was the vice-chairman and non-executive director of New World China Land Limited and the deputy chairman and non-executive director of NWS Holdings Limited up to his resignation on 1 July 2013. Mr. Doo is also a director of certain subsidiaries of the Group. He is the chairman and director of Fung Seng Enterprises Holdings Limited. Mr. Doo is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region. He is also a National Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China, the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. He was awarded the Chevalier de la Légion d'Honneur by the Republic of France in 2008. Mr. Doo is the brother-in-law of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, and the uncle of Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Heng.

Dr. Cheng Chi-Kong, Adrian
(Aged 35)

Appointed as an Executive Director in March 2007, became Executive Director and Joint General Manager from March 2012 and re-designated to Executive Vice-chairman and Joint General Manager from April 2015. Dr. Cheng is a member of the Executive Committee of the Board of Directors of the Company. Dr. Cheng is an executive director of New World China Land Limited, New World Department Store China Limited, Chow Tai Fook Jewellery Group Limited and International Entertainment Corporation, and a non-executive director of Giordano International Limited and Modern Media Holdings Limited, all being listed public companies in Hong Kong. He is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. He is also the chairman of New World Group Charity Foundation Limited and a director of certain subsidiaries of the Group. Dr. Cheng worked in a major international bank prior to joining the Group in September 2006 and has substantial experience in corporate finance. Dr. Cheng holds a Bachelor of Arts Degree *(cum laude)* from Harvard University, and was conferred the Honorary Doctorate of Humanities by the Savannah College of Art and Design. He is the vice-chairman of the Youth Federation of the Central State-owned Enterprises, the vice-chairman of All-China Youth Federation, a member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, the chairman of China Young Leaders Foundation, the honorary chairman of K11 Art Foundation and a member of Board of the West Kowloon Cultural District Authority. He is the son of Dr. Cheng Kar-Shun, Henry, the brother of Ms. Cheng Chi-Man, Sonia, the nephew of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

Mr. Chen Guanzhan
(Aged 56)

Appointed as an Executive Director and Joint General Manager in March 2012. Mr. Chen joined the Company as general manager in January 2011. He is a member of the Executive Committee of the Board of Directors of the Company. He also acts as director of New World Group Charity Foundation Limited and certain subsidiaries of the Group. Mr. Chen holds a Bachelor of Science Degree from Sun Yat-Sen University in Guangzhou and a Master of Science Degree in Environmental Chemical Engineering from South China University of Technology in Guangzhou. He had also been a visiting scholar to the California State University, Northridge in the U.S.A., where he studied Public Administration. Mr. Chen had previously taught at South China University of Technology, and held certificates as university lecturer, senior engineer, and held offices in various departments of the Guangzhou Municipal People's Government. Mr. Chen has extensive experience in administration management, corporate management and capital management with a strong academic and practical foundation.

Mr. Yeung Ping-Leung, Howard
(Aged 58)

Appointed as a Director in November 1985. Mr. Yeung is a member of the Audit Committee and the Remuneration Committee of the Board of Directors of the Company. He is also the chairman of King Fook Holdings Limited and an independent non-executive director of Miramar Hotel and Investment Company, Limited, both being listed public companies in Hong Kong.

Mr. Cha Mou-Sing, Payson
JP (Aged 73)

Appointed as a Director in April 1989. Mr. Cha is the chairman of the Audit Committee and a member of the Remuneration Committee of the Board of Directors of the Company. Mr. Cha is also the chairman of HKR International Limited and the non-executive chairman of Hanison Construction Holdings Limited, both of them are listed public companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited – Manager of Champion Real Estate Investment Trust which is listed on The Stock Exchange of Hong Kong Limited, the chairman of Mingly Corporation and an independent non-executive director of Hong Kong International Theme Parks Limited.

Mr. Cheng Kar-Shing, Peter
(Aged 63)

Appointed as a Director in October 1994. Mr. Cheng is also an executive director of New World China Land Limited and an independent non-executive director of King Fook Holdings Limited, both being listed public companies in Hong Kong. He was an independent non-executive director of Symphony Holdings Limited, a listed public company in Hong Kong, up to his resignation on 15 December 2014. Also, he is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Mr. Cheng is a director of New World Hotels (Holdings) Limited, NWS Service Management Limited and certain subsidiaries of the Group. Mr. Cheng is committed to community services and is serving as the chairman of Chow Tai Fook Charity Foundation, the chairman of Hong Kong Renal Centre Limited, the chairman of The Welfare Fund Limited, the vice-chairman of Hong Kong Economic Exchange and a director of Green Council. He is The Commissar of the Chinese People's Political Consultative Conference, Guangzhou City and the University Assembly member of University of Macau. He is a Fellow of The Hong Kong Institution of Engineers, The Hong Kong Institute of Arbitrators and Hong Kong Construction Arbitration Centre. He is a CEDR Accredited Mediator and on the List of the Mediators of Hong Kong Mediation Accreditation Association Limited, Hong Kong International Arbitration Centre, Hong Kong Mediation Centre and Financial Dispute Resolution Centre. He is on the Panel of Arbitrators of South China International Economic and Trade Arbitration Commission/Shenzhen Court of International Arbitration and an Arbitrator of Huizhou Arbitration Commission as well as a Member of Society of Construction Law Hong Kong and The Chartered Institute of Arbitrators. Mr. Cheng 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-Heng, and the uncle of Dr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia.

Mr. Cha Mou-Zing, Victor
(Alternate Director to Mr. Cha Mou-Sing, Payson) (Aged 65)

Appointed as an Alternate Director in September 2000. Mr. Cha is the deputy chairman and managing director of HKR International Limited, and an independent non-executive director of SOHO China Limited, both are listed public companies in Hong Kong. He has extensive experience in the textile manufacturing and real estate businesses.

Mr. Ho Hau-Hay, Hamilton
(Aged 64)

Appointed as a Non-executive Director in August 2004 and was re-designated as Independent Non-executive Director in November 2007. Mr. Ho was an Alternate Director of the Company from 7 January 2004 to 29 August 2004. Mr. Ho is the chairman of the Remuneration Committee and a member of the Audit Committee of the Board of Directors of the Company. He is also an independent non-executive director of King Fook Holdings Limited (a listed public company in Hong Kong), and an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited.

Mr. Lee Luen-Wai, John
BBS, JP (Aged 66)

Appointed as an Independent Non-executive Director in August 2004. Mr. Lee is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board of Directors of the Company. Mr. Lee is also the managing director and chief executive officer of Lippo Limited, an executive director and the chief executive officer of Lippo China Resources Limited and Hongkong Chinese Limited, as well as an independent non-executive director of New World China Land Limited, all being listed public companies in Hong Kong. Mr. Lee is a Fellow Member of The Institute of Chartered Accountants in England and Wales, the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He was a partner of Price Waterhouse (now PricewaterhouseCoopers) in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee is an Honorary Fellow of the City University of Hong Kong and a Justice of Peace in Hong Kong. He serves as a member on a number of Public Boards and Committees including as the chairman of the Board of Trustees of the Hospital Authority Provident Fund Scheme and the chairman of the Queen Elizabeth Hospital Governing Committee. In addition, Mr. Lee serves as a member of the Appeal Boards Panel (Education).

Mr. Liang Cheung-Biu, Thomas
(Aged 68)

Appointed as a Non-executive Director in August 2004 and was re-designated as Independent Non-executive Director in March 2012. Mr. Liang is a member of the Audit Committee and the Nomination Committee of the Board of Directors of the Company. Mr. Liang is an independent non-executive director of Miramar Hotel and Investment Company, Limited (a listed public company in Hong Kong) and the group chief executive of Wideland Investors Limited. Mr. Liang is a member of the Council of The Chinese University of Hong Kong and a member of the Court of the Hong Kong Baptist University. He has extensive experience in financial management, corporate finance, banking, real estate development and equity investment.

Ms. Ki Man-Fung, Leonie
SBS, JP (Aged 68)

Appointed as a Non-executive Director in December 2008 and was re-designated as Executive Director in March 2012. Ms. Ki is a member of the Executive Committee of the Board of Directors of the Company. Ms. Ki has been the managing director of New World China Enterprises Projects Limited (a subsidiary of the Company) since 1997 and is also a director of certain subsidiaries of the Group. Ms. Ki is an independent non-executive director of Clear Media Limited and Sa Sa International Holdings Limited, both are listed public companies in Hong Kong. Ms. Ki is also a director of Chow Tai Fook Charity Foundation. Ms. Ki has more than 30 years' experience in integrated communication and marketing services. She was the founder, partner and chairman/chief executive officer of Grey Hong Kong Advertising Limited and Grey China Advertising Limited. Ms. Ki is committed to the community and public services. She was the first chief executive of The Better Hong Kong Foundation. She is currently honorary council member of UNICEF Hong Kong Committee, trustee member of Ocean Park Conservation Foundation, honorary secretary of Wu Zhi Qiao Charitable Foundation, a member of the Asian Advisory Board of Cheng Yu Tung Management Institute, Richard Ivey School of Business (University of Western Ontario, Canada), vice chairman of the Committee of Overseers of Morningside College at The Chinese University of Hong Kong, a member of the Advisory Board of the EMBA Programme of The Chinese University of Hong Kong, a member of the executive committee of Youth Outreach, a council member of The University of Hong Kong, a National Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China and a member of The Chinese People's Political Consultative Conference of Yunnan Province, and a recipient of Honorary University Fellowship from The Open University of Hong Kong and The University of Hong Kong, the honour of Beta Gamma Sigma from The Chinese University of Hong Kong Faculty of Business Administration, Justice of the Peace and the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

Mr. Cheng Chi-Heng
(Aged 37)

Appointed as an Executive Director in June 2010. Mr. Cheng is a member of the Executive Committee of the Board of Directors of the Company. He also acts as director of certain subsidiaries of the Group. Mr. Cheng is an executive director of Chow Tai Fook Jewellery Group Limited, a listed public company in Hong Kong. He was a non-executive director of China Huishan Dairy Holdings Company Limited, a listed public company in Hong Kong, up to his resignation on 23 June 2015. Mr. Cheng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. Mr. Cheng worked in Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive. He obtained his Bachelor of Arts Degree majoring in Economics from the University of Western Ontario, Canada in 1999. He is the son of Mr. Cheng Kar-Shing, Peter, the nephew of Dr. Cheng Kar-Shun, Henry and Mr. Doo Wai-Hoi, William, and the cousin of Dr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia.

Ms. Cheng Chi-Man, Sonia
(Aged 34)

Appointed as an Executive Director in March 2012. Ms. Cheng is a member of the Executive Committee of the Board of Directors of the Company. She is currently the chief executive officer of Rosewood Hotel Group and oversees the hotel division as well as the project management division of the Group. She is also an executive director of New World China Land Limited, a listed public company in Hong Kong, and a director of certain subsidiaries of the Group. Before joining the Group in 2008, Ms. Cheng worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Ms. Cheng holds a Bachelor of Arts Degree with a concentration in Applied Mathematics from Harvard University in the U.S.A.. Ms. Cheng is chairman of the advisory committee of the School of Hotel and Tourism Management at The Chinese University of Hong Kong and member of the advisory committee of the School of Hotel & Tourism Management Industry at The Hong Kong Polytechnic University. She is a member of the Y. Elites Association, the Young Presidents' Organization, the Hong Kong United Youth Association and the Eleventh Guizhou Municipal Committee of The Chinese People's Political Consultative Conference. Ms. Cheng is the daughter of Dr. Cheng Kar-Shun, Henry, the sister of Dr. Cheng Chi-Kong, Adrian, the niece of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

Mr. Au Tak-Cheong
(Aged 63)

Appointed as an Executive Director in July 2013. Mr. Au is a member of the Executive Committee of the Board of Directors of the Company. Mr. Au joined the Company in 1975. He is currently the Head of the Finance and Accounts and senior management of the Company and is responsible for overseeing compliance of policy and procedures in relation to accounting matters of the Group. He possesses over 30 years of experience in finance and accounting and treasury. He is also a non-executive director of New World Department Store China Limited, a listed public company in Hong Kong, and a director of certain subsidiaries of the Group.

SENIOR MANAGEMENT PROFILE

Mr. Wong Man-Hoi

BSc(Eng)(Hon), LLB(Hon) (Aged 56)

Appointed as the Company Secretary of the Company in January 2011. Mr. Wong joined the Company in November 2000 and has headed the Legal Department (now Legal and Company Secretarial Department) since November 2001. Mr. Wong is a member of the Law Society of Hong Kong and has been a qualified solicitor in Hong Kong since 1994. Before joining the Company, Mr. Wong worked as a solicitor specialising in real estate practice. Mr. Wong obtained his Bachelor of Science (Engineering) Degree from the University of Hong Kong in 1981, Bachelor of Laws Degree from the University of London in 1990 and passed the Solicitors' Final Examination of the Law Society of England and Wales in 1992.

Mr. Sitt Nam-Hoi

BA(Hons),
BArch(Distinction), HKIA,
Authorised Person (List 1) (Aged 61)

Appointed as Head of Projects (Hong Kong) of the Company in February 2011. He is currently the senior director of the Project Management Department of the Company. Mr. Sitt is a Registered Architect and is responsible for overseeing all project management matters for all property development projects of the Group in Hong Kong. Before joining the Company, Mr. Sitt has been working in Buildings Department of the Government of the Hong Kong Special Administrative Region. He was the project director of a listed company in Hong Kong which he also worked for over 25 years. Mr. Sitt has extensive project management experience and participated in various significant projects in Hong Kong and the PRC.

Mr. Yeo Woon, Melvin

BA (Aged 48)

Mr. Yeo joined the Company in June 2011 as sales and marketing director. He is currently the senior director of the Sales and Marketing Department of the Company, responsible for overseeing the overall sales and marketing plans for residential property projects of the Group in Hong Kong. Before joining the Company, Mr. Yeo worked for a listed company in Hong Kong for more than 18 years and acted as an associate director of its sales department. Mr. Yeo has extensive experiences in property industry and has over 23 years experiences in sales and marketing of properties.

INVESTOR RELATIONS

Recognising the paramount importance of maintaining effective communication with shareholders and investors, New World Development endeavours to outreach both shareholders and investors in order to keep them informed on corporate's performance. Through the Investor Relations Department, the Group effectively conveys crucial messages through various means of channels including annual general meetings ("AGM"), conference calls, announcements and roadshows. Approving the Shareholders' Communication Policy, a highly qualified channel is established in order to facilitate communication between stakeholders and prospective investors. The Group's investor relations practice is highly recognised by the market for its quality corporate information disclosure together with investor relations, gaining a high level of loyalty and confidence for market participants.

The Group will spare no effort in achieving its long-term goals and promoting its core values in the future, thereby creating a better world for the next generation. With giving the best to our shareholders as a goal, the Investor Relations team will continue maintaining the transparency on information disclosure in order to promote an open, efficient channel for communication between the Group and its shareholders.

HIGH STANDARD OF CORPORATE DISCLOSURE

Maintaining the transparent disclosure on corporate's performance in compliance with the regulatory and legal rules, Annual General Meeting is organised every year as a crucial platform connecting both investors and the Group. Chairman, members of the Board and senior management of the Company will review the performance of the previous financial year while shareholders are encouraged to participate in the form of voting upon significant issues. Independent auditor is also invited for addressing questions on the audited financial statements. The poll results of the AGM will then be available on the Company's website to facilitate the access of shareholders and the public towards the results.

Placing strong emphasis on letting shareholders and investment community understand the financial performance and plans of the Group, annual report is one of the many channels for public disclosure towards information including achievement of the years, projects summary and corporate sustainability of the previous financial year. With mission and vision presented accomplished, investors and shareholders can treat it as a guide stick for making their investment decisions.

Recognising the importance of fair disclosure, the interest of investors and shareholders are well protected by the voluntary announcements of sensitive information pursuant to the Listing Rules. Company major updates including latest movements and relevant information are available on both the Stock Exchange of Hong Kong and the Company's website. The public can reach out to the investment information through a dedicated Investor Relations website (http://ir.nwd.com.hk) for financial information, reports, financial calendar and circulars of the Group, assisting the public in reviewing the performance of the corporate comprehensively.

The Investor Relations department plays an active role in connecting the Group and the investor community. Provided enquiries or suggestions, investors are encouraged to contact through email or phone. Online enquiry form can also be found on the Company's website to facilitate foreign investors connecting with the Group. Investor enquiries are well logged and handled at a timely manner pursuant to the Shareholders' Communication Policy to maintain an effective communication between shareholders and the Company.

MAJOR INVESTOR RELATIONS ACTIVITIES IN FY2015

The Group grabs every golden opportunity in engaging both investors and shareholders on the performance of the corporate. The Board and senior management participated in press conferences to communicate and analyse on business strategies and future development plans. Feedbacks are sincerely welcomed in that it facilitates the two-way communication between the Board and the investors.

Conference calls, luncheons as well as non-deal roadshows are regularly organised as well in order to aid the investment community in understanding the operations and development trends. On top of meetings, property tours, construction site and showflat visits are often organised to strengthen the market's understanding on the property development and growth in both Hong Kong and Mainland China. With adapting the feedbacks and acknowledgement from different parties, our product quality improves and remains one of the best in the property market, hence gaining appreciation from both investors and shareholders.

During the year under review, the Group had joined over 30 global investor conferences and roadshows held in Mainland China, Taiwan, Singapore, Japan, Australia, Europe, United States and Canada. The Group has also maintained active communications with over hundreds of investors and analysts. Visits to Shanghai K11, one of our flagship developments in Mainland China, as well as visits to Hong Kong residential project such as THE PAVILIA HILL, Park Signature, SKYPARK, MOUNT PAVILIA and EIGHT KWAI FONG, either the show flats or construction sites, have been organised for over 60 investors and analysts.

MARKET RECOGNITION

The outstanding performance of the Group in investor relations and corporate governance has gained significant recognition from various parties. New World Development, being three years in a row, garnered "Outstanding Enterprise Awards 2014 - Outstanding Investor Relations 2014" in January 2015 from Quamnet, a leading financial organisation focusing on not only the financial field but also other industries of great importance in Hong Kong. The Company has also claimed four awards from the renowned corporate governance publication Corporate Governance Asia in the "5th Asian Excellence Recognition Awards" namely "Asia's Best CEO (Investor Relations) – Mr Adrian Cheng", "Asia's Best CFO (Investor Relations) – Mr Au Tak Cheong", "Best Investor Relations Professional – Mr Aldous Chiu" and "Best Investor Relations Company". In addition, the Company has clinched "The Best of Asia – Asia's Outstanding Companies" in "10th Corporate Governance Asia Recognition Awards 2014" by Corporate Governance Asia.

List of awards garnered by New World Development's FY2014 annual report

Competition	Award	Organiser
28th International Mercury Awards	Gold award in Annual Reports – Cover Design – Special Treatments	MerComm, Inc.
	Silver award in Annual Reports – Overall Presentation – Multi-Industry	
	Bronze award in Annual Reports – Interior Design – Traditional Format	
	Honors in Annual Reports – Overall Presentation – Holdings Company	
International Astrid Awards 2015	Gold Award – Annual Reports – Covers (Artistic)	MerComm, Inc.
	Silver Award – Annual Reports – Covers (Special Treatment)	
	Silver Award – Covers (Annual Report – Public Disclosure)	
	Bronze Award – Annual Reports – Corporate – Traditional (Asia/Pacific)	
	Honors Award – Annual Reports – Corporate – Traditional (Special Printing Techniques)	
LACP 2014 Vision Awards	Platinum Award – Conglomerates, Holding Co., Diversify Investment	League of American Communications Professionals LLC (LACP)
	Top 100 Worldwide Annual Reports (Ranked 21)	
	Top 50 Asia-Pacific Region Annual Reports (Ranked 8)	
	2014 Top 40 Chinese Annual Reports	
	Silver Award – Best Report Financials in Asia-Pacific Region	
	Bronze Award – Real Estate/REIT	
29th International ARC Awards	Bronze Award – Cover Photo / Design – Licensing and Brand Management	MerComm, Inc.
	Bronze Award – Cover Photo / Design – Property Development: Residential	
	Honors – Interior Design – Property Development: Residential	
	Honors – Interior Design – Resource Management	

Dr. Adrian Cheng was awarded "5th Asian Corporate Director Recognition Awards 2014" by Corporate Governance Asia.

The terrific design of the Annual Report in 2014 has gained various recognition. With Hong Kong Investor Relations Association selecting the Group as "HKIRA 1st Investor Relations Awards – Best IR Company – Large Cap". The Group is dedicated to maintain its accuracy and transparency on information distribution towards its shareholders for a proper assessment of the Company, its high standard of investor relation has always been well received by shareholders and the capital market.

CORPORATE SUSTAINABILITY

To achieve sustainability, New World Group works to maintain a balance between business growth and its social and environmental responsibility. As a community builder, the Group delivers quality developments and promotes social harmony.

Management Approach to Corporate Sustainability

Adopting a three-tier approach ensures that sustainability messages are properly communicated vertically and laterally within the Group. Chaired by Dr. Adrian Cheng, Executive Vice-chairman and Joint General Manager, the Group Sustainability Steering Committee sets policies and directions for the Group's sustainability programmes and initiatives. Each business unit has its own sustainability committee to devise programmes catered to operational needs. A Group Sustainability Taskforce has also been set to facilitate working level communications and sharing of best practices.

Role Model in Sustainability Reporting

Transparency is an integral part of the Group's corporate sustainability and its second sustainability report has been published in December 2014 in accordance with the latest international reporting framework – Global Reporting Initiatives (G4 Core). The Group's three listed subsidiaries have also published their first sustainability reports around the same time in accordance with the said framework and all reports were independently verified by third parties.

The following sections highlight the Group's key sustainability initiatives and programmes. For more details, please download a copy of New World Group Sustainability Report 2014 at sr.nwd.com.hk.

SPORTS FOR ALL

The Group supports major sporting events and other sports-related community programme to foster development of sports in Hong Kong and promote healthy living.

A Signature Hong Kong Event

Since 2011, and for the forth consecutive years, New World Group has been the title sponsor of New World Harbour Race, organised by the Hong Kong Amateur Swimming Association. New World Harbour Race 2014 was awarded the "M Mark" status for the third consecutive year and the Outstanding Progress Award by the Major Sports Events Committee, recognising the event's contribution in promoting sports development in Hong Kong. The event also scored a Grand Award at the International Mercury Awards, a testament to the event's distinguished performance in public relations and promotion.

Participation in New World Harbour Race 2014 hit a new record high. Elite swimmers from Hong Kong and around the world competed in high spirits, showcasing Hong Kong's charm as an international metropolis. It was encouraging to witness five outstanding students from the New World Swimming Academy, under the Group's sustainable community programme New World Springboard, taking on the challenges of participating in the race.

To strengthen safety measures, tow float was introduced for easy identification of swimmers' locations. The Group strives to continually improve race arrangements for this iconic sporting event, and promote the sport of swimming and healthy lifestyle.

A Showcase of Strength and Determination

The Group continued to be the title sponsor of New World International Triathlon, the first triathlon held in urban Hong Kong. Comprising swimming, biking and running with the city's landmark Victoria Harbour and metropolitan Tsim Sha Tsui East as backdrop, the race draws athletes of strength and determination from around the world.

In its second edition, the scale of the race was lifted with participation from around 400 international and local elites, including a number of Olympians. Through supporting another celebrated sporting event in town, the Group aspires to promote perseverance and fortitude, which are values shared by Hong Kong people.

K11 ART FOUNDATION

Being a Hong Kong registered charitable institution, K11 Art Foundation (KAF) aspires to become a sustainable incubation force in the global ecosystem of art, and to create strong public desire for the local contemporary art scene.

Established in 2010, KAF aims to incubate young emerging contemporary Chinese artists and curators and to promote public art education. Through KAF's innovative education programmes such as artist talks, seminars, workshops and exhibitions across Greater China, as well as a unique contemporary art collection and the establishment of the K11 Art Village, KAF provides the public with easy access to appreciate art and thereby elevate collective understanding of culture.

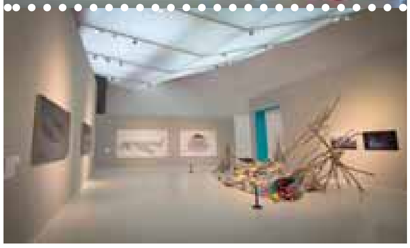
As KAF forges into its 6th year, commitment to bringing art to the masses and incubating young emerging contemporary Chinese artists and curators is stronger than ever. Besides playing hosts to over 130 exhibitions and educational programmes in Hong Kong, Shanghai and Wuhan, this year KAF have put much of the focus into initiating and nurturing innovative partnerships at both national and international levels.

Inside China – Collaboration with Palais de Tokyo in Paris

As the first collective exhibition between KAF and the French contemporary museum Palais de Tokyo, *Inside China: L'Intérieur du Géant* opened in Paris during FIAC in October 2014, and the entire exhibition was then brought to Hong Kong during Art Basel Hong Kong in March 2015. Co-curated by Jo-ey Tang and Wang Chunchen, the exhibition featured six Chinese artists and five French artists. Focused on fostering dialogues and boosting cross-cultural exchanges between the two institutions in a first-of-its-kind attempt, the collaboration presented a new wave of creators whose work negotiates over-production, monumentality and rapid development issues both driving and dodging China, giving its audience a macro and micro view of what really is happening inside.

Future Exhibition – Collaboration with the Central Academy of Fine Arts Museum (CAFAM)

Devoted to discovering and supporting Chinese young art talents, the 2nd "CAFAM Future" was co-organised by CAFAM and KAF. This also marked the beginning of the three years of collaborative plan between the two institutions. In this edition, a special committee was formed by influential institutions, selecting the most promising talents under the same roof. The term "Creator" pays homage to makers who challenge and break through the boundary of art, and infuse new technologies. This exhibition is dedicated to encourage explorations into artistic language and new experience.



K11 Art Village

In KAF's continual effort to promote the development of young talents in the contemporary art sectors, K11 art village is established with the aim to nurture artists by providing a platform and means for them to create art that would reach a larger audience both locally and globally to bolster their creative careers.

NEW WORLD SPRINGBOARD

New World Group has been organising sustainable community programmes to enhance social inclusion and improve social mobility of the under-resourced, particularly children and youths. Continuous efforts have been devoted to building human capital for the betterment of society.

Funded by the New World Group Charity Foundation, the New World Springboard sustainable community programme was launched in 2012 and has since provided up to seven years of professional training to more than 400 students between the ages of seven and 12 through New World Swimming Academy and New World Basketball League. There is also a New World Springboard Mentorship Programme, with Group staff members as mentors to support the development of the students. To further enhance the programme, "Star Mentors" have been introduced in early 2014 to provide students with one-on-one coaching. The New World Springboard Parent Club was established in May 2014 to offer members assistance and exchange opportunities. In addition, two kinds of sports and the New World Springboard Community Ambassador Programme have also been introduced in 2015 to groom more promising athletes, while engaging them with volunteering for worthy causes.

Grooming Promising Athletes

The Group works with the Hong Kong Amateur Swimming Association and the Hong Kong Basketball Association for the New World Swimming Academy and the New World Basketball League respectively, offering under-resourced youths an opportunity to unleash their full potential. An Inter-district Swimming Championship is held every year to let students compete with each other in true sportsmanship after intensive training. In fact, promising students from the programme have also begun to emerge in public competitions. Five young swimmers from New World Springboard finished New World Harbour Race 2014 and made a big splash. They inspire fellow students to achieve their aspirations.

Promoting sportsmanship through team sports is another mission of the programme. This year, the Inter-district Basketball Tournament saw young players demonstrating better basketball skills and cooperation as a result of regular training.

Sharing by Distinguished Athlete

The Group understands the importance of recognition and encouragement to the students. The New World Springboard Annual Party 2014 was held to gather students, parents, mentors and representatives of partnering NGOs to review past events and to commend outstanding students. Distinguished athlete So Wa-wai was invited to inspire students with his own story of rising above disability with perseverance. Students who achieved 100% attendance during the year were awarded certificates of merit and enjoyed a dinner buffet with their parents at the Hong Kong Convention and Exhibition Centre.

Building Bonds Between Mentors and Mentees

Launched in 2013, the New World Springboard Mentorship Programme is an integral part of the programme. To further enhance the programme, "Star Mentors" have been introduced in early 2014 to offer students one-on-one coaching to help them build a bright future. The programme enhances mutual trust between mentors and mentees through regular and innovative activities, providing them with chances to interact and communicate.

Supporting Parents

Established in mid-2014, the Parent Club provides support for members by assisting them to instill a positive attitude in their children and encouraging them to embrace challenges at different stages. By organising various activities including educational seminars, movie appreciation and other parent-child activities during the year, the Parent Club provides members with parenting tips to foster children's all-round development.

Extending Support to a Wider Community

The Group began to collaborate with the Hong Kong Golf and Tennis Academy Foundation (HKGTA Foundation) in 2015 to provide long-term, free golf and tennis training to more than 40 under-resourced students from the Sai Kung District. The programme extends support to a wider community, while discovering more young athletes for Hong Kong. Conducted by overseas coaches, the professional training classes have already commenced in April 2015.

Young Volunteers for Society

The New World Springboard Community Ambassador Programme has been launched in February 2015 to promote a caring spirit among students and mentors through various community services for under-resourced districts, such as home visits.






LOVE • NEW WORLD VOLUNTEERS CLUB

The Group strives to encourage staff members and their relatives to continuously participate in volunteering activities and to contribute to society.

Formed in July 2012, the Love • New World Volunteers Club offers rewarding volunteering opportunities while promoting self-reliance. There are regular orientation and training to build a strong cohesion among volunteers.

Diversified Volunteering Promotes Social Harmony

Cooperating with Children's Cancer Foundation, the Love•New World Volunteers Club brought young cancer patients good memories with their relatives by taking them to theme parks regularly. The New World Coastal Conservation Team was also formed to engage staff in research and cleanup activities at coastal areas with high ecological values. Furthermore, volunteers took part in New World x NGO Fair, an interactive platform for social enterprises and youths to develop social capital in the community.

Training Enhances Teamwork

The Group organised creative trainings on a regular basis to build team spirit amongst staff volunteers. Orienteering activity was conducted on Lamma Island to help volunteers develop a good rapport.

Train the Trainers

The Train-the-trainer series of Love•New World Volunteers Club helps volunteers put their special skillsets to good use for good worthy causes. The Photography Unit and Balloon Twisting Unit have been launched to provide unique services to the community.

Recognition for Committed Volunteers

The Group presented Outstanding Volunteer awards to committed staff volunteers at the annual dinner. Volunteers with high service hours also earned an opportunity to join village rebuilding and conservation programmes in Sichuan and Guangzhou to expand their horizons.

TALENT ACQUISITION, DEVELOPMENT, ENGAGEMENT AND RETENTION

New World Group recognises the importance of staff as the most values asset of the organisation and strives to attract and retain the best talent through inspiring them to grow with the Group.

Nurturing Talent

Adhering to the Group's Training for Development philosophy, the New World University strives to groom employees with long-term strategy and succession plan. It provides multiple dimension, well-structured and customised learning platforms and solutions in five key pillars: Competency Enhancement, Professional Development, Action Learning, Personal Development and Engagement, as well as Career Development. The New World University offers long-term and continuous training programmes, such as the New World Star Executive Development Programme, the Accelerating Management Talent Programme, the New World YoungSTAR Programme and the Management Trainee Programme. These are complemented with a series of training courses aim at honing leadership skills and knowledge among staff of different levels. In 2015, Future Star Programme, PRC Management Trainee Grooming Programme and Hong Kong Graduated Management Trainee Development Programme have been launched for executive development as part of a comprehensive succession plan. In addition to wide range of typical topics such as soft skills and business knowledge, a 12-month Digital Training Series has been launched this year to align with the Group's strategic focus on digitalisation.

In addition to the Annual Group Management Forum, senior executives also travelled to Singapore last year to visit and exchange ideas with renowned corporations. Taskforces and the Incubation Circle are also excellent platforms for action learning by engaging over 1,600 Group staff in various capacities with self-initiated projects that can add or create value to the Group.

Education Sponsorship for Employees

To foster a continuous learning culture, the Education Sponsorship for Staff Development has been launched in 2015 to recognise employee commitment to personal development and learning.

Education Sponsorship and Medical Subsidy for Employees' Dependents

The Group believes that youth engagement is an important element of sustainable development. The Inventing Your Future Education Sponsorship Scheme offers textbook and tuition fee subsidies to employees' children with high potential. In addition, the Creative Artisan Development Sponsorship Scheme has been launched in 2015 to sponsor staff's children who fully utilise their creativity.

Understanding staff's needs to take care of their family members, the Group enhanced the flexibility of the Medical Subsidy for Dependents this year. Under the new mechanism, family members can utilise the unused quota of other family members. Comprehensive family care can help employees stay focused and motivated.

Employee Wellbeing

New World Sports Club organises sports activities to enhance communication, trust and team spirit amongst staff within the Group. This year, the newly formed Women's Basketball Team won a silver medal, while the Football Team took fourth place in the Inter-hong Tournament. Besides, the Group's Fun Fun New World organises a wide range of activities, including the New World Group Family Open Day which strengthen family ties through office tours. Held in January 2015, the two-day trips to the Chimelong Ocean Kingdom received overwhelming response from staff and their families. FUN FUN Joy Farming lets staff and their relatives learn organic farming and green living while appreciating nature.

Cultural Ambassador Programme

To foster an open, creative, encouraging and positive working culture, the Group launched the "Cultural Ambassador Programme" in 2013. Cultural Ambassadors are recruited from staff, forming teams to visit all major corporate offices of Group companies and workplaces of frontline staff. Through presentations, performances and giving of souvenirs, the Cultural Ambassadors promote corporate culture to new staff members and strengthening cultural awareness among current staff to enhance internal communication and synergy across the Group.

Annual Outstanding Employee Award

The Group launched the Annual Outstanding Employee Award since 2013 to encourage staff to deliver their best performance. Nominations are reviewed by a judging panel comprising senior management of Group companies. Staff who exhibit outstanding performance in their respective aspects are awarded as a token of the Group's appreciation for their contribution.

ENVIRONMENTAL SUSTAINABILITY

A life-cycle model for sustainable property development was developed to ensure that sustainability considerations are addressed from a holistic perspective.

Planning / Land Acquisition

Due considerations are given to sustainability issues when planning new development projects, such as conservation, neighbourhood community, heritage preservation, etc.

Design

In addition to bespoke design and craftsmanship which are key signatures of new developments, environmental considerations also form an integral element of new projects. During the year under review, 98% of the Group's development projects in Hong Kong (hereafter in terms of total gross floor area) have applied for green building certifications (BEAM or BEAM Plus), a significant improvement from 62% in 2010.

Tendering / Construction

As a responsible developer, New World Group actively seeks to work with suppliers who value and act on the principles of sustainable development. Sustainability performance is evaluated during the supplier and contractor selection process for development projects.

Sales and Marketing / Leasing

The Group also places emphasis on influencing stakeholders downstream in the value chain. Guidelines are issued to new commercial and retail tenants detailing best practices in sustainability considerations, renovation and daily operations of offices and retail shops.

Handover

A paperless Defects Management System Apps were introduced for handover of new residential properties to ensure an environmentally-friendly and efficient handover process.

Post-Handover Operations

Continuous improvements on sustainability performance are implemented throughout the life cycle of a development. For example, various measures introduced to the K11 Art Mall resulted in a carbon emission reduction of approximately 20% in FY 2013/2014 compared to FY 2010/2011. The K11 Art Mall's all-round environmental performance was recognised with a Silver Award in the Property Management sector of the prestigious Hong Kong Awards for Environmental Excellence.

Re-modelling / Re-development

Any re-modelling/re-development projects will undergo a vigorous process comparable to new projects to ensure sustainability considerations are incorporated throughout the new life cycle.

CORPORATE INFORMATION

EMERITUS CHAIRMAN
Dato' Dr. Cheng Yu-Tung

BOARD OF DIRECTORS
Executive Directors
Dr. Cheng Kar-Shun, Henry *GBS (Chairman)*
Dr. Cheng Chi-Kong, Adrian
(Executive Vice-chairman and Joint General Manager)
Mr. Chen Guanzhan *(Joint General Manager)*
Ms. Ki Man-Fung, Leonie *SBS JP*
Mr. Cheng Chi-Heng
Ms. Cheng Chi-Man, Sonia
Mr. Au Tak-Cheong

Non-executive Directors
Mr. Doo Wai-Hoi, William *JP*
(Non-executive Vice-chairman)
Mr. Cheng Kar-Shing, Peter

Independent Non-executive Directors
Mr. Yeung Ping-Leung, Howard
Mr. Cha Mou-Sing, Payson *JP*
Mr. Cha Mou-Zing, Victor
(Alternate Director to Mr. Cha Mou-Sing, Payson)
Mr. Ho Hau-Hay, Hamilton
Mr. Lee Luen-Wai, John *BBS JP*
Mr. Liang Cheung-Biu, Thomas

COMPANY SECRETARY
Mr. Wong Man-Hoi

AUDITOR
PricewaterhouseCoopers

SOLICITORS
Woo, Kwan, Lee & Lo
Kao, Lee & Yip
Vincent T.K. Cheung, Yap & Co
Iu, Lai & Li
Eversheds

SHARE REGISTRAR AND TRANSFER OFFICE
Tricor Tengis Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
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REGISTERED OFFICE
30/F., New World Tower,
18 Queen's Road Central, Hong Kong
Tel: (852) 2523 1056
Fax: (852) 2810 4673

PRINCIPAL BANKERS
Bank of China (Hong Kong)
Bank of Communications
Bank of East Asia
China Construction Bank (Asia)
China Development Bank
China Merchants Bank
Citibank N.A.
DBS Bank
Hang Seng Bank
Industrial and Commercial Bank of China (Asia)
Mizuho Bank
Nanyang Commercial Bank
Sumitomo Mitsui Banking Corporation
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ

STOCK CODE
Hong Kong Stock Exchange 0017
Reuters 0017.HK
Bloomberg 17 HK

INFORMATION FOR INVESTORS
For more information about the Group,
please contact the Investor Relations Department of
the Company at:
30/F., New World Tower,
18 Queen's Road Central,
Hong Kong
Tel: (852) 2523 1056
Fax: (852) 2810 4673
e-mail: ir@nwd.com.hk

WEBSITE
www.nwd.com.hk

FINANCIAL SECTION CONTENTS

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their annual report and financial statements for the year ended 30 June 2015.

GROUP ACTIVITIES

The principal activities of the Company remain investment holding and property development and investment. The principal activities of the principal subsidiaries, joint ventures and associated companies are shown in notes 49, 50 and 51 to the financial statements on pages 200 to 220.

RESULTS AND APPROPRIATION

The results of the Group for the year ended 30 June 2015 are set out in the consolidated income statement on page 100 of this annual report.

The Directors have resolved to recommend a final dividend for the year ended 30 June 2015 of HK$0.30 per share (2014: HK$0.30 per share) to shareholders whose names appear on the register of members of the Company on 23 November 2015. Together with the interim dividend of HK$0.12 per share (2014: HK$0.12 per share), the total dividend for the financial year ended 30 June 2015 is HK$0.42 per share (2014: HK$0.42 per share).

The Directors propose that shareholders be given the option to receive the final dividend in new shares in lieu of cash. The scrip dividend arrangement is subject to (1) the approval of the proposed final dividend at the annual general meeting to be held on 18 November 2015; and (2) the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant to this proposal. A circular containing the details of the scrip dividend arrangement will be despatched to shareholders together with the form of election for scrip dividend on or about 25 November 2015. It is expected that the final dividend warrants and share certificates for the scrip dividend will be despatched to shareholders on or about 29 December 2015.

BUSINESS REVIEW

The business review of the Group for the year ended 30 June 2015 is set out in the sections headed "Executive Vice-chairman's Report", "Management Discussion and Analysis" and "Risk Factors" on pages 16 to 35, pages 36 to 41 and pages 223 to 237 respectively of this Annual Report.

SHARES ISSUED

During the year, the Company has issued shares as follows:

1. As a result of the exercise of share options under the share option scheme of the Company, a total of 16,123,819 shares of the Company, fully paid, were issued for a total consideration of HK$148,419,341.

2. The Company declared final dividend for the year ended 30 June 2014 and interim dividend for the six months ended 31 December 2014 in cash (with scrip option) during the year. Accordingly, a total of 316,766,477 shares of the Company, fully paid, were issued for a total consideration of HK$2,801,975,026.

Details of the shares issued during the year are set out in note 36 to the financial statements.

DEBENTURES ISSUED

New World China Land Limited, a subsidiary of the Company, has issued notes for the purpose of financing the general working capital requirement of its group during the year as follows:

1. On 6 November 2014, USD900.0 million (equivalent to approximately HK$6,993.0 million) 5.375% notes due 2019 were issued and listed on the Stock Exchange at a price of 99.676% of the principal amount, with net proceeds of USD881.9 million (equivalent to approximately HK$6,930.1 million);

2. On 28 January 2015, HK$800.0 million 5.0% notes due 2022 were issued at a price of 100% of the principal amount, with net proceeds of HK$786.7 million; and

3. On 30 March 2015, HK$271.0 million 4.75% notes due 2022 were issued at a price of 98.839% of the principal amount, with net proceeds of HK$267.9 million.

Save as disclosed above, the Group has not issued any debenture during the year.

EQUITY-LINKED AGREEMENTS

Save for the share option schemes of the Group as set out on pages 84 to 95, no equity-linked agreements were entered into by the Group, or existed during the year.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 30 June 2015, calculated under Part 6 of the Hong Kong Companies Ordinance (Cap. 622), amounted to HK$20,854.2 million (2014: HK$14,245.5 million).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 221 and 222.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

The Company has not redeemed any of its listed securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company’s listed securities during the year.

DONATIONS

The Group made charitable and other donations during the year of HK$40.2 million (2014: HK$124.6 million).

MAJOR ACQUISITION AND DISPOSAL

1. On 15 May 2014, Sino-French Holdings (Hong Kong) Limited ("SFH", a 50.0% owned joint venture of NWS Holdings Limited ("NWSH")) and a third party entered into a conditional share purchase agreement pursuant to which SFH agreed to sell 90.0% of the issued share capital in Sino-French Energy Development Company Limited ("SFED") together with the assignment of the shareholder loans owed by SFED to SFH at an aggregate cash consideration of US$612.0 million (equivalent to HK$4,755.2 million) (the "Macau Power Disposal"). SFED owns approximately 42.2% interest in Companhia de Electricidade de Macau – CEM, S.A.. The Macau Power Disposal was completed on 15 July 2014 and the gain shared by NWSH for the year ended 30 June 2015 amounted to approximately HK$1.5 billion.

2. On 17 October 2014, Direct Way International Limited, a wholly owned subsidiary of the Company, entered into a sale and purchase agreement with Springmount Limited ("Springmount") to purchase (i) the entire issued share capital of Klampton Limited ("Klampton"); and (ii) shareholder's loan owing from Klampton to Springmount at a total cash consideration of approximately HK$1,650.0 million (the "Klampton Acquisition"). As at the date of the Klampton Acquisition, Klampton was principally engaged in investment holding and through its subsidiary held an investment property in Hong Kong. The Klampton Acquisition was completed on 10 April 2015 and the investment in Klampton is accounted for as a subsidiary of the Group.

3. On 27 January 2015, Ballina Enterprises Limited ("Ballina"), a wholly owned subsidiary of the Company, entered into a conditional sale and purchase agreement with Cheung Hung Development (Holdings) Limited ("Cheung Hung"), an associate of Chow Tai Fook Enterprises Limited ("CTF"), to purchase (i) 40.0% of the entire issued share capital of Sunbig Limited ("Sunbig"); and (ii) the entire amount of unsecured and non-interest bearing shareholder's loan owing from Sunbig to Cheung Hung at a total cash consideration of approximately HK$1,779.0 million (the "Sunbig Acquisition"). As at the date of the Sunbig Acquisition, Sunbig was principally engaged in investment holding and through its subsidiary held certain properties in Hong Kong and was owned as to 50.0% by Ballina, 40.0% by Cheung Hung and 10.0% by Good Step Profits Limited, which is a substantial shareholder of certain subsidiaries of the Group. The Sunbig Acquisition was completed on 30 January 2015 and the investment in Sunbig is accounted for as a subsidiary of the Group.

4. On 30 January 2015, Natal Global Limited, an indirect wholly owned subsidiary of NWSH, entered into a share purchase agreement to purchase (i) 40.0% of the total issued share capital of Goshawk Aviation Limited ("Goshawk"); and (ii) certain outstanding loan notes together with accrued and unpaid interest thereon from Zion Sky Holdings Limited, a wholly owned subsidiary of CTF, at a total cash consideration of approximately US$222.5 million (equivalent to approximately HK$1,724.4 million) (the "Goshawk Acquisition"). Goshawk is principally engaged in the investment of commercial aircraft on lease to operating lessees. The Goshawk Acquisition was completed on 2 February 2015 and the investment in Goshawk is accounted for as an associated company of the Group.

5. On 29 April 2015, the Company and its subsidiaries, namely Beames Holdings Limited ("Beames"), Park New Astor Hotel Limited and Great TST Limited, entered into agreements with HIP Company Limited ("HIP"), a wholly owned subsidiary of the Abu Dhabi Investment Authority, to establish a new joint venture company (the "JVC") in which Beames and HIP will each (directly or indirectly) hold 50.0% of the issued share capital and into which the entire ownership of three hotels, namely, Grand Hyatt Hong Kong, Renaissance Harbour View Hotel, Hong Kong and Hyatt Regency Hong Kong, Tsim Sha Tsui will be injected with effect from the completion of the agreements (the "Sale and Transfer"). The total consideration for the Sale and Transfer is HK$18.5 billion (subject to customary closing adjustments). The Sale and Transfer was completed on 15 June 2015 and resulted in a total gain on disposal, before taxation and share of non-controlling interests, of approximately HK$15.0 billion, out of which HK$13.7 billion was recognised as other gains, net and HK$1.3 billion was recognised as gross profit in the consolidated income statement. The investment in the JVC is accounted for as a joint venture of the Group.

CONNECTED TRANSACTIONS

Connected transactions of the Company during the year and up to the date of this report are set out on pages 75 to 82.

RULES 13.20 AND 13.22 OF THE LISTING RULES

The disclosure pursuant to Rules 13.20 and 13.22 of the Listing Rules is set out on page 98.

DIRECTORS

The Directors of the Company during the year and up to the date of this report are:

Executive Directors

Dr. Cheng Kar-Shun, Henry *GBS (Chairman)*
Dr. Cheng Chi-Kong, Adrian *(Executive Vice-chairman & Joint General Manager)* (re-designated from Executive Director & Joint General Manager on 1 April 2015)
Mr. Chen Guanzhan *(Joint General Manager)*
Ms. Ki Man-Fung, Leonie *SBS JP*
Mr. Cheng Chi-Heng
Ms. Cheng Chi-Man, Sonia
Mr. Au Tak-Cheong

Non-executive Directors

Mr. Doo Wai-Hoi, William *JP (Non-executive Vice-chairman)*
Mr. Cheng Kar-Shing, Peter

Independent Non-executive Directors

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

In accordance with Article 103(A) of the Company's Articles of Association, Dr. Cheng Kar-Shun, Henry, Mr. Chen Guanzhan, Ms. Cheng Chi-Man, Sonia, Mr. Yeung Ping-Leung, Howard and Mr. Cha Mou-Sing, Payson shall retire by rotation and, being eligible, offer themselves for re-election.

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

A list of names of all the directors who have served on the boards of the Company's subsidiaries during the year is available on the Company's website at www.nwd.com.hk.

AUDIT COMMITTEE

An Audit Committee has been established and the members of the Committee as at the date of this report are Mr. Cha Mou-Sing, Payson, Mr. Yeung Ping-Leung, Howard, Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas. The principal responsibilities of the Audit Committee include the review and supervision of the Group's financial reporting process and internal controls.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Connected Transactions" on pages 75 to 82 of this annual report and contracts amongst group companies, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company and the Director's connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, interests of the Directors in shares, underlying shares and debentures of the Company and its associated corporations which were recorded in the register to be kept by the Company under Section 352 of the Securities and Futures Ordinance ("SFO") are set out on pages 83 to 97.

PERMITTED INDEMNITY PROVISION

The Company's Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company and its listed subsidiaries have taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors and directors of the subsidiaries of the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year, according to the Listing Rules, the following Directors have interests in the following businesses which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors of the Company were appointed as directors to represent the interests of the Company and/or the Group:

Name of Director	Businesses which are considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	**Description of businesses**	
Dr. Cheng Kar-Shun, Henry	Chow Tai Fook Enterprises Limited ("CTF") group of companies	Property investment and development, hotel operations, transport and aircraft leasing	Director
	FSE Holdings Limited group of companies	Property and carpark management and landscaping	Director and shareholder
	International Entertainment Corporation group of companies	Hotel operations	Director
	Lifestyle International Holdings Limited group of companies	Department stores operations and property investment	Director (retired on 4 May 2015)
	Supreme Harvest Development Limited group of companies	Property investment and development	Director
	Silver City International Limited group of companies	Property investment and food and beverage operations	Director
	Sunshine Dragon Group Limited group of companies	Property investment	Director
Mr. Doo Wai-Hoi, William	Amelia Gold Limited group of companies	Property investment	Director and shareholder
	Fortune Success Limited group of companies	Property investment	Director and shareholder
	FSE Holdings Limited group of companies	Property and carpark management and landscaping	Shareholder
	Fung Seng Enterprises Investment Company Limited group of companies	Property investment	Director and shareholder
	Fung Seng Enterprises Limited group of companies	Property investment and management	Director and shareholder
	Golden Wealth Investment Limited group of companies	Property investment and development	Director and shareholder
	Lifestyle International Holdings Limited group of companies	Department stores operations and property investment	Director
	Silver City International Limited group of companies	Property investment and food and beverage operations	Director and shareholder
	Silver Success Company Limited group of companies	Hotel operations	Director and shareholder
	Sunshine Dragon Group Limited group of companies	Property investment	Director and shareholder

DIRECTORS' INTERESTS IN COMPETING BUSINESSES (continued)

Name of Director	Businesses which are considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of businesses	
Dr. Cheng Chi-Kong, Adrian	Cheung Hung Development (Holdings) Limited	Property investment and development	Director
	CTF group of companies	Property investment and development, hotel operations, transport and aircraft leasing	Director
	Grandhope Properties Limited	Property investment	Director and shareholder
	International Entertainment Corporation group of companies	Hotel operations	Director
Mr. Cheng Kar-Shing, Peter	CTF group of companies	Property investment and development, hotel operations, transport and aircraft leasing	Director
	Long Vocation Investments Limited group of companies	Property investment	Director and shareholder
Mr. Cheng Chi-Heng	CTF group of companies	Property investment and development, hotel operations, transport and aircraft leasing	Director

As the Board of Directors of the Company is independent of the boards of the above-mentioned entities and none of the above Directors can control the Board of the Company, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of these entities.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Option Schemes" below, at no time during the year was the Company or any of its subsidiaries a party to any arrangements 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.

SHARE OPTION SCHEMES

Share option schemes of the Group are set out on pages 84 to 95.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at 30 June 2015, the interests or short positions of substantial shareholders (as defined in the Listing Rules) in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Long positions in shares

Name	Number of shares held			Approximate % of shareholding
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH")(1)	–	**3,905,968,388**	**3,905,968,388**	**43.41**
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II")(2)	–	**3,905,968,388**	**3,905,968,388**	**43.41**
Chow Tai Fook Capital Limited ("CTFC")(3)	–	**3,905,968,388**	**3,905,968,388**	**43.41**
Chow Tai Fook (Holding) Limited ("CTFHL")(4)	–	**3,905,968,388**	**3,905,968,388**	**43.41**
Chow Tai Fook Enterprises Limited ("CTF")(5)	**3,551,910,467**	**354,057,921**	**3,905,968,388**	**43.41**

Notes:

(1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC.

(2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC.

(3) CTFC holds 78.58% direct interest in CTFHL and is accordingly deemed to have an interest in the shares deemed to be interested by CTFHL.

(4) CTFHL holds 100% direct interest in CTF and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTF.

(5) CTF together with its subsidiaries.

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 30 June 2015.

SUFFICIENCY OF PUBLIC FLOAT

According to information that is available to the Company, the percentage of the Company's shares which are in the hands of the public exceeds 25.0% of the Company's total number of issued shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, less than 30.0% of the Group's turnover and less than 30.0% of the Group's purchases were attributable to the Group's five largest customers and five largest suppliers respectively.

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
Hong Kong, 24 September 2015

CONNECTED TRANSACTIONS

(1) The Company and Chow Tai Fook Enterprises Limited ("CTF"), severally in the proportions of 64.0% and 36.0%, have on 29 August 1995 issued an indemnity (the "Indemnity") to Renaissance Hotel Group N.V. ("RHG"), a former subsidiary of New World Hotels (Holdings) Limited ("NWHH"), which is now an independent third party, in respect of any obligations of RHG or its subsidiaries may have in respect of certain lease payment obligations under originally 25 leases or guarantees of leases (now three leases remaining) held by Hotel Property Investments (B.V.I.) Ltd. ("HPI") and its subsidiaries.

On 25 July 1997, NWHH sold its entire interests in HPI to CTF Holdings Ltd.("CTFH"), a company then controlled by Dr. Cheng Kar-Shun, Henry and Mr. Doo Wai-Hoi, William ("Mr. Doo"), and currently wholly owned by CTF. Under the sale, the Indemnity will continue. Arrangements have therefore been entered into whereby CTF will counter-indemnify the Company fully against any liability arising under the Indemnity in respect of the said lease obligations and guarantees of leases. It is presently estimated that the maximum liability of the Company under the Indemnity will be approximately US$5.4 million (equivalent to approximately HK$42.0 million) per annum. Up to the date of this report, no payment has ever been made by the Company or CTF under the Indemnity.

(2) In July 1999, a deed of tax indemnity was entered into between the Company and New World China Land Limited ("NWCL") whereby the Company undertakes to indemnify NWCL in respect of, inter alia, certain Mainland China income tax ("IT") and land appreciation tax ("LAT") in Mainland China payable in consequence of the disposal of certain properties held by NWCL as at 31 March 1999 and in respect of which the aggregate amount of LAT and IT is estimated at approximately HK$4,654.6 million (2014: HK$5,518.1 million). During the year, tax indemnity amounted to approximately HK$359.2 million (2014: HK$1,075.3 million) was effected.

(3) Penta Hotels Germany GmbH ("PHGG"), which became an indirect wholly owned subsidiary of NWCL on 19 December 2013, entered into 24 hotel management agreements and 24 licence and royalty agreements (collectively, the "Hotel Agreements") with certain subsidiaries of CTF (the "Hotel Owners") between February 2007 and March 2013 in relation to the management of the hotels owned by the Hotel Owners by PHGG and the grant of sublicences by PHGG to the Hotel Owners to use the "penta" brand name in connection with the goods and services offered in the hotels. The Hotel Agreements between PHGG and the Hotel Owners constitute continuing connected transaction for the Company under the Listing Rules by virtue of the controlling interests of CTF in the Hotel Owners. Details of the Hotel Agreements were set out in the announcement of the Company dated 19 December 2013. The aggregate transaction values under the Hotel Agreements for the year ended 30 June 2015 amounted to approximately HK$18.3 million.

CONNECTED TRANSACTIONS (continued)

(4) On 22 March 2012, New World Department Store China Limited ("NWDS") and Chow Tai Fook Jewellery Group Limited ("CTFJ") entered into a master concessionaire counter agreement (the "Master Concessionaire Counter Agreement") commencing from 24 April 2012 up to and including 30 June 2014, pursuant to which members of the NWDS Group (i.e. NWDS and its subsidiaries) and the CTFJ Group (i.e. CTFJ and its subsidiaries) may from time to time enter into definitive concessionaire agreements in relation to any transactions arising from the concessionaire arrangements or rental agreements in respect of retailing counters for the sale of jewellery products and watches by the CTFJ Group at properties in the PRC owned by, or leased to the NWDS Group or at which the NWDS Group operates its business.

The Master Concessionaire Counter Agreement will be automatically renewed for a successive period of three years after the initial term or subsequent renewal term subject to compliance with relevant requirements of the Listing Rules.

On 11 April 2014, in anticipation of the expiry of the Master Concessionaire Counter Agreement on 30 June 2014, NWDS and CTFJ proposed to renew the Master Concessionaire Counter Agreement for a further term of three years, subject to compliance with relevant requirements of the Listing Rules. The directors of NWDS believe that including CTFJ as one of the concessionaire counters in the department stores owned by the NWDS Group from time to time enhances NWDS' brand and product mix and raises the image and profile of such stores. As NWDS is a subsidiary of the Company, the Directors of the Company believe that the Group will also benefit as a result of the renewal of the Master Concessionaire Counter Agreement. The Master Concessionaire Counter Agreement was automatically renewed from 1 July 2014 for three years ending 30 June 2017.

As CTFJ is a fellow subsidiary of CTF which is a substantial shareholder of the Company, CTFJ is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Concessionaire Counter Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2015, the aggregate amount of the transactions under the Master Concessionaire Counter Agreement amounted to approximately RMB81.8 million (equivalent to approximately HK$102.2 million), which is within the annual cap of RMB205.0 million (equivalent to approximately HK$256.3 million).

CONNECTED TRANSACTIONS (continued)

(5) On 11 April 2014, a master services agreement (the "Mr. Doo Master Services Agreement") was entered into between the Company and Mr. Doo for a term of three years commencing from 1 July 2014 in respect of the provision of certain operational and rental services which includes contracting services, cleaning and landscaping services, facilities management services, property management services, security and guarding services and rental services, between members of the Group and members of the Services Group (being Mr. Doo and any company in the equity capital of which Mr. Doo is or will be directly or indirectly interested so as to exercise or control the exercise of 30.0% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers (the "Takeovers Code") as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary). Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Mr. Doo Master Services Agreement will be automatically renewed for a successive period of three years thereafter.

Mr. Doo is the Non-executive Vice-chairman of the Company and a director of certain subsidiaries of the Company, and hence a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Mr. Doo Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

The Mr. Doo Master Services Agreement and the annual cap amounts payable by the Services Group to the Group, and vice versa, in respect of the transactions contemplated under the Mr. Doo Master Services Agreement for each of the three years ending 30 June 2017 were approved by the independent shareholders of the Company at the Company's extraordinary general meeting held on 22 May 2014.

For the year ended 30 June 2015, the aggregate amount of the transactions under the Mr. Doo Master Services Agreement amounted to approximately HK$1,209.3 million, which is within the annual cap of HK$2,805.1 million.

(6) On 11 April 2014, the Company and CTF entered into a master services agreement (the "CTF Master Services Agreement") for a term of three years commencing from 1 July 2014, whereby each of the Company and CTF agreed to, and agreed to procure members of the Group or the CTF Group (being CTF, (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and/or (b) any other company in the equity capital of which CTF and such other companies referred to in (a) above taken together are directly or indirectly interested so as to exercise or control the exercise of 30.0% (or such other amount as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) or more of the voting power at general meetings or to control the composition of a majority of the board of directors, and any other company which is its subsidiary, but excluding members of the Group) (to the extent practicable) to engage relevant members of the CTF Group or the Group (as the case may be) to provide the relevant operational services, which include contracting services, general and rental services, project management and consultancy services, and hotel management and consultancy services, to members of the Group or the CTF Group (as the case may be) during the term of the CTF Master Services Agreement.

Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the CTF Master Services Agreement will be automatically renewed for a successive period of three years thereafter.

As CTF is a connected person of the Company, the entering into of the CTF Master Services Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2015, the aggregate amount of the transactions under the CTF Master Services Agreement amounted to approximately HK$604.0 million, which is within the annual cap of HK$1,108.3 million.

CONNECTED TRANSACTIONS (continued)

(7) On 11 April 2014, the Company and CTFJ entered into a master leasing agreement (the "Master Leasing Agreement") regarding the leasing of premises between members of the Group and members of the CTFJ Group for an initial term of three years commencing from 1 July 2014. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Master Leasing Agreement will be automatically renewed for a successive period of three years thereafter.

As CTFJ is a fellow subsidiary of CTF which is a substantial shareholder of the Company, CTFJ is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Leasing Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2015, the aggregate amount of the transactions under the Master Leasing Agreement amounted to approximately HK$125.4 million, which is within the annual cap of HK$152.3 million.

(8) On 11 April 2014, NWDS, the Company and CTFJ entered into a master sales agreement (the "Master Sales Agreement") in relation to the sales transactions among members of the NWDS Group, members of the Group, members of the CTFJ Group and/or joint ventures jointly controlled by CTF and NWCL ("N/C JVs") in respect of the use of various cash equivalent gift coupons, gift cards and stored value shopping cards issued by the Group ("Shopping Vouchers"), prepaid shopping cards issued by the NWDS Group to the Group and/or CTFJ Group ("Prepaid Shopping Cards"), various joint name cards and/or joint name vouchers issued by the CTFJ Group and/or the NWDS Group ("Joint Name Vouchers") or other means acceptable to the NWDS Group as payment for purchases of goods at the department stores owned by the NWDS Group from time to time and the settlement of the relevant value represented by such Shopping Vouchers (with the shopping vouchers commissions and rebates), the Prepaid Shopping Cards (with the discounts, where applicable), the Joint Name Vouchers (with the joint name vouchers commissions) or by any other means acceptable to the NWDS Group among relevant members of the NWDS Group, the Group or the CTFJ Group; and the sale of goods by members of the Group, the CTFJ Group and/or N/C JVs to members of the NWDS Group.

The Master Sales Agreement has an initial term of three years commencing from 1 July 2014. Subject to compliance with the relevant requirements under the Listing Rules, upon expiration of the initial term or subsequent renewal term, the Master Sales Agreement will be automatically renewed for a successive period of three years thereafter.

As CTFJ is a fellow subsidiary of CTF which is a substantial shareholder of the Company, CTFJ is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Sales Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2015, the aggregate amount of the transactions under the Master Sales Agreement amounted to approximately RMB7.0 million (equivalent to approximately HK$8.7 million), which is within the annual cap of RMB77.9 million (equivalent to approximately HK$97.4 million).

CONNECTED TRANSACTIONS (continued)

(9) On 19 March 2013, NWCL and CTFJ entered into a master purchase agreement (the "Master Purchase Agreement") to provide a framework for the transactions between members of the NWCL Group (i.e. NWCL and its subsidiaries) and members of the CTFJ Group in respect of (i) the purchases of gold products by the relevant members of the NWCL Group from the relevant members of the CTFJ Group; (ii) the purchases of gift vouchers issued or to be issued by the CTFJ Group ("CTFJ Gift Vouchers") by relevant members of the NWCL Group from the relevant members of the CTFJ Group and the use of CTFJ Gift Vouchers by holders thereof given by the NWCL Group as payment of purchase of goods at the stores where the CTFJ Group operates its business; and (iii) the use of gift vouchers issued or to be issued by the NWCL Group ("NWCL Gift Vouchers") by customers of the NWCL Group as payment of purchase of goods at the stores where the CTFJ Group operates its business and the settlement of the relevant value represented by such NWCL Gift Vouchers (with rebates) between relevant members of the NWCL Group and the CTFJ Group.

The Master Purchase Agreement commenced from 19 March 2013 up to and including 30 June 2015, and will be automatically renewed for a successive period of three years upon the expiration of the initial term or subsequent renewal term subject to compliance with relevant requirements of the Listing Rules.

As CTFJ is a fellow subsidiary of CTF which is a substantial shareholder of the Company, CTFJ is therefore a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Master Purchase Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

For the year ended 30 June 2015, the aggregate amount of the transactions under the Master Purchase Agreement amounted to approximately HK$61.1 million, which is within the annual cap of HK$259.4 million.

The Master Purchase Agreement was automatically renewed in accordance with its terms and conditions for further three years from 1 July 2015 to 30 June 2018. Details of the renewal of the Master Purchase Agreement and the annual caps set for each of the three financial years ending 30 June 2018 were set out in the announcement of the Company dated 8 May 2015.

(10) On 27 January 2015, an agreement (the "Sunbig Agreement") was entered into between Ballina Enterprises Limited ("Ballina", a wholly owned subsidiary of the Company) and Cheung Hung Development (Holdings) Limited ("Cheung Hung") pursuant to which (i) Cheung Hung agreed to sell and assign, and Ballina agreed to purchase and accept the assignment of, 40.0% of the entire issued share capital of Sunbig Limited ("Sunbig") and the entire amount of the unsecured and non-interest bearing shareholder's loan owing from Sunbig to Cheung Hung as at the date of completion of the Sunbig Agreement at an aggregate cash consideration of approximately HK$1,779.0 million.

The main business of Sunbig and its subsidiaries is the development of a commercial building in North Point, Hong Kong. At the date of the Sunbig Agreement, 50.0% of the issued share capital of Sunbig was held by Ballina. Upon completion of the Sunbig Agreement on 30 January 2015, Sunbig became an indirect 90.0%-owned subsidiary of the Company.

As Cheung Hung is an associate of CTF which is a substantial shareholder of the Company, Cheung Hung is therefore a connected person of the Company and the acquisition contemplated under the Sunbig Agreement constitutes a connected transaction for the Company under the Listing Rules.

CONNECTED TRANSACTIONS (continued)

(11) On 30 January 2015, a share purchase agreement (the "Share Purchase Agreement") was entered into between Natal Global Limited ("Natal Global", an indirect wholly owned subsidiary of NWS Holdings Limited), Zion Sky Holdings Limited ("Zion Sky"), Investec Bank plc. ("Investec") and Goshawk Aviation Limited ("Goshawk", a company which is engaged in commercial aircraft leasing) and pursuant to which, Natal Global agreed to purchase (i) 144,810,506 preference shares of Goshawk held by Zion Sky, representing 40.0% of the total issued share capital of Goshawk; and (ii) the loan notes in the outstanding principal amount of approximately US$60.9 million (equivalent to approximately HK$473.2 million), representing approximately 18.7% of the estimated total outstanding notes as at the date of completion of the Share Purchase Agreement issued by GAL Dutch Finance B.V. under the senior notes deed dated 12 May 2014 and entered into between GAL Dutch Finance B.V. as issuer and, among others, Zion Sky and Investec as noteholders from Zion Sky at a total cash consideration of approximately US$222.5 million (equivalent to approximately HK$1,728.8 million). The total consideration was paid by Natal Global on 2 February 2015, the date of completion of the Share Purchase Agreement, and thereafter, Natal Global owned 40.0% equity interest in Goshawk.

As at the date of signing of the Share Purchase Agreement, Zion Sky was wholly owned by CTF which is a substantial shareholder of the Company, Zion Sky is therefore a connected person of the Company and the acquisition contemplated under the Share Purchase Agreement constitutes a connected transaction for the Company under the Listing Rules.

(12) On 3 July 2015, New World Development (China) Limited (the "Vendor", a wholly owned subsidiary of NWCL) entered into a sale and purchase agreement (the "NWHM Agreement") with CTF pursuant to which the Vendor conditionally agreed to sell and CTF conditionally agreed to acquire the entire issued share capital of, and the outstanding shareholder's loans owing to the Vendor from, New World Hotel Management (BVI) Limited ("NWHM"), for a cash consideration of HK$1,963.0 million. NWHM is the holding company of certain companies which are principally engaged in the provision of hotel management services. Subject to the completion of the NWHM Agreement which was expected to take place on or about 31 December 2015, NWHM will cease to be a wholly owned subsidiary of NWCL. The said disposal will enable NWCL to realise its investment in its non-core business.

As CTF is a connected person of the Company, the disposal contemplated under the NWHM Agreement constitutes a connected transaction for the Company under the Listing Rules.

(13) On 3 July 2015, NWCL entered into a master hotel leasing agreement (the "Master Hotel Leasing Agreement") with CTF pursuant to which relevant members of the NWCL Group and relevant members of the CTFE Group (i.e. CTF and its subsidiaries) may enter into definitive agreements in respect of the leasing of hotels and licensing of related licences to members of the CTFE Group from members of the NWCL Group upon, and subject to, the terms and conditions in compliance with those of the Master Hotel Leasing Agreement as may be agreed between relevant members of the NWCL Group and the relevant members of the CTFE Group.

The Master Hotel Leasing Agreement shall commence on 3 July 2015 and shall continue up to and including 30 June 2025 which can be automatically renewed for a further term of 10 years, subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the Master Hotel Leasing Agreement is subject to, including, but not limited to, the Listing Rules.

As CTF is a connected person of the Company, the entering into of the Master Hotel Leasing Agreement and all the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

CONNECTED TRANSACTIONS (continued)

(14) On 24 August 2015, an agreement (the "Dragon Merchant Agreement") was entered into between Catchy Investments Limited ("Catchy", a wholly owned subsidiary of the Company) and FSE Management Company Limited ("FSE") pursuant to which Catchy agreed to sell and assign, and FSE agreed to purchase and accept the assignment of, the entire issued share capital of Dragon Merchant Limited ("Dragon Merchant") and the entire amount of the unsecured and non-interest bearing shareholder's loan owing from Dragon Merchant to Catchy as at the date of completion of the Dragon Merchant Agreement ("Completion") at an aggregate cash consideration of HK$258.0 million (subject to adjustment).

The main asset of Dragon Merchant and its subsidiary is the property situate at 8th Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong. Details of the Dragon Merchant Agreement were set out in the announcement of the Company dated 24 August 2015. Completion took place upon signing of the Dragon Merchant Agreement and thereafter, Dragon Merchant and its subsidiary ceased to be subsidiaries of the Company. The consideration was adjusted to approximately HK$255.3 million by reference to the unaudited consolidated net tangible assets value of Dragon Merchant as at the date of Completion.

As FSE is a majority-controlled company (as defined in the Listing Rules) of Mr. Doo, FSE is therefore a connected person of the Company and the disposal contemplated under the Dragon Merchant Agreement constitutes a connected transaction for the Company under the Listing Rules.

(15) On 25 August 2015, a joint venture agreement (the "JV Agreement") was entered into among Startley Limited ("Startley", a wholly owned subsidiary of CTF), Risma Limited ("Risma", a wholly owned subsidiary of the Company), 周大福珠寶金行（深圳）有限公司 (Chow Tai Fook Jewellery (Shenzhen) Co. Ltd.) ("CTFJ Shenzhen", an indirect wholly owned subsidiary of CTFJ) and Chow Tai Fook Qianhai Investments Company Limited ("CTF Qianhai", a wholly owned subsidiary of CTF as at the date of the JV Agreement) regarding the formation of two joint venture entities, namely CTF Qianhai and 深圳前海周大福港貨中心有限公司 (Shenzhen Qianhai Chow Tai Fook Hong Kong Goods Centre Co., Ltd.) (the "PRC JV Company"), to develop and operate a high-end luxurious shopping complex in Qianhai, Shenzhen, the PRC.

After completion of the JV Agreement:

(a) CTF Qianhai will be owned as to approximately 71.43% by Startley and approximately 28.57% by Risma; and

(b) the PRC JV Company will be established and owned as to 70.0% by CTF Qianhai and 30.0% by CTFJ Shenzhen.

The effective interest in the PRC JV Company to be held by Startley, CTFJ Shenzhen and Risma will be 50.0%, 30.0% and 20.0%, respectively.

It is expected that the total investment in the PRC JV Company will be RMB350.0 million (equivalent to approximately HK$437.5 million), of which RMB120.0 million (equivalent to approximately HK$150.0 million) will be its registered capital. CTF Qianhai will contribute RMB245.0 million (equivalent to approximately HK$306.3 million) (of which RMB175.0 million (equivalent to approximately HK$218.8 million) and RMB70.0 million (equivalent to approximately HK$87.5 million) will be contributed by Startley and Risma, respectively, through CTF Qianhai) and CTFJ Shenzhen will contribute RMB105.0 million (equivalent to approximately HK$131.3 million) as funding for the total investment.

Completion of the JV Agreement will take place on the 5th business day following the satisfaction of the condition precedents as set out in the JV Agreement. Details of the JV Agreement were set out in the announcement of the Company dated 25 August 2015.

For the reasons stated above, CTF and CTFJ are connected persons of the Company and the entering into of the JV Agreement therefore constitutes a connected transaction for the Company under the Listing Rules.

CONNECTED TRANSACTIONS (continued)

The price and terms of the continuing connected transactions mentioned in paragraphs (3) to (9) above were determined in accordance with the pricing policies and guidelines as set out in the relevant announcements of the Company. These continuing connected transactions have been reviewed by the Independent Non-executive Directors of the Company who have confirmed that the transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) 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 stated in paragraphs (3) to (9) above 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 his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with paragraph 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the HKEx.

Save as disclosed above, a summary of significant related party transactions that did not constitute connected transactions made during the year was disclosed in note 46 to the financial statements.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests of the Directors in shares, underlying shares and debentures of the Company or any of its associated corporations which were recorded in the register required to be kept by the Company under Section 352 of the SFO were as follows:

(A) Long position in shares

	Number of shares				Approximate % of shareholding
	Personal interests	Spouse interests	Corporate interests	Total	
New World Development Company Limited					
(Ordinary shares)					
Dr. Cheng Kar-Shun, Henry	–	600,000	–	600,000	0.01
Mr. Doo Wai-Hoi, William	–	–	7,955,000[(1)]	7,955,000	0.09
Mr. Cheng Kar-Shing, Peter	–	506,545	–	506,545	0.01
Mr. Ho Hau-Hay, Hamilton	–	–	878,353[(2)]	878,353	0.01
Mr. Liang Cheung-Biu, Thomas	10,429	–	–	10,429	0.00
Ms. Ki Man-Fung, Leonie	90,000	–	–	90,000	0.00
New World China Land Limited					
(Ordinary shares of HK$0.10 each)					
Mr. Doo Wai-Hoi, William	1,254,663	–	1,317,000[(3)]	2,571,663	0.03
Mr. Cheng Kar-Shing, Peter	755,961	–	–	755,961	0.01
Mr. Lee Luen-Wai, John	387,448	–	–	387,448	0.00
Ms. Ki Man-Fung, Leonie	45,000	–	–	45,000	0.00
New World Department Store China Limited					
(Ordinary shares of HK$0.10 each)					
Ms. Ki Man-Fung, Leonie	20,000	–	–	20,000	0.00
Ms. Cheng Chi-Man, Sonia	92,000	–	–	92,000	0.01
NWS Holdings Limited					
(Ordinary shares of HK$1.00 each)					
Dr. Cheng Kar-Shun, Henry	18,349,571	–	12,000,000[(4)]	30,349,571	0.80
Mr. Doo Wai-Hoi, William	1,939,834	–	8,330,782[(3)]	10,270,616	0.27
Mr. Cheng Kar-Shing, Peter	286,626	–	5,787,369[(5)]	6,073,995	0.16
Ms. Ki Man-Fung, Leonie	15,000	–	–	15,000	0.00
Sun Legend Investments Limited					
(Ordinary shares)					
Mr. Cheng Kar-Shing, Peter	–	–	500[(6)]	500	50.00

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(A) Long position in shares (continued)

Notes:

(1) These shares are beneficially owned by companies which are wholly owned by Mr. Doo Wai-Hoi, William.

(2) These shares are beneficially owned by a company in which Mr. Ho Hau-Hay, Hamilton owns 40.0% of its issued share capital.

(3) These shares are beneficially owned by a company which is wholly owned by Mr. Doo Wai-Hoi, William.

(4) These shares are beneficially owned by a company which is wholly owned by Dr. Cheng Kar-Shun, Henry.

(5) These shares are beneficially owned by a company which is wholly owned by Mr. Cheng Kar-Shing, Peter.

(6) These shares are beneficially owned by a controlled corporation of Mr. Cheng Kar-Shing, Peter.

(B) Long position in underlying shares – share options

During the year ended 30 June 2015, certain Directors of the Company have interest in share options to subscribe for shares in the Company and certain of its subsidiaries. Details of such interests and summaries of share option schemes of the Company and its subsidiaries are shown below.

Share Option Scheme of the Company

On 24 November 2006, the Company adopted a share option scheme (the "Scheme") and certain rules of such scheme were amended on 13 March 2012. Under the Scheme, the Directors of the Company may at their discretion grant options to any eligible participant (as explained hereinafter) to subscribe for shares in the Company.

Summary of the Scheme disclosed in accordance with the Listing Rules is as follows:

	The Scheme
Purpose of the scheme	To reward directors and employees of the Group for past service or performance, to provide incentive, motivation or reward to eligible participants for increasing performance or making contribution to the Group, to attract and retain persons of right caliber with the necessary experience to work for or make contribution to the Group, to foster a sense of corporate identity and to allow the eligible participants to enjoy the results of the Company attained through their relationship, efforts and/or contribution.
Participants of the scheme	Eligible participant may be a person or an entity belonging to any of the following classes: (i) any eligible employee; (ii) any non-executive director (including independent non-executive director) of the Company or any invested entity of the Group (the "Invested Entity"); (iii) any person seconded or nominated by the Group to represent the Group's interest in any of the Invested Entity or any other company or organisation; (iv) any supplier of goods or services to any member of the Group or any Invested Entity; (v) any customer of any member of the Group or any Invested Entity;

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of the Company (continued)

	The Scheme
	(vi) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (viii) any joint venture partner or business alliance that co-operates with any member of the Group or any Invested Entity in any area of business operation or development.
Total number of shares available for issue under the scheme and percentage of issued shares as at the date of this annual report	The Company had granted 337,750,000 shares of the Company under the Scheme up to the date of this report. The total number of shares available for issue under the Scheme is 165,595,477 representing approximately 1.84% of the Company's total number of issued shares as at the date of this report.
Maximum entitlement of each participant under the scheme	Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1.0% of the total number of shares of the Company in issue.
The period within which the shares must be taken up under an option	A period to be specified by the Directors and not to exceed 10 years from the date of grant of options.
The minimum period for which an option must be held before it can be exercised	Any period as determined by the Directors.
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$10.0 is to be paid as consideration for the grant of option within 14 days from the date of offer.
The basis of determining the exercise price	The exercise price is determined by the Directors which must be at least the higher of (i) the closing price of the shares on the HKEx as stated in the HKEx's daily quotations sheets on the date of grant, which must be a dealing day; and (ii) the average closing price of the shares as stated in the HKEx's daily quotation sheets for the five dealing days immediately preceding the date of grant.
The remaining life of the scheme	The Scheme shall be valid and effective for a period of 10 years from the date of adoption, i.e. 24 November 2006.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of the Company (continued)

Share options granted to Directors

Name	Date of grant	Exercisable period (Note)	Number of share options				Exercise price per share(3)
			Balance as at 1 July 2014	Adjusted during the year(3)	Exercised during the year	Balance as at 30 June 2015	HK$
Dr. Cheng Kar-Shun, Henry	19 March 2012	(1)	10,648,284	16,529	–	10,664,813	9.161
Mr. Doo Wai-Hoi, William	22 January 2014	(2)	531,618	824	–	532,442	9.766
Dr. Cheng Chi-Kong, Adrian	19 March 2012	(1)	3,726,898	5,785	–	3,732,683	9.161
Mr. Chen Guanzhan	19 March 2012	(1)	3,726,898	5,785	–	3,732,683	9.161
Mr. Yeung Ping-Leung, Howard	19 March 2012	(1)	532,413	825	–	533,238	9.161
Mr. Cha Mou-Sing, Payson	19 March 2012	(1)	532,413	825	–	533,238	9.161
Mr. Cheng Kar-Shing, Peter	19 March 2012	(1)	532,413	825	–	533,238	9.161
Mr. Ho Hau-Hay, Hamilton	19 March 2012	(1)	532,413	825	–	533,238	9.161
Mr. Lee Luen-Wai, John	19 March 2012	(1)	532,413	825	–	533,238	9.161
Mr. Liang Cheung-Biu, Thomas	19 March 2012	(1)	532,413	825	–	533,238	9.161
Ms. Ki Man-Fung, Leonie	19 March 2012	(1)	3,194,483	4,958	–	3,199,441	9.161
Mr. Cheng Chi-Heng	19 March 2012	(1)	532,413	825	–	533,238	9.161
Ms. Cheng Chi-Man, Sonia	19 March 2012	(1)	3,194,483	4,958	–	3,199,441	9.161
Mr. Au Tak-Cheong	19 March 2012	(1)	2,342,841	2,487	(1,000,000)(4)	1,345,328	9.161
	22 January 2014	(2)	531,618	824	–	532,442	9.766
			31,624,014	47,925	(1,000,000)	30,671,939	

Notes:

(1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.

(2) Divided into 4 tranches exercisable from 22 January 2014, 22 January 2015, 22 January 2016 and 22 January 2017 respectively to 21 January 2018.

(3) The Company declared final dividend for the year ended 30 June 2014 and interim dividend for the six months ended 31 December 2014 in cash (with scrip option) during the year. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options granted on 19 March 2012 was adjusted from HK$9.176 to HK$9.172 on 30 December 2014 and further to HK$9.161 on 22 May 2015. The exercise price per share of the share options granted on 22 January 2014 was adjusted from HK$9.781 to HK$9.777 on 30 December 2014 and further to HK$9.766 on 22 May 2015.

(4) The exercise date was 14 May 2015. On the trading date immediately before the exercise date, the closing price per share was HK$10.5.

(5) The cash consideration paid by each Director for the grant of share options is HK$10.0.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of the Company (continued)

Share options granted to other eligible participants

Date of grant	Exercisable period (Note)	Number of share options						Exercise price per share[9]
		Balance as at 1 July 2014	Granted during the year[5]	Exercised during the year	Adjusted during the year[9]	Lapsed during the year	Balance as at 30 June 2015	HK$
19 March 2012	(1)	62,318,673	–	(13,928,231)[6]	81,786	–	48,472,228	9.161
16 November 2012	(2)	7,767,119	–	–	10,775	(819,826)	6,958,068	11.249
22 January 2014	(3)	30,940,188	–	(545,548)[7]	45,804	(1,169,560)	29,270,884	9.766
27 October 2014	(4)	–	34,400,000	(650,040)[8]	51,622	(800,000)	33,001,582	9.495
		101,025,980	34,400,000	(15,123,819)	189,987	(2,789,386)	117,702,762	

Notes:

(1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.

(2) Divided into 4 tranches exercisable from 16 November 2012, 16 November 2013, 16 November 2014 and 16 November 2015 respectively to 15 November 2016.

(3) Divided into 4 tranches exercisable from 22 January 2014, 22 January 2015, 22 January 2016 and 22 January 2017 respectively to 21 January 2018.

(4) Divided into 4 tranches exercisable from 27 October 2014, 27 October 2015, 27 October 2016 and 27 October 2017 respectively to 26 October 2018.

(5) The closing price per share immediately before 27 October 2014, the date of grant, was HK$9.5.

(6) The weighted average closing price of the shares immediately before the dates on which share options were exercised was HK$10.219.

(7) The weighted average closing price of the shares immediately before the dates on which share options were exercised was HK$10.377.

(8) The weighted average closing price of the shares immediately before the dates on which share options were exercised was HK$10.326.

(9) The Company declared final dividend for the year ended 30 June 2014 and interim dividend for the six months ended 31 December 2014 in cash (with scrip option) during the year. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options granted on 19 March 2012 was adjusted from HK$9.176 to HK$9.172 on 30 December 2014 and further to HK$9.161 on 22 May 2015. The exercise price per share of the share options granted on 16 November 2012 was adjusted from HK$11.267 to HK$11.262 on 30 December 2014 and further to HK$11.249 on 22 May 2015. The exercise price per share of the share options granted on 22 January 2014 was adjusted from HK$9.781 to HK$9.777 on 30 December 2014 and further to HK$9.766 on 22 May 2015. The exercise price per share of the share options granted on 27 October 2014 was adjusted from HK$9.510 to HK$9.506 on 30 December 2014 and further to HK$9.495 on 22 May 2015.

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of the Company (continued)

Share options granted to other eligible participants (continued)

The fair value of the share options granted during the year is estimated at HK$1.78 per share using the Binomial pricing model. Value is estimated based on the risk-free rate of 1.026% per annum with reference to the market yield rates of the Hong Kong government bond (maturing 10 December 2018) as of the value date, a historical volatility of 31.726% calculated based on the historical price with period equals to the life of the options, assuming dividend yield of 3.82% based on the average dividend yield in the past five years and an expected option life of four years.

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

Share Option Schemes of New World China Land Limited ("NWCL")

On 26 November 2002, NWCL adopted a share option scheme ("NWCL 2002 Share Option Scheme") pursuant to which employees, including directors of NWCL and its subsidiaries ("NWCL Group"), were given opportunity to obtain equity holdings in NWCL. In anticipation of the expiry of the NWCL 2002 Share Option Scheme, NWCL adopted a new share option scheme ("NWCL 2011 Share Option Scheme") at the annual general meeting of NWCL held on 22 November 2011 and terminated the operation of the NWCL 2002 Share Option Scheme. Any share options which were granted under the NWCL 2002 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the NWCL 2002 Share Option Scheme.

A summary of share option schemes of NWCL disclosed in accordance with the Listing Rules is as follows:

	NWCL 2002 Share Option Scheme and NWCL 2011 Share Option Scheme
Purpose of the schemes	To provide an opportunity for the full-time or part-time employees, including directors, of NWCL Group to participate in the equity of NWCL as well as to motivate them to optimise their performance.
Participants of the schemes	Full-time or part-time employees, including directors, of NWCL Group.
Total number of shares available for issue under the schemes and percentage of issued share capital of NWCL as at the date of this annual report	NWCL had granted share options representing the rights to subscribe for 96,226,400 shares of NWCL under the NWCL 2002 Share Option Scheme up to the date of this report, together with share options representing 6,465,900 shares, 5,357,008 shares and 2,029,087 shares by way of adjustment on the number of share options as a result of NWCL's issue of rights shares which became unconditional on 8 April 2005, 16 November 2009 and 22 December 2011, respectively. No further share options will be granted under the NWCL 2002 Share Option Scheme. NWCL had granted share options representing the rights to subscribe for 41,682,100 shares under the NWCL 2011 Share Option Scheme up to the date of this report. NWCL may further grant share options to subscribe for 537,812,151 shares of NWCL, representing approximately 6.19% of NWCL's total issued share capital as at the date of this report.
Maximum entitlement of each participant under the schemes	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 1.0% of the shares in issue unless the same is approved by NWCL's shareholders in general meeting.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Schemes of New World China Land Limited ("NWCL") (continued)

	NWCL 2002 Share Option Scheme and NWCL 2011 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 NWCL's directors, which period not to exceed five years commencing on the expiry of one month after the date on which the option is accepted and expiring on a date not later than the last day of the five-year period.
The minimum period for which an option must be held before it can be exercised	One 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$10.0 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	The exercise price shall be determined by NWCL's directors, being at least the higher of: (a) the closing price of shares as stated in the HKEx's daily quotations sheet on the date of offer, which must be a business day; and (b) the average closing price of shares as stated in the HKEx's daily quotations sheets for the five business days immediately preceding the date of offer.
The remaining life of the schemes	The NWCL 2002 Share Option Scheme expired on 26 November 2012. The NWCL 2011 Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption, i.e. 22 November 2011.

Share options granted to Directors
NWCL 2002 Share Option Scheme

Name	Date of grant	Exercisable period (Note)	Number of share options				Exercise price per share
			Balance as at 1 July 2014	Exercised during the year	Lapsed during the year	Balance as at 30 June 2015	HK$
Dr. Cheng Kar-Shun, Henry	18 January 2011	(1)	**2,077,922**	–	–	**2,077,922**	3.036
Dr. Cheng Chi-Kong, Adrian	18 January 2011	(2)	**935,066**	–	–	**935,066**	3.036
Mr. Cheng Kar-Shing, Peter	18 January 2011	(1)	**831,169**	–	–	**831,169**	3.036
Mr. Lee Luen-Wai, John	18 January 2011	(1)	**311,688**	-	–	**311,688**	3.036
			4,155,845	–	–	**4,155,845**	

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Schemes of New World China Land Limited ("NWCL") (continued)

Share options granted to Directors (continued)

NWCL 2002 Share Option Scheme (continued)

Notes:

(1) Divided into 5 tranches exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.

(2) Divided into 3 tranches exercisable from 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.

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

Share options granted to other eligible participants

NWCL 2002 Share Option Scheme

Date of grant	Number of share options[1]				Exercise price per share
	Balance as at 1 July 2014	Exercised during the year[2]	Lapsed during the year	Balance as at 30 June 2015	HK$
26 June 2009 to 23 July 2009	**512,551**	**(504,529)**	**(8,022)**	–	3.913
19 November 2009 to 16 December 2009	**3,013**	**(1,533)**	**(1,480)**	–	2.953
12 January 2010 to 2 February 2010	**61,481**	**(58,338)**	**(3,143)**	–	2.878
18 May 2010 to 14 June 2010	**121,740**	**(121,740)**	–	–	2.262
31 May 2010 to 25 June 2010	**209,480**	**(170,000)**	–	**39,480**	2.349
10 November 2010 to 7 December 2010	**693,137**	**(99,859)**	–	**593,278**	3.013
18 January 2011 to 14 February 2011	**5,670,121**	**(1,570,803)**	**(166,233)**	**3,933,085**	3.036
26 July 2011 to 22 August 2011	**733,242**	**(216,000)**	–	**517,242**	2.705
	8,004,765	**(2,742,802)**	**(178,878)**	**5,083,085**	

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Schemes of New World China Land Limited ("NWCL") (continued)

Share options granted to other eligible participants (continued)

NWCL 2011 Share Option Scheme

Date of grant	Number of share options[1]					Exercise price per share
	Balance as at 1 July 2014	Granted during the year[3]	Exercised during the year[2]	Lapsed during the year	Balance as at 30 June 2015	HK$
3 May 2012 to 30 May 2012	4,071,680	–	(1,073,280)	(200,000)	2,798,400	2.450
22 October 2012 to 16 November 2012	448,700	–	(139,200)	(110,400)	199,100	3.370
7 January 2013 to 1 February 2013	3,824,100	–	(632,580)	(452,960)	2,738,560	3.880
2 April 2013 to 29 April 2013	1,933,990	–	(104,800)	(37,200)	1,791,990	3.350
24 June 2013 to 25 June 2013	1,168,400	–	(110,400)	(165,600)	892,400	2.762
15 October 2013 to 17 October 2013	1,749,900	–	(44,800)	(230,000)	1,475,100	4.010
9 January 2014 to 13 January 2014	3,739,440	–	(355,620)	(12,800)	3,371,020	3.970
10 July 2014 to 11 July 2014	–	1,266,000	(105,600)	(286,400)	874,000	4.720
23 October 2014 to 24 October 2014	–	1,132,000	(66,000)	(264,000)	802,000	4.420
11 March 2015 to 12 March 2015	–	10,896,400	(44,000)	–	10,852,400	4.968
8 May 2015 to 11 May 2015	–	914,000	–	–	914,000	5.420
	16,936,210	14,208,400	(2,676,280)	(1,759,360)	26,708,970	

Notes:

(1) The share options are exercisable within five years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years.

(2) The weighted average closing prices of the shares immediately before the dates on which share options were exercised under the NWCL 2002 Share Option Scheme and the NWCL 2011 Share Option Scheme were HK$4.890 and HK$5.085, respectively.

(3) The closing prices per share immediately before 10 July 2014, 23 October 2014, 11 March 2015 and 8 May 2015, the dates of offer to grant, were HK$4.69, HK$4.28, HK$4.88 and HK$5.31, respectively.

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

The fair values of the share options granted during the year with exercise prices per share of HK$4.720, HK$4.420, HK$4.968 and HK$5.420 are estimated at HK$1.501, HK$1.335, HK$1.540 and HK$1.704 each, respectively using the Binomial pricing model. Values are estimated based on the risk-free rate ranging from 1.17% to 1.40% per annum with reference to the rate prevailing on the Exchange Fund Notes, a five-year period historical volatility ranging from 37.94% to 40.52%, assuming dividend yield ranging from 0.57% to 1.68% and an expected option life of five years.

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of NWS Holdings Limited ("NWSH")

The existing share option scheme of NWSH ("NWSH Share Option Scheme") was adopted at the annual general meeting of NWSH held on 21 November 2011. A summary of the share option scheme of NWSH disclosed in accordance with the Listing Rules is as follows:

	NWSH Share Option Scheme
Purpose of the scheme	To reward directors and employees of NWSH and its subsidiaries ("NWSH Group") for their past service or performance, providing incentive and motivation or reward to eligible participants for optimising their performance or making contribution to NWSH Group; attracting and retaining persons of right caliber with the necessary experience to work for or make contribution to NWSH Group; and fostering a sense of corporate identity.
Participants of the scheme	Eligible participant may be a person or an entity belonging to any of the following classes: (i) any eligible employee; (ii) any non-executive director (including independent non-executive director) of NWSH Group or any invested entity of NWSH Group (the "Invested Entity"); (iii) any supplier of goods or services to any member of NWSH Group or any Invested Entity; (iv) any customer of any member of NWSH Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to NWSH Group or any Invested Entity; (vi) any shareholder of any member of NWSH Group or any Invested Entity or any holder of any securities issued by any member of NWSH Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of NWSH Group or any Invested Entity; and (viii) any joint venture partner or business alliance that co-operates with any member of NWSH Group or any Invested Entity in any area of business operation or development.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of NWS Holdings Limited ("NWSH") (continued)

	NWSH Share Option Scheme
Total number of shares available for issue under the scheme and percentage of issued share capital of NWSH as at the date of this annual report	NWSH had granted share options to certain eligible participants to subscribe for a total of 55,478,053 shares of NWSH under the NWSH Share Option Scheme, which include an adjustment made pursuant to the rules of the NWSH Share Option Scheme, up to the date of this report. The total number of shares of NWSH available for issue under the NWSH Share Option Scheme is 283,321,334 representing approximately 7.50% of NWSH's issued share capital as at the date of this report.
Maximum entitlement of each participant under the scheme	Unless approved by shareholders of NWSH, the total number of shares issued and to be issued upon exercise of the share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1.0% of the share capital of NWSH in issue.
The period within which the shares must be taken up under an option	At any time during a period as specified by NWSH's directors, however in any event the share options must be exercised within 10 years from the date of grant.
The minimum period for which an option must be held before it can be exercised	Any period as determined by NWSH's directors.
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$10.0 is to be paid as consideration for the grant of option within 14 days from the date of offer.
The basis of determining the exercise price	The exercise price is determined by NWSH's directors which must be at least the highest of: (i) the closing price of the shares as stated in the HKEx's daily quotations sheet on the date of grant; (ii) the average closing price of the shares as stated in the HKEx's daily quotations sheets for the five dealing days immediately preceding the date of grant; and (iii) the nominal value of the shares.
The remaining life of the scheme	The NWSH Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption, i.e. 21 November 2011.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of NWS Holdings Limited ("NWSH") (continued)

Share options granted to Director

Name	Date of grant	Exercisable period (Note)	Number of share options					Exercise price per share[2]
			Balance as at 1 July 2014	Granted during the year	Adjusted during the year[2]	Exercised during the year	Balance as at 30 June 2015	HK$
Dr. Cheng Kar-Shun, Henry	9 March 2015	(1)	–	7,400,000	1,080	–	7,401,080	14.158

Notes:

(1) 60.0% of the share options are exercisable from 9 May 2015 to 8 March 2020 while the remaining 40.0% of the share options are divided into 2 tranches exercisable from 9 March 2016 and 9 March 2017 respectively to 8 March 2020.

(2) NWSH declared interim dividend for the six months ended 31 December 2014 in scrip form (with cash option) during the year. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK$14.160 to HK$14.158 on 19 May 2015.

(3) The cash consideration paid by the above Director for the grant of share options is HK$10.0.

Share options granted to other eligible participants

Date of grant	Exercisable period (Note)	Number of share options					Exercise price per share[3]
		Balance as at 1 July 2014	Granted during the year[2]	Adjusted during the year[3]	Exercised during the year	Balance as at 30 June 2015	HK$
9 March 2015	(1)	–	48,070,000	6,973	–	48,076,973	14.158

Notes:

(1) 60.0% of the share options are exercisable from 9 May 2015 to 8 March 2020 while the remaining 40.0% of the share options are divided into 2 tranches exercisable from 9 March 2016 and 9 March 2017 respectively to 8 March 2020.

(2) The closing price per share immediately before 9 March 2015, the date of grant, was HK$14.06.

(3) NWSH declared interim dividend for the six months ended 31 December 2014 in scrip form (with cash option) during the year. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options was adjusted from HK$14.160 to HK$14.158 on 19 May 2015.

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

The fair value of the share options granted during the year with exercise price per share of HK$14.160, which was adjusted to HK$14.158 per share on 19 May 2015, is estimated at HK$2.2563 per share using the Binomial pricing model. Value is estimated based on the risk-free rate of 1.29% per annum with reference to the rate prevailing of the Hong Kong government bond, an approximately five-year period historical volatility of 30.0%, assuming dividend yield of 5.34% per annum and an expected option life of five years.

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

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(B) Long position in underlying shares – share options (continued)

Share Option Scheme of New World Department Store China Limited ("NWDS")

On 12 June 2007, NWDS adopted a share option scheme (the "NWDS Share Option Scheme"). Under the NWDS Share Option Scheme, the directors of NWDS may at their discretion grant options to any eligible participant (as explained hereinafter) to subscribe for shares in NWDS.

Summary of the NWDS Share Option Scheme disclosed in accordance with the Listing Rules is as follows:

	NWDS Share Option Scheme
Purpose of the scheme	The purpose of the NWDS Share Option Scheme is to attract and retain the best available personnel and to provide additional incentives to employees, directors, consultants, business associates and advisers of NWDS to promote the success of NWDS and its subsidiaries ("NWDS Group").
Participants of the scheme	The directors of NWDS may offer any employee (whether full-time or part-time), director, consultant, business associate or adviser of NWDS Group options to subscribe for shares of NWDS at a price calculated in accordance with the terms of the NWDS Share Option Scheme.
Total number of shares available for issue under the scheme and percentage of issued share capital of NWDS as at the date of this annual report	No share option has been granted during the year under the NWDS Share Option Scheme up to the date of this report. NWDS may grant share options to subscribe for 162,520,000 shares of NWDS, representing approximately 9.64% of the issued share capital of NWDS as at the date of this report.
Maximum entitlement of each participant under the scheme	Unless approved by shareholders of NWDS in the manner as set out in the NWDS Share Option Scheme, the total number of shares of NWDS issued and to be issued upon exercise of the options granted to each eligible person (including both exercised, cancelled and outstanding options) in any 12-month period must not exceed 1.0% of the relevant class of securities of NWDS in issue.
The period within which the shares must be taken up under an option	A period to commence not less than one year and not to exceed 10 years from the date of grant of options.
The minimum period for which an option must be held before it can be exercised	Not less than one year upon the grant of options by the directors of NWDS.
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	The amount payable for the acceptance of an option shall be the sum of HK$1.0 which shall be paid upon acceptance of the offer of such option. An offer of an option must be made by NWDS in writing on a business day and accepted in writing by the participant in such manner as the board of directors of NWDS may prescribe within 21 calendar days (from and including the date of the offer by NWDS) of the same being made and if not so accepted such offer shall lapse.
The basis of determining the exercise price	The exercise price is determined by the directors of NWDS and shall be not less than the higher of (i) the closing price of the shares as stated in the HKEx's daily quotations sheet on the date of grant of option; (ii) the average closing price of the shares as stated in the HKEx's daily quotations sheets for the five business days immediately preceding the date of grant of option; and (iii) the nominal value of the shares.
The remaining life of the scheme	The NWDS Share Option Scheme shall be valid and effective for a period not to exceed 10 years from the date of adoption, i.e. 12 June 2007.

During the year ended 30 June 2015, no share option of NWDS has been granted under the NWDS Share Option Scheme.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(C) Long position in debentures

(1) Fita International Limited ("Fita")

Name	Amount of debentures in US$ issued by Fita				Approximate % to the total amount of debentures in issue as at 30 June 2015
	Personal interests	Family interests	Corporate interests	Total	
Mr. Doo Wai-Hoi, William	–	2,900,000	2,740,000[(1)]	5,640,000	0.75
Mr. Lee Luen-Wai, John	1,000,000	1,000,000	–	2,000,000	0.27
	1,000,000	3,900,000	2,740,000	7,640,000	

Note:

(1) These debentures are beneficially owned by companies which are wholly owned by Mr. Doo Wai-Hoi, William.

(2) NWCL

Name	Amount of debentures issued by NWCL				Approximate % to the total amount of debentures in issue as at 30 June 2015
	Personal interests RMB	Family interests RMB	Corporate interests RMB	Total RMB	
Mr. Doo Wai-Hoi, William	–	65,896,000[(1)]	1,117,529,200[(2)]	1,183,425,200	12.63
Mr. Cheng Kar-Shing, Peter	–	12,256,000[(3)]	16,000,000[(4)]	28,256,000	0.30
	–	78,152,000	1,133,529,200	1,211,681,200	

Notes:

(1) These debentures are held by the spouse of Mr. Doo Wai-Hoi, William, of which RMB42,896,000 debentures were issued in US$ and had been translated into RMB using the rate of US$1.0=RMB6.128.

(2) These debentures are held by companies which are wholly owned by Mr. Doo Wai-Hoi, William, of which RMB560,099,200 debentures were issued in US$ and had been translated into RMB using the rate of US$1.0=RMB6.128 and RMB118,800,000 were issued in HK$ and had been translated into RMB using the rate of HK$1.0=RMB0.8.

(3) These debentures are jointly-held by Mr. Cheng Kar-Shing, Peter and his spouse, all of which were issued in US$ and had been translated into RMB using the rate of US$1.0=RMB6.128.

(4) These debentures are beneficially owned by a company which is wholly owned by Mr. Cheng Kar-Shing, Peter.

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

(C) Long position in debentures (continued)

(3) NWD (MTN) Limited ("NWD (MTN)")

Name	Amount of debentures issued by NWD (MTN)				Approximate % to the total amount of debentures in issue as at 30 June 2015
	Personal interests	Family interests	Corporate interests	Total	
	HK$	HK$	HK$	HK$	
Mr. Doo Wai-Hoi, William	–	23,400,000[(1)]	156,000,000[(1)]	179,400,000[(1)]	1.60
Ms. Ki Man-Fung, Leonie	4,000,000	–	–	4,000,000	0.04
	4,000,000	23,400,000	156,000,000	183,400,000	

Note:

(1) These debentures were issued in US$ and had been translated into HK$ using the rate of US$1.0=HK$7.8.

(4) Rosy Unicorn Limited ("Rosy Unicorn")

Name	Amount of debentures in US$ issued by Rosy Unicorn				Approximate % to the total amount of debentures in issue as at 30 June 2015
	Personal interests	Family interests	Corporate interests	Total	
Mr. Doo Wai-Hoi, William	–	51,500,000	22,840,000[(1)]	74,340,000	14.87

Note:

(1) These debentures are beneficially owned by a company which is wholly owned by Mr. Doo Wai-Hoi, William.

Save as disclosed above, as at 30 June 2015, none of the Directors or chief executive had or deemed to have any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations as defined in the SFO that were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or were required to be notified to the Company and the HKEx pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

DISCLOSURE PURSUANT TO RULES 13.20 AND 13.22 OF THE LISTING RULES

At 30 June 2015, the Group had given financial assistance and guarantees to its joint ventures and associated companies (collectively "affiliated companies") as set out below:

	2015 HK$m	2014 HK$m
Amounts due by affiliated companies	**24,181.7**	19,012.4
Guarantees given for affiliated companies in respect of banking and other credit facilities	**4,249.4**	4,486.7
Commitments to capital injections and loan contributions	**2,105.3**	1,525.8
	30,536.4	25,024.9

(1) The advances were unsecured and were interest free except for an aggregate amount of HK$6,012.2 million (2014: HK$6,792.3 million) which carried interest ranging from 1.3% above HIBOR to 10.0% per annum (2014: from 0.875% above HIBOR to 10.0% per annum). The advances had no fixed repayment terms.

(2) Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of those affiliated companies with financial assistance from the Group and the Group's attributable interests in those affiliated companies as at 30 June 2015 are presented as follows:

	Combined statement of financial position HK$m	**Group's attributable interests HK$m**
Non-current assets	**179,314.1**	**66,285.0**
Current assets	**41,409.6**	**17,668.4**
Current liabilities	**(44,864.9)**	**(18,646.5)**
Total assets less current liabilities	**175,858.8**	**65,306.9**
Non-current liabilities	**(75,541.5)**	**(28,839.6)**
Net assets	**100,317.3**	**36,467.3**

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 30 June 2015.

INDEPENDENT AUDITOR'S REPORT

羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW WORLD DEVELOPMENT COMPANY LIMITED
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of New World Development Company Limited (the "Company") and its subsidiaries set out on pages 100 to 220, which comprise the consolidated statement of financial position as at 30 June 2015, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows 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 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, in accordance with section 405 of the Hong Kong Companies Ordinance 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.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 30 June 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 September 2015

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

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2015

	Note	**2015 HK$m**	2014 HK$m
Revenues	6	**55,245.0**	56,501.1
Cost of sales		**(35,939.0)**	(34,947.6)
Gross profit		**19,306.0**	21,553.5
Other income	7	**31.8**	247.2
Other gains, net	8	**15,276.4**	2,313.0
Selling and marketing expenses		**(1,957.9)**	(1,675.4)
Administrative and other operating expenses		**(7,850.9)**	(7,040.7)
Changes in fair value of investment properties	16	**3,165.5**	1,425.5
Operating profit	9	**27,970.9**	16,823.1
Financing income		**1,130.2**	1,083.5
Financing costs	10	**(1,621.9)**	(1,927.1)
		27,479.2	15,979.5
Share of results of			
Joint ventures		**4,319.2**	1,994.5
Associated companies		**(661.9)**	1,102.0
Profit before taxation		**31,136.5**	19,076.0
Taxation	11	**(4,264.4)**	(5,738.2)
Profit for the year		**26,872.1**	13,337.8
Attributable to:			
Shareholders of the Company	38	**19,112.0**	9,725.4
Non-controlling interests		**7,760.1**	3,612.4
		26,872.1	13,337.8
Earnings per share	12		
Basic		**HK$2.17**	HK$1.37
Diluted		**HK$2.17**	HK$1.37

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	2015 HK$m	2014 HK$m
Profit for the year	**26,872.1**	13,337.8
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of investment properties upon reclassification from property, plant and equipment and land use rights	**303.4**	3.9
– deferred tax arising from revaluation thereof	**(7.5)**	(1.0)
Remeasurement of post employment benefit obligation	**3.6**	(3.5)
Reversal of reserves upon reclassification of an available-for-sale financial asset as an associated company	**717.2**	–
Items that had been reclassified/may be reclassified subsequently to profit or loss		
Fair value changes of available-for-sale financial assets	**295.2**	(744.1)
– deferred tax arising from fair value changes thereof	**(58.0)**	100.0
Release of investment revaluation deficit to the income statement upon impairment of available-for-sale financial assets	**–**	3.4
Release of reserve upon disposal of available-for-sale financial assets	**(138.9)**	43.3
Release of reserves upon disposal of subsidiaries	**(14.0)**	(86.8)
Release of reserve upon deemed disposal of interests in joint ventures and disposal of interest in an associated company	**–**	(121.4)
Release of reserves upon partial disposal of interest in an associated company	**(46.6)**	–
Share of other comprehensive income of joint ventures and associated companies	**(303.3)**	(403.4)
Cash flow hedges	**(1.1)**	15.8
Translation differences	**(190.9)**	(885.9)
Other comprehensive income for the year	**559.1**	(2,079.7)
Total comprehensive income for the year	**27,431.2**	11,258.1
Attributable to:		
Shareholders of the Company	**19,704.2**	8,292.0
Non-controlling interests	**7,727.0**	2,966.1
	27,431.2	11,258.1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	2015 HK$m	2014 HK$m
Assets			
Non-current assets			
Investment properties	16	**91,625.0**	77,384.6
Property, plant and equipment	17	**20,483.8**	18,290.8
Land use rights	18	**2,343.4**	2,374.7
Intangible concession rights	19	**14,797.8**	15,584.4
Intangible assets	20	**2,864.1**	4,662.5
Interests in joint ventures	21	**49,451.9**	45,748.2
Interests in associated companies	22	**17,731.7**	16,994.0
Available-for-sale financial assets	23	**6,909.2**	4,729.4
Held-to-maturity investments	24	**41.4**	40.9
Financial assets at fair value through profit or loss	32	**847.0**	607.6
Derivative financial instruments	25	**39.5**	39.5
Properties for development	26	**26,604.5**	25,242.5
Deferred tax assets	27	**673.3**	764.7
Other non-current assets	28	**1,770.4**	1,572.5
		236,183.0	214,036.3
Current assets			
Properties under development	29	**51,578.4**	48,713.4
Properties held for sale		**26,375.5**	20,266.7
Inventories	30	**707.5**	561.0
Debtors and prepayments	31	**21,227.9**	23,258.1
Financial assets at fair value through profit or loss	32	**0.2**	0.6
Derivative financial instruments	25	**30.4**	45.1
Restricted bank balances	33	**113.5**	97.4
Cash and bank balances	33	**59,351.7**	61,725.8
		159,385.1	154,668.1
Non-current assets classified as assets held for sale	35	**2,362.6**	523.0
		161,747.7	155,191.1
Total assets		**397,930.7**	369,227.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

As at 30 June 2015

	Note	2015 HK$m	2014 HK$m
Equity			
Share capital	36	**66,711.6**	63,761.3
Reserves	38	**112,207.0**	96,047.0
Shareholders' funds		**178,918.6**	159,808.3
Non-controlling interests	37	**43,439.4**	40,468.2
Total equity		**222,358.0**	200,276.5
Liabilities			
Non-current liabilities			
Long-term borrowings	39	**83,638.4**	88,229.9
Deferred tax liabilities	27	**9,288.0**	9,011.9
Derivative financial instruments	25	**847.4**	864.6
Other non-current liabilities	40	**795.8**	774.0
		94,569.6	98,880.4
Current liabilities			
Creditors and accrued charges	41	**40,605.5**	31,299.5
Current portion of long-term borrowings	39	**27,256.9**	23,485.4
Short-term borrowings	39	**6,261.2**	8,863.8
Current tax payable		**5,951.6**	6,421.8
		80,075.2	70,070.5
Liabilities directly associated with non-current assets classified as assets held for sale	35	**927.9**	–
		81,003.1	70,070.5
Total liabilities		**175,572.7**	168,950.9
Total equity and liabilities		**397,930.7**	369,227.4

Dr. Cheng Kar-Shun, Henry
Director

Dr. Cheng Chi-Kong, Adrian
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Share capital HK$m	Retained profits HK$m	Other reserves HK$m	Shareholders' funds HK$m	Non-controlling interests HK$m	Total HK$m
At 1 July 2014	63,761.3	82,746.4	13,300.6	159,808.3	40,468.2	200,276.5
Comprehensive income						
Profit for the year	–	19,112.0	–	19,112.0	7,760.1	26,872.1
Other comprehensive income						
Fair value changes of available-for-sale financial assets, net of taxation	–	–	311.7	311.7	(74.5)	237.2
Release of reserve upon disposal of available-for-sale financial assets	–	–	(101.8)	(101.8)	(37.1)	(138.9)
Reversal of reserves upon reclassification of an available-for-sale financial asset as an associated company	–	–	439.8	439.8	277.4	717.2
Release of reserves upon disposal of subsidiaries	–	58.0	(67.7)	(9.7)	(4.3)	(14.0)
Release of reserves upon partial disposal of interest in an associated company	–	–	(28.6)	(28.6)	(18.0)	(46.6)
Revaluation of investment properties upon reclassification from property, plant and equipment and land use rights, net of taxation	–	–	289.7	289.7	6.2	295.9
Share of other comprehensive income of joint ventures and associated companies	–	(17.9)	(169.9)	(187.8)	(115.5)	(303.3)
Remeasurement of post employment benefit obligation	–	3.0	(0.8)	2.2	1.4	3.6
Cash flow hedges	–	–	(0.7)	(0.7)	(0.4)	(1.1)
Translation differences	–	–	(122.6)	(122.6)	(68.3)	(190.9)
Other comprehensive income for the year	–	43.1	549.1	592.2	(33.1)	559.1
Total comprehensive income for the year	–	19,155.1	549.1	19,704.2	7,727.0	27,431.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 30 June 2015

	Share capital HK$m	Retained profits HK$m	Other reserves HK$m	Share-holders' funds HK$m	Non-controlling interests HK$m	Total HK$m
Transactions with owners						
Contributions by/(distributions to) owners						
Dividends	–	(3,666.7)	–	(3,666.7)	(5,185.8)	(8,852.5)
Issue of new shares as scrip dividends	2,802.0	–	–	2,802.0	–	2,802.0
Issue of new shares upon exercise of share options	148.3	–	–	148.3	–	148.3
Employees' share-based payments	–	–	137.4	137.4	37.6	175.0
Share options lapsed	–	10.1	(10.1)	–	–	–
Transfer of reserves	–	197.6	(197.6)	–	–	–
	2,950.3	(3,459.0)	(70.3)	(579.0)	(5,148.2)	(5,727.2)
Changes in ownership interests in subsidiaries						
Acquisition of subsidiaries	–	–	–	–	197.9	197.9
Acquisition of additional interests in subsidiaries	–	(1.4)	–	(1.4)	163.7	162.3
Deemed disposal of interests in subsidiaries	–	(13.5)	–	(13.5)	30.8	17.3
	–	(14.9)	–	(14.9)	392.4	377.5
Total transactions with owners	2,950.3	(3,473.9)	(70.3)	(593.9)	(4,755.8)	(5,349.7)
At 30 June 2015	66,711.6	98,427.6	13,779.4	178,918.6	43,439.4	222,358.0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 30 June 2015

	Share capital HK$m	Share premium HK$m	Retained profits HK$m	Other reserves HK$m	Share-holders' funds HK$m	Non-controlling interests HK$m	Total HK$m
At 1 July 2013	6,311.6	42,422.5	74,777.6	15,618.9	139,130.6	38,614.4	177,745.0
Comprehensive income							
Profit for the year	–	–	9,725.4	–	9,725.4	3,612.4	13,337.8
Other comprehensive income							
Fair value changes of available-for-sale financial assets, net of taxation	–	–	–	(508.0)	(508.0)	(136.1)	(644.1)
Release of reserve upon disposal of available-for-sale financial assets	–	–	–	43.3	43.3	–	43.3
Release of investment revaluation deficit to the income statement upon impairment of available-for-sale financial assets	–	–	–	3.4	3.4	–	3.4
Release of reserve upon disposal of subsidiaries	–	–	–	(59.1)	(59.1)	(27.7)	(86.8)
Release of reserve upon deemed disposal of interests in joint ventures and disposal of interest in an associated company	–	–	–	(71.8)	(71.8)	(49.6)	(121.4)
Revaluation of investment properties upon reclassification from property, plant and equipment and land use rights, net of taxation	–	–	–	2.1	2.1	0.8	2.9
Share of other comprehensive income of joint ventures and associated companies	–	–	(74.4)	(181.1)	(255.5)	(147.9)	(403.4)
Remeasurement of post employment benefit obligation	–	–	(1.5)	–	(1.5)	(2.0)	(3.5)
Cash flow hedges	–	–	–	9.7	9.7	6.1	15.8
Translation differences	–	–	–	(596.0)	(596.0)	(289.9)	(885.9)
Other comprehensive income for the year	–	–	(75.9)	(1,357.5)	(1,433.4)	(646.3)	(2,079.7)
Total comprehensive income for the year	–	–	9,649.5	(1,357.5)	8,292.0	2,966.1	11,258.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 30 June 2015

	Share capital HK$m	Share premium HK$m	Retained profits HK$m	Other reserves HK$m	Share-holders' funds HK$m	Non-controlling interests HK$m	Total HK$m
Transactions with owners							
Contributions by/(distributions to) owners							
Dividends	–	–	(2,666.7)	–	(2,666.7)	(1,365.2)	(4,031.9)
Issue of new shares as scrip dividends	694.7	1,175.5	–	–	1,870.2	–	1,870.2
Issue of new shares upon exercise of share options	0.4	3.3	–	–	3.7	–	3.7
Issue of rights shares	13,115.6	–	–	–	13,115.6	–	13,115.6
Employees' share-based payments	–	–	–	95.6	95.6	4.5	100.1
Share options lapsed	–	–	147.2	(147.2)	–	–	–
Redemption of convertible bond	–	–	804.9	(804.9)	–	–	–
Transfer of reserves	–	–	84.5	(84.5)	–	–	–
	13,810.7	1,178.8	(1,630.1)	(941.0)	12,418.4	(1,360.7)	11,057.7
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries	–	–	–	–	–	0.3	0.3
Acquisition of additional interests in subsidiaries	–	–	(3.8)	17.9	14.1	185.6	199.7
Disposal of subsidiaries	–	–	–	–	–	(45.1)	(45.1)
Partial disposal of interests in subsidiaries	–	–	–	–	–	1.5	1.5
Deemed disposal of interests in subsidiaries	–	–	(46.8)	–	(46.8)	106.1	59.3
	–	–	(50.6)	17.9	(32.7)	248.4	215.7
Total transactions with owners	13,810.7	1,178.8	(1,680.7)	(923.1)	12,385.7	(1,112.3)	11,273.4
Transition to no par value regime on 3 March 2014 (note 36(b))	43,639.0	(43,601.3)	–	(37.7)	–	–	–
At 30 June 2014	63,761.3	–	82,746.4	13,300.6	159,808.3	40,468.2	200,276.5

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	2015 HK$m	2014 HK$m
Cash flows from operating activities			
Net cash generated from operations	45(a)	**13,828.6**	7,125.3
Hong Kong profits tax paid		**(764.8)**	(652.8)
Mainland China and overseas taxation paid		**(3,217.2)**	(3,159.9)
Net cash from operating activities		**9,846.6**	3,312.6
Cash flows from investing activities			
Interest received		**1,022.0**	728.4
Dividends received from			
Joint ventures		**3,652.4**	2,314.9
Associated companies		**258.1**	1,593.8
Available-for-sale financial assets and financial assets at fair value through profit or loss		**31.8**	247.2
Additions of investment properties, property, plant and equipment, land use rights and intangible concession rights		**(8,987.3)**	(6,352.0)
Decrease/(increase) in interests in joint ventures		**397.4**	(3,418.8)
Increase in interests in associated companies		**(3,716.5)**	(3,273.5)
Increase in other non-current assets		**(157.5)**	(203.1)
Increase in short-term bank deposits maturing after more than three months		**(7.8)**	(148.5)
Refund of deposits from/(deposits paid for) potential investments		**2,375.0**	(1,875.0)
Acquisition of subsidiaries (net of cash and cash equivalents)	45(c)	**(3,398.9)**	(985.0)
Purchase of available-for-sale financial assets and financial assets at fair value through profit or loss		**(1,178.2)**	(709.4)
Proceeds from disposal of			
Associated companies		**–**	4,757.2
Available-for-sale financial assets and financial assets at fair value through profit or loss		**715.2**	773.1
Investment properties and property, plant and equipment		**572.7**	502.7
Joint ventures		**–**	566.3
Non-current assets classified as assets held for sale		**382.5**	1,639.2
Subsidiaries (net of cash and cash equivalents)	45(e)	**9,686.9**	263.8
Net cash from/(used in) investing activities		**1,647.8**	(3,578.7)

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 30 June 2015

	Note	2015 HK$m	2014 HK$m
Cash flows from financing activities			
Issue of fixed rate bonds and notes payable, net of transaction costs		**7,907.3**	11,096.4
Redemption of fixed rate bonds		**(6,558.6)**	–
New bank and other loans		**22,135.3**	33,921.9
Repayment of bank and other loans		**(26,421.4)**	(23,800.7)
Redemption of convertible bonds		**–**	(7,702.3)
(Decrease)/increase in loans from non-controlling shareholders		**(576.5)**	358.2
(Increase)/decrease in restricted bank balances		**(16.1)**	71.1
Increase in interests in subsidiaries		**–**	(60.0)
Issue of shares		**148.3**	13,119.3
Interest paid		**(4,869.4)**	(2,982.6)
Dividends paid to shareholders of the Company		**(864.7)**	(796.5)
Dividends paid to non-controlling shareholders		**(4,562.6)**	(1,089.8)
Net cash (used in)/from financing activities		**(13,678.4)**	22,135.0
Net (decrease)/increase in cash and cash equivalents		**(2,184.0)**	21,868.9
Cash and cash equivalents at beginning of the year		**61,077.4**	39,585.3
Translation differences		**(32.9)**	(376.8)
Cash and cash equivalents at end of the year		**58,860.5**	61,077.4
Analysis of cash and cash equivalents			
Cash at banks and on hand	33	**22,954.4**	28,128.7
Short-term bank deposits maturing within three months		**35,741.1**	32,948.7
Cash and bank balances of subsidiaries transferred to non-current assets classified as assets held for sale		**165.0**	–
		58,860.5	61,077.4

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

New World Development Company Limited (the "Company") is a limited liability company incorporated in Hong Kong. The address of its registered office is 30/F, New World Tower, 18 Queen's Road Central, Hong Kong. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company and its subsidiaries (together the "Group") are principally engaged in property development and investment, contracting, provision of services (including property and facility management, transport and other services), infrastructure operations (including the operation of roads, power plants, water treatment, waste management plants, container handling, logistics and warehousing services), hotel operations, department store operations, telecommunications, media and technology and other strategic businesses.

These consolidated financial statements have been approved by the Board of Directors on 24 September 2015.

2 BASIS OF PREPARATION

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

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5 below.

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

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

HKAS 32 (Amendment)	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendment)	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies
Amendments to HKAS 19 (Revised 2011)	Employee Benefits: Defined Benefit Plans – Employee Contributions
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (Revised 2011)	Investment Entities
Annual Improvements Project	Annual Improvements 2010–2012 Cycle
Annual Improvements Project	Annual Improvements 2011–2013 Cycle

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

2 BASIS OF PREPARATION (continued)

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

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

Effective for the year ending 30 June 2016:

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

Effective for the year ending 30 June 2017 or after:

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

The Group has already commenced an assessment of the impact of these new standards and amendments to standards, 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 consolidated financial statements. The Group is not yet in a position to ascertain their impact on its results of operations and financial position.

(c) Hong Kong Companies Ordinance (Cap. 622)

In addition, the requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

The consolidated financial statements comply with the applicable requirements of Hong Kong Companies Ordinance (Cap. 622), with the exception of Section 381 which requires a company to include all its subsidiary undertakings (within the meaning of Schedule 1 to Cap. 622) in the company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10 Consolidated Financial Statements so far as Section 381 applies to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provisions of Section 380(6), the Company has departed from Section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the accounting policies in notes 3(a)(ii) and (iii). Those excluded subsidiary undertakings of the Group are disclosed in notes 50 and 51.

3 PRINCIPAL ACCOUNTING POLICIES

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

(a) Consolidation

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

(i) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

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 to the former owners of the acquiree 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 at the acquisition date. 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. There is a choice, on the basis of each acquisition to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amount of acquiree's identifiable net assets. If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

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 consideration 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 consolidated 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.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the carrying amount for the purposes of subsequently accounting for the retained interest as associated companies, joint ventures or financial assets. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The Company's interests 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

(ii) Joint arrangements

Under HKFRS 11, interests in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor.

(1) Joint ventures

The Group recognises its interests in joint ventures using equity method of accounting. Interests in joint ventures are stated in the consolidated financial statements at cost (including goodwill on acquisition) plus the share of post-acquisition results and movements in other comprehensive income less provision for impairment losses. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired joint ventures at the date of acquisition.

The Group's interests in joint ventures include the loans and advances to the joint ventures which, in substance, form part of the Group's interests in the joint ventures. The loans and advances to the joint ventures are a form of commercial arrangement between the parties to the joint ventures to finance the development of projects and viewed as a mean by which the Group invests in the relevant projects.

The share of post-acquisition results and other comprehensive income is based on the relevant profit sharing ratios which vary according to the nature of the joint ventures set out as follows:

(a) Equity joint ventures/joint ventures in wholly foreign owned enterprises

Equity joint ventures/joint ventures in 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 and share of net assets of the venturers are in proportion to the capital contribution ratios.

(b) 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.

(c) 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.

When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognise its share of profits or losses from the joint venture that result from the purchase of assets from the joint venture 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

(ii) Joint arrangements (continued)

(1) Joint ventures (continued)

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

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

(2) Joint operations

The assets that the Group has the rights and liabilities that the Group has the obligations in relation to the joint operations are recognised in the consolidated statement of financial position on an accrual basis and classified according to the nature of the item. The share of expenses that the Group incurs and its share of income that it earns from the joint operations are included in the consolidated income statement.

(iii) Associated companies

An associated company is a company other than a subsidiary and a joint venture, in which the Group has significant influence, but not control, exercised through representatives on the board of directors.

Interests in associated companies are accounted for by the equity method of accounting and are initially recognised at cost. The Group's interests in associated companies include goodwill (net of any accumulated impairment loss) identified on acquisition. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired associated companies at the date of acquisition. The interests in associated companies also include long-term interest that, in substance, form part of the Group's net investment in the associated companies.

The Group's share of its associated companies' post acquisition profits or losses is recognised in the consolidated income statement, and the share of post-acquisition movements in other comprehensive income is recognised in the consolidated statement of comprehensive income. 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 interests in the associated company, including any other unsecured receivable, the Group does not recognise further losses, unless it has incurred legal and constructive 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 interests 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.

The Company's interests in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Company on the basis of dividend income received and receivable.

Gains or losses on deemed disposal on dilution arising from interests in associated companies are recognised in the consolidated income statement.

The cost of an associated company acquired in stages is measured as the sum of consideration paid for each purchase plus a share of investee's profits and other equity movements.

The Group ceases to use the equity method from the date an investment ceases to be an associated company that is the date on which the Group ceases to have significant influence over the associated company or on the date it is classified as held for sale.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

(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. 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 shareholders are also recorded in equity.

(b) Intangible assets

(i) Goodwill

Goodwill arising on acquisitions of subsidiaries is included in intangible assets. Goodwill arising on acquisitions of joint ventures and associated companies is included in interests in joint ventures and associated companies respectively and is tested for impairment as part of overall balance. Separately recognised 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. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Trademarks

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

(iii) Hotel management contracts

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

(iv) Customer relationships

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

(v) Process, technology and know-how

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

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Intangible assets (continued)

(vi) Operating right

Operating right primarily resulted from the acquisition of right to operate facilities rental and other businesses. Operating right is carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over the period of the operating right.

(vii) Intangible concession rights

The Group has entered into contractual service arrangements ("Service Concessions") with local government authorities for its participation in the development, financing, operation and maintenance of various infrastructures for public services, such as toll roads and bridges, power plants and water treatment plants (the "Infrastructures"). The Group carries out the construction or upgrade work of Infrastructures for the granting authorities in exchange for the right to operate the Infrastructures concerned and the right to collect the fees for a specified period of time. The fees collected during the operating periods are attributable to the Group. The relevant Infrastructures are required to be returned to the local government authorities upon the expiry of the operating rights without significant compensation to the Group.

The Group applies the intangible asset model to account for the Infrastructures where they are paid by the users of the Infrastructures and the concession grantors (the respective local governments) have not provided any contractual guarantees in respect of the amounts of construction costs incurred to be recoverable.

Land use rights acquired in conjunction with the Service Concessions which the Group has no discretion or latitude to deploy for other services other than the use in the Service Concessions are treated as intangible assets acquired under the Service Concessions.

Amortisation of intangible concession rights is calculated to write off their costs, where applicable, on an economic usage basis for roads and bridges whereby the amount of amortisation is provided based on the ratio of actual volume compared to the total projected volume or on a straight-line basis for water treatment plants over the periods which the Group is granted the rights to operate these Infrastructures. The total projected volume of the respective Infrastructures is reviewed regularly with reference to both internal and external sources of information and appropriate adjustments will be made should there be a material change.

(c) Non-current assets (or disposal groups) classified as assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Investment properties classified as non-current assets held for sale are stated at fair value at the end of the reporting period.

(d) Land use rights

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

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(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 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 leasehold land and buildings. 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 was a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is determined by professional valuation conducted at the end of each reporting period. Changes in fair value are recognised in the consolidated income statement.

Subsequent expenditure is included in the carrying amount of the asset 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. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

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.

If a property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this property at the date of transfer is recognised in equity as a revaluation of property, plant and equipment. However, if the fair value of the property at the date of transfer which results in a reversal of the previous impairment loss, the write-back is recognised in the consolidated income statement.

(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 in the consolidated 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 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

(ii) Depreciation

No depreciation is provided on assets under construction until such time when the relevant assets are completed and available for intended use.

Leasehold land classified as finance lease commences amortisation from the time when the land interest becomes available for its intended use. Amortisation on leasehold land classified as finance lease and depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold land classified as finance lease	Shorter of remaining lease term of 10 to over 50 years or useful life
Buildings	20 to 40 years
Other assets	2 to 25 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 consolidated income statement.

(g) Impairment of interests in subsidiaries, joint ventures, 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 consolidated 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 an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Impairment testing of the interests in subsidiaries, joint ventures or associated companies is required upon receiving dividends from these interests if the dividend exceeds the total comprehensive income of the subsidiary, joint venture or associated company in the period the dividend is declared or if the carrying amount of the interest 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Investments (continued)

(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. Assets in the category are classified as current assets are expected to be settled within 12 months; otherwise, they are classified as non-current.

(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 more than 12 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 less than 12 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 12 months of the end of the reporting period.

Regular ways of 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 consolidated 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 consolidated 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 consolidated 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 consolidated income statement; translation differences on non-monetary financial assets are recognised in other comprehensive income.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(h) Investments (continued)

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The fair values of listed investments are based on quoted bid prices at the end of the reporting period. 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.

(i) Derivative financial instruments

A derivative is initially recognised at fair value on the date a derivative contract is entered into and is subsequently remeasured at its fair value at the end of each reporting period. The change in the fair value is recognised in the consolidated income statement.

(j) Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (1) adverse changes in the payment status of borrowers in the portfolio;

  (2) national or local economic conditions that correlate with defaults on the assets in the portfolio.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Impairment of financial assets (continued)

(i) Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(ii) Assets classified as available for sale

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. For debt securities, the Group uses the criteria refer to (i) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. 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 consolidated income statement – is removed from equity and recognised in the consolidated income statement. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in consolidated income statement, the impairment loss is reversed through the consolidated income statement.

(k) Properties for/under development

Properties for/under development comprise leasehold land and 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.

(l) Properties held for sale

Properties held for sale are initially measured at the carrying amount of the property at the date of reclassification from properties under development. Subsequently, 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Inventories

Inventories 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.

(n) Contracts in progress

Contracts in progress comprise contract cost incurred, plus recognised profits (less recognised losses) less progress billing. Cost comprises materials, direct labour and overheads attributable to bringing the work in progress to its present condition.

Variations in contract works, claims and incentive payments are included in contract revenue to the extent that may have been agreed with the customer and are capable of being reliably measured.

The Group uses the "percentage-of-completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

The Group presents the net contract position for each contract as an asset, the gross amount due from customers for contract works, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billings. Progress billings not yet paid by customers and retention are included under current assets.

The Group presents the net contract position for each contract as a liability, the gross amount due to customers for contract works, for all contracts in progress for progress billings exceed costs incurred plus recognised profits (less recognised losses).

(o) Trade and other debtors

Trade and other debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other debtors is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(p) Cash and cash equivalents

In the consolidated statement of cash flows, 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 consolidated statement of financial position.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(q) 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.

(r) 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.

(s) 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.

(t) 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(u) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge 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, joint ventures 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 income tax 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 financial statements. However, the deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax 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 transaction affects neither accounting nor taxable profit or loss. Deferred income tax 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 income tax 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 income tax is provided on temporary differences arising on interests in subsidiaries, joint ventures 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 income 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 income 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.

(v) 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 or capitalised on the basis set out in note 3(y) over the period of the borrowings using the effective interest method where appropriate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(w) 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 value-added tax, returns, rebates and discounts, allowances for credit and other revenue reducing factors after eliminating sales within the Group.

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) Rental

Rental is recognised in the consolidated income statement on a straight-line basis over the lease term.

(ii) Property sales

Sale of properties is recognised when the risks and rewards of the properties are passed to the purchasers. Deposits and installments received on properties sold prior to their completion are included in current liabilities.

(iii) Construction revenue

Revenue from construction service contracts is recognised using the percentage of completion method when the contracts have progressed to a stage where an outcome can be estimated reliably. Revenue from construction service contracts is measured by reference to the proportion of costs incurred for work performed to the end of the reporting period as compared to the estimated total costs to completion. Anticipated losses on contracts are fully provided when it is probable that total contract costs will exceed total contract revenue.

When the outcome of construction service contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

(iv) Service fees

Property management service fee and property letting agency fee are recognised when services are rendered.

(v) Infrastructure operations

Toll revenue from road and bridge operations, income from port operation, cargo, container handling and storage are recognised when services are rendered.

(vi) Hotel operations

Revenue from hotel and restaurant operations is recognised upon provision of the services.

(vii) Department store operations

Sale of goods and merchandise is recognised upon delivery of goods.

Income from concessionaire sale is recognised upon the sale of goods and merchandise by the relevant stores.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(w) Revenue recognition (continued)

(viii) Interest

Interest is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired receivables is recognised using the original effective interest rate.

(ix) Dividend

Dividend is recognised when the right to receive payment is established.

(x) 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, as creditors and accrued charges. The finance charges are charged to the consolidated 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) above.

(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 consolidated income statement on a straight-line basis over the period of the lease.

(y) 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.

(z) 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.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(z) Employee benefits (continued)

(iii) Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans, including the Mandatory Provident Fund Scheme and employee pension schemes established by municipal government in The People's Republic of China ("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) Defined benefit plans

Defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated income statement.

(v) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of share 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 consolidated income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

On lapse of share options according to the plan, corresponding amount recognised in employees' share-based compensation reserve is transferred to retained profits.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to interests in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(aa) 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 financial statements are presented in Hong Kong dollar, which is the Company's functional and presentation currency.

(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 consolidated income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on financial assets and liabilities 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.

(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 consolidated statement of financial position presented are translated at the exchange rate ruling at the date of that consolidated statement of the financial position;

(2) income and expenses for each consolidated income statement are translated at the average exchange rate during the period covered by the consolidated income statement;

(3) all resulting exchange differences are recognised as a separate component of equity; and

(4) on the disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interests in associated companies or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

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 exchange rate ruling at the end of the reporting period.

3 PRINCIPAL ACCOUNTING POLICIES (continued)

(ab) 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. If the carrying amount of the relevant insurance liabilities less than the best estimate of the expenditure required to settle the relevant insurance liabilities at the end of the reporting period, the Group recognises the entire difference in profit or loss. These estimates are recognised only when the outflow is probable and the estimates can be reliably measured.

The Group regards its financial guarantee contracts in respect of mortgage facilities provided to certain property purchasers, guarantees provided to its related parties and tax indemnity provided to its non-wholly owned subsidiary as insurance contracts.

(ac) 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 of the Board of Directors of the Company that makes strategic decisions.

Segment assets consist primarily of property, plant and equipment, land use rights, investment properties, intangible concession rights, intangible assets, available-for-sale financial assets, held-to-maturity investments, financial assets at fair value through profit or loss, properties for development, other non-current assets, properties under development, properties held for sale, inventories and receivables and exclude derivative financial instruments, deferred tax assets, restricted bank balances and cash and bank balances. Segment liabilities comprise operating liabilities and exclude items such as taxation and borrowings.

(ad) Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the financial statements in the financial period when the dividends are approved by the Company’s shareholders/directors, where appropriate.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Group has centralised treasury function for all of its subsidiaries except for listed subsidiaries which arrange their financial and treasury affairs on a stand-alone basis and in a manner consistent with the overall policies of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group's operations is mainly in Hong Kong and Mainland China. 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 entering into forward foreign exchange contracts to reduce the exposure should the need arises.

At 30 June 2015, the Group's entities with functional currency of Hong Kong dollar had aggregate United States dollar net monetary liabilities of HK$7,428.9 million (2014: HK$8,511.2 million). Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar is pegged to the United States dollar, management therefore considers that there are no significant foreign exchange risk with respect to the United States dollar.

At 30 June 2015, the Group's entities with functional currency of Hong Kong dollar had aggregate Renminbi net monetary assets of HK$8,783.6 million (2014: HK$3,701.0 million). If Hong Kong dollar had strengthened/weakened by 5% (2014: 5%) against Renminbi with all other variables unchanged, the Group's profit before taxation would have been HK$439.2 million (2014: HK$185.0 million) lower/higher.

At 30 June 2015, the Group's entities with functional currency of Renminbi had aggregate United States dollar net monetary liabilities of HK$6,670.9 million (2014: net monetary assets of HK$1,397.4 million). If Renminbi had strengthened/weakened by 5% (2014: 5%) against United States dollar with all other variables unchanged, the Group's profit before taxation would have been HK$333.5 million higher/lower (2014: HK$69.9 million lower/higher).

At 30 June 2015, the Group's entities with functional currency of Renminbi had aggregate Hong Kong dollar net monetary liabilities of HK$12,859.8 million (2014: HK$14,136.0 million). If Renminbi had strengthened/weakened by 5% (2014: 5%) against Hong Kong dollar with all other variables unchanged, the Group's profit before taxation would have been HK$643.0 million (2014: HK$706.8 million) higher/lower.

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 changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period from the end of the reporting period until the end of next reporting period. There are no other significant monetary balances held by group companies at 30 June 2015 and 2014 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.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(a) Market risk (continued)

(ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. 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 deposits at bank and amounts due from joint ventures and associated companies. 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. The Group's borrowings issued at fixed rates exposed the Group to fair value interest rate risk.

To mitigate the risk, the Group has maintained fixed and floating rate debts. To match with underlying risk faced by the Group, 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 coverage and the cash flow cycles of the Group's businesses and investments.

If interest rates had been 100 basis points (2014: 100 basis points) higher/lower with all other variables held constant, the Group's profit before taxation would have been HK$161.3 million higher or HK$156.1 million lower respectively (2014: HK$204.9 million higher or HK$213.0 million 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 points (2014: 100 basis points) 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 end of next 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 is exposed to equity securities price risk arising from the listed and unlisted equity investments held by the Group. Gains and losses arising from changes in the fair value of available-for-sale financial assets and financial assets at fair value through profit or loss are dealt with in equity and the consolidated income statement respectively. The performance of the Group's listed and unlisted equity investments are monitored regularly, together with an assessment of their relevance to the Group's strategic plans. The Group is also exposed to other price risk arising from fair value of certain interest rate swaps which is determined based on the in-house indexes of banks. Changes in fair value of these interest rate swaps are dealt with in the consolidated income statement. The Group is not exposed to commodity price risk.

At 30 June 2015, if the price of listed and unlisted equity investments in available-for-sale financial assets had been 25% higher with all other variables held constant, the Group's investment revaluation reserve would have been HK$1,727.3 million (2014: HK$1,182.3 million) higher. If the price of listed and unlisted equity investments in available-for-sale financial assets had been 25% lower with all other variables held constant, the Group's profit before taxation and investment revaluation reserve would have been HK$28.6 million and HK$1,698.7 million (2014: HK$15.7 million and HK$1,166.6 million) lower respectively. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

At 30 June 2015, if the price of listed and unlisted equity investments in financial assets at fair value through profit or loss had been 25% higher/lower with all other variables held constant, the Group's profit before taxation would have been HK$211.8 million (2014: HK$152.0 million) higher/lower. The sensitivity analysis has been determined based on a reasonable expectation of possible valuation volatility over the next 12 months.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(b) Credit risk

The credit risk of the Group mainly arises from deposits with banks, trade and other debtors and balances receivable from investee companies, joint ventures, associated companies and debt securities. The exposures to these credit risks are closely monitored on an ongoing basis by established credit policies in each of its core businesses.

Bank deposits are mainly placed with high-credit-quality financial institutions. Trade debtors mainly include receivables from sale and lease of properties and other services. Loans receivable included in other non-current assets normally carry interest at rates with reference to prevailing market interest rate and are secured by collaterals. The Group carry out regular reviews and follow-up actions on any overdue amounts to minimise exposures to credit risk. There is no concentration of credit risk with respect to trade debtors from third party customers as the customer bases are widely dispersed in different sectors and industries.

In addition, the Group monitors the exposure to credit risk in respect of the financial assistance provided to subsidiaries, joint ventures and associated companies through exercising control, joint control or significant influence over their financial and operating policy decisions and reviewing their financial positions on a regular basis. Investment in debt securities are limited to financial institutions or investment counterparty with high quality.

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 Mainland China. 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 purchaser's deposit and sell the property 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 liabilities based on the current estimates of future cash flows. As at 30 June 2015 and 2014, no provision on the above guarantees to banks had been made in the consolidated financial statements.

(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 and the ability to close out market positions. It is the policy of the Group to regularly monitor current and expected liquidity requirements and to ensure that adequate funding is available for operating, investing and financing activities. The Group also maintain adequate undrawn committed credit facilities to further reduce liquidity risk in meeting funding requirements.

The table below analyses the Group's non-derivative 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 cash flows.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(c) Liquidity risk (continued)

Non-derivative financial liabilities:

	Carrying amount HK$m	Total contractual undiscounted cash flow HK$m	Within 1 year or on demand HK$m	Over 1 year but within 5 years HK$m	After 5 years HK$m
At 30 June 2015					
Creditors and accrued charges	**24,556.6**	**24,556.6**	**22,333.4**	**2,202.2**	**21.0**
Short-term borrowings	**6,261.2**	**6,404.2**	**6,404.2**	**–**	**–**
Long-term borrowings	**110,895.3**	**120,323.2**	**30,939.6**	**72,963.3**	**16,420.3**
At 30 June 2014					
Creditors and accrued charges	22,685.1	22,685.1	21,019.6	1,656.3	9.2
Short-term borrowings	8,863.8	8,917.0	8,917.0	–	–
Long-term borrowings	111,715.3	120,485.3	26,860.0	71,700.9	21,924.4

Derivative financial liabilities:

	Total contractual undiscounted cash flow HK$m	Within 1 year or on demand HK$m	Over 1 year but within 5 years HK$m	After 5 years HK$m
At 30 June 2015				
Derivative financial instruments (net settled)	**391.4**	**125.5**	**263.8**	**2.1**
At 30 June 2014				
Derivative financial instruments (net settled)	397.7	129.9	237.9	29.9

There are no gross settled derivative financial liabilities as at 30 June 2015.

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(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, joint ventures 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 and makes adjustments to it in light of changes in economic conditions and business strategies. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (excluding loans from non-controlling shareholders) less cash and bank balances.

The gearing ratios at 30 June 2015 and 2014 were as follows:

	2015 HK$m	2014 HK$m
Consolidated total borrowings (excluding loans from non-controlling shareholders)	**113,004.3**	116,562.0
Less: cash and bank balances	**(59,465.2)**	(61,823.2)
Consolidated net debt	**53,539.1**	54,738.8
Total equity	**222,358.0**	200,276.5
Gearing ratio	**24.1%**	27.3%

The decrease in gearing ratio as at 30 June 2015 was primarily resulted from the increase in equity contributed by profit for the year.

(e) Fair value estimation

The Group's financial instruments that are measured at fair value are disclosed by levels 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).

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(e) Fair value estimation (continued)

The carrying amounts of the financial instruments of the Group are as follows. See note 16 for disclosure relating to the investment properties which are measured at fair value.

(i) Listed investments are stated at market prices. The quoted market price used for financial assets held by the Group is the bid price at the end of the reporting period. They are included in level 1.

Unlisted investments are stated at fair values which are estimated using other prices observed in recent transactions or valuation techniques when the market price is not readily available. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. If all significant inputs required to estimate the fair value of an instrument are observable, 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.

(ii) The fair value of long-term financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following table presents the Group's financial instruments that are measured at fair value at 30 June 2015:

	Level 1 HK$m	Level 2 HK$m	Level 3 HK$m	Total HK$m
Available-for-sale financial assets	**3,115.7**	**60.7**	**3,732.8**	**6,909.2**
Financial assets at fair value through profit or loss	**0.2**	**–**	**847.0**	**847.2**
Derivative financial instruments				
Derivative financial assets	**–**	**11.1**	**58.8**	**69.9**
	3,115.9	**71.8**	**4,638.6**	**7,826.3**
Derivative financial instruments				
Derivative financial liabilities	**–**	**(817.3)**	**(30.1)**	**(847.4)**

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(e) Fair value estimation (continued)

(ii) (continued)

The following table presents the Group's financial instruments that are measured at fair value at 30 June 2014:

	Level 1 HK$m	Level 2 HK$m	Level 3 HK$m	Total HK$m
Available-for-sale financial assets	1,849.3	57.2	2,822.9	4,729.4
Financial assets at fair value through profit or loss	179.3	23.3	405.6	608.2
Derivative financial instruments				
Derivative financial assets	–	25.8	58.8	84.6
	2,028.6	106.3	3,287.3	5,422.2
Derivative financial instruments				
Derivative financial liabilities	–	(829.0)	(35.6)	(864.6)

There was no significant transfer of financial assets between level 1 and level 2 fair value hierarchy classifications.

The following table presents the changes in level 3 instruments for the year ended 30 June 2015:

	Available-for-sale financial assets HK$m	**Financial assets at fair value through profit or loss HK$m**	**Derivative financial assets HK$m**	**Derivative financial liabilities HK$m**
At 1 July 2014	**2,822.9**	**405.6**	**58.8**	**(35.6)**
Additions	**861.0**	**317.5**	**–**	**–**
Net gain recognised in the consolidated statement of comprehensive income/income statement	**284.9**	**123.9**	**–**	**5.5**
Disposals	**(236.0)**	**–**	**–**	**–**
At 30 June 2015	**3,732.8**	**847.0**	**58.8**	**(30.1)**

4 FINANCIAL RISK MANAGEMENT AND FAIR VALUE ESTIMATION (continued)

(e) Fair value estimation (continued)

(ii) (continued)

The following table presents the changes in level 3 instruments for the year ended 30 June 2014:

	Available-for-sale financial assets HK$m	Financial assets at fair value through profit or loss HK$m	Derivative financial assets HK$m	Derivative financial liabilities HK$m
At 1 July 2013	3,540.6	195.8	58.8	(40.9)
Additions	209.9	231.3	–	–
Net (loss)/gain recognised in the consolidated statement of comprehensive income/income statement	(317.2)	81.4	–	5.3
Disposals	(28.1)	(102.9)	–	–
Transfer to level 1	(583.5)	–	–	–
Transfer from level 1	1.2	–	–	–
At 30 June 2014	2,822.9	405.6	58.8	(35.6)

The following unobservable inputs were used to determine the fair value of the available-for-sale financial assets included in level 3.

	2015 Fair value HK$m	2014 Fair value HK$m	**Valuation techniques**	**Unobservable inputs**	**Range of unobservable inputs**
Property investment industry	**1,952.8**	1,876.0	Net asset value (note)	N/A	N/A
Entertainment industry	**516.1**	373.8	Market comparable approach	Enterprise value/ earnings before interest and tax multiple	9.37 times – 25.31 times (2014: 8.52 times – 37.55 times)
Property development industry	**735.9**	85.1	Residual method	Development cost, developer's profit and risk margin	N/A
Others	**528.0**	488.0			
	3,732.8	2,822.9			

Note: The Group has determined that the reported net asset value represents fair value at the end of the reporting period.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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) Fair value of available-for-sale financial assets and financial assets at fair value through profit or loss

The fair value of available-for-sale financial assets and financial assets at fair value through profit or loss that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods (such as discounted cash flow model and option pricing models) and evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health and short-term business outlook for the investee and historical price volatility of these investments. The key assumptions adopted on projected cashflow are based on management's best estimates.

(b) Valuation of investment properties

The fair value of each completed 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 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 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.

The fair value of investment properties under development is determined by reference to independent valuation. For the Group's majority of investment properties under development, their fair 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 cost.

At 30 June 2015, if the market value of investment properties had been 5% (2014: 5%) higher/lower with all other variables held constant, the carrying value of the Group's investment properties would have been HK$4,581.3 million (2014: HK$3,869.2 million) higher/lower.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(c) Estimated useful lives and impairment of property, plant and equipment

Property, plant and equipment are long-lived but may be subject to technical obsolescence. The annual depreciation charges are affected by the estimated useful lives that the Group allocates to each type of property, plant and equipment. Management performs annual reviews to assess the appropriateness of the estimated useful lives. Such reviews take into account the technological changes, prospective economic utilisation and physical condition of the assets concerned.

Management also regularly reviews whether there are any indications of impairment and will recognise an impairment loss if the carrying amount of an asset is higher than its recoverable amount which is the greater of its net selling price or its value in use. In determining the value in use, management assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are applied in determining these future cash flows and the discount rate. Management estimates the future cash flows based on certain assumptions, such as market competition and development and the expected growth in business.

(d) Impairment of assets

The Group tests annually whether goodwill has suffered any impairment according to their recoverable amounts determined by the cash-generating units based on value in use calculations. These calculations require the use of estimates which are subject to change of economic environment in future. Details are set out in note 20.

The Group determines whether interests in joint ventures and associated companies are impaired by regularly review whether there are any indications of impairment based on value in use calculations. In determining the value in use, management assesses the present value of estimated future cash flows expected to arise from their businesses. Estimates and judgements are applied in determining these future cash flows and discount rate.

Management has carried out impairment assessments on the interests in Tharisa plc ("Tharisa"), an associated company of the Group, and Hyva I B.V. ("Hyva"), a joint venture of the Group, by using the discounted cash flow method. The estimated cash flows used in the assessment are based on assumptions, such as revenue growth, unit price, proved and probable mining reserve, production cost, production capacity and discount rate, with reference to the business plan and prevailing market conditions. Based on the assessments, management is of the view that there is no impairment of the Group's interests in Tharisa and Hyva as at 30 June 2015.

The Group determines whether an available-for-sale financial asset is impaired by evaluating the duration or extent to which the fair value of an investment is less than its cost.

The Group assesses whether there is objective evidence as stated in note 3(j) that deposits, 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 receivables will impact the amount of impairment required.

(e) Financial guarantees and tax indemnity

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 their outstanding mortgage principal and interest.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Financial guarantees and tax indemnity (continued)

In respect of the tax indemnity provided to its non-wholly owned subsidiary, the Group makes estimates on the project costs for the development of the relevant properties and the potential exposure to the relevant Mainland China tax liabilities based on an estimation of the future market condition and economic environment. Provision will only be made in the financial period when the outcome of the potential liabilities can be reliably determined, or otherwise, the potential exposure attributable to the Group is disclosed as contingent liabilities set out in note 44.

(f) Income taxes

The Group is subject to withholding and income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for withholding and income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the financial period in which such determination is made.

Recognition of deferred tax assets, which principally relate to tax losses, depends on the 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.

(g) Estimate of revenue and costs of construction works

The Group recognises its contract revenue according to the percentage of completion of the individual contract of construction works. The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction income is determined in accordance with the terms set out in the relevant contracts. Budgeted construction costs which mainly comprise sub-contracting charges and costs of materials are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management conducts periodic reviews on the management budgets by comparing the budgeted amounts to the actual amounts incurred.

(h) Estimated volume of infrastructures of public services

The amortisation for intangible concession rights and impairment assessment of infrastructures for public services using discounted cash flow model are affected by the estimated volume for public services, such as toll roads and bridges. Management performs annual reviews to assess the appropriateness of estimated volume by making reference to independent professional studies, if necessary.

The traffic volume is directly and indirectly affected by a number of factors, including the availability, quality, proximity and toll rate differentials of alternative roads and the existence of other means of transportation. The growth of the traffic flow is also highly tied to the future economic and transportation network development of the area in which the infrastructures serve, in particular those projects still in their ramp-up period such as Guangzhou Dongxin Expressway and Guangzhou City Nansha Point Expressway. The growth in future traffic flow projected by the management is highly dependent on extent of the realisation of the aforementioned factors.

For the year ended 30 June 2015, an impairment loss of HK$300.0 million against interest in Guangzhou Dongxin Expressway was shared by the Group in the share of results of joint ventures.

6 REVENUES AND SEGMENT INFORMATION

Revenues recognised during the year are as follows:

	2015 HK$m	2014 HK$m
Revenues		
Property sales	**25,681.9**	29,329.2
Rental	**2,401.5**	2,348.3
Contracting	**8,456.7**	7,122.3
Provision of services	**7,387.3**	6,664.5
Infrastructure operations	**2,470.7**	2,345.8
Hotel operations	**4,060.8**	3,751.4
Department store operations	**3,913.0**	3,975.4
Others	**873.1**	964.2
Total	**55,245.0**	56,501.1

The Executive Committee of the Company, being the chief operating decision-maker, determines and reviews the Group's internal reporting in order to assess performance and allocate resources. The operating segments are determined based on the afore-mentioned internal reporting. The Executive Committee considers the business from product and service perspectives, which comprises property development, property investment, service, infrastructure, hotel operations, department stores and others (including telecommunication, media and technology and other strategic businesses) segments.

The Executive Committee assesses the performance of the operating segments based on each segment's operating profit. The measurement of segment operating profit excludes the effects of changes in fair value of investment properties, unallocated corporate expenses and non-recurring events. In addition, financing income and costs are not allocated to segments.

Sales between segments are carried out in accordance with terms agreed by the parties involved.

6 REVENUES AND SEGMENT INFORMATION (continued)

	Property development HK$m	Property investment HK$m	Service HK$m	Infra-structure HK$m	Hotel operations HK$m	Department stores HK$m	Others HK$m	Consolidated HK$m
2015								
Total revenues	25,759.9	2,641.4	23,562.5	2,470.7	4,078.0	3,933.0	1,039.6	63,485.1
Inter-segment	(78.0)	(239.9)	(7,718.5)	–	(17.2)	(20.0)	(166.5)	(8,240.1)
Revenues – external	25,681.9	2,401.5	15,844.0	2,470.7	4,060.8	3,913.0	873.1	55,245.0
Segment results	6,804.1	1,418.4	946.0	1,057.9	323.6	307.4	(136.4)	10,721.0
Other gains, net	1,046.8	(0.1)	830.1	45.2	13,240.7	(192.9)	306.6	15,276.4
Changes in fair value of investment properties	–	2,874.7	290.8	–	–	–	–	3,165.5
Unallocated corporate expenses								(1,192.0)
Operating profit								27,970.9
Financing income								1,130.2
Financing costs								(1,621.9)
								27,479.2
Share of results of								
Joint ventures (note (a))	1,334.3	564.9	77.3	2,547.1	(78.9)	–	(125.5)	4,319.2
Associated companies (note (b))	(5.6)	289.2	(1,298.7)	355.6	–	–	(2.4)	(661.9)
Profit before taxation								31,136.5
Taxation								(4,264.4)
Profit for the year								26,872.1
Segment assets	118,553.4	91,514.2	11,936.3	16,690.2	13,808.3	6,492.6	11,543.7	270,538.7
Interests in joint ventures	12,355.0	12,312.7	3,125.2	14,576.0	6,200.9	–	882.1	49,451.9
Interests in associated companies	992.1	2,819.9	6,499.1	7,108.0	1.1	–	311.5	17,731.7
Unallocated assets								60,208.4
Total assets								397,930.7
Segment liabilities	25,909.1	1,073.3	8,259.1	751.3	540.0	4,061.2	1,735.2	42,329.2
Unallocated liabilities								133,243.5
Total liabilities								175,572.7
Additions to non-current assets (note (c))	7,167.9	10,843.5	235.5	64.6	2,085.6	386.4	1,848.3	22,631.8
Depreciation and amortisation	97.3	25.6	174.0	841.1	654.7	410.5	110.8	2,314.0
Impairment charge and provision	–	–	–	–	465.2	123.2	117.1	705.5

6 REVENUES AND SEGMENT INFORMATION (continued)

	Property development HK$m	Property investment HK$m	Service HK$m	Infra-structure HK$m	Hotel operations HK$m	Department stores HK$m	Others HK$m	Consolidated HK$m
2014								
Total revenues	29,367.1	2,625.6	20,604.7	2,345.8	3,751.4	3,975.4	1,168.2	63,838.2
Inter-segment	(37.9)	(277.3)	(6,817.9)	–	–	–	(204.0)	(7,337.1)
Revenues – external	29,329.2	2,348.3	13,786.8	2,345.8	3,751.4	3,975.4	964.2	56,501.1
Segment results	9,540.8	1,507.1	913.8	1,085.0	511.9	543.2	13.9	14,115.7
Other gains, net	160.0	(34.8)	89.1	603.8	(135.9)	(24.0)	1,654.8	2,313.0
Changes in fair value of investment properties	–	1,314.1	111.4	–	–	–	–	1,425.5
Unallocated corporate expenses								(1,031.1)
Operating profit								16,823.1
Financing income								1,083.5
Financing costs								(1,927.1)
								15,979.5
Share of results of								
Joint ventures	26.1	698.5	225.1	1,253.8	(151.6)	–	(57.4)	1,994.5
Associated companies	20.0	241.9	387.3	179.4	1.1	–	272.3	1,102.0
Profit before taxation								19,076.0
Taxation								(5,738.2)
Profit for the year								13,337.8
Segment assets	108,579.2	76,806.2	11,617.0	18,112.1	13,928.4	7,048.1	7,721.7	243,812.7
Interests in joint ventures	13,411.4	11,796.5	3,490.5	15,281.2	1,184.7	–	583.9	45,748.2
Interests in associated companies	987.6	2,669.2	7,726.6	5,369.8	1.1	–	239.7	16,994.0
Unallocated assets								62,672.5
Total assets								369,227.4
Segment liabilities	16,521.7	1,099.5	6,056.2	814.7	929.1	4,491.5	2,160.8	32,073.5
Unallocated liabilities								136,877.4
Total liabilities								168,950.9
Additions to non-current assets (note (c))	7,915.0	4,092.6	239.5	14.2	2,849.3	1,049.7	1,035.9	17,196.2
Depreciation and amortisation	67.2	11.0	150.4	768.1	530.9	391.6	353.8	2,273.0
Impairment charge and provision	–	–	–	–	125.9	–	101.8	227.7

6 REVENUES AND SEGMENT INFORMATION (continued)

	Revenues HK$m	Non-current assets (note (c)) HK$m
2015		
Hong Kong	**29,907.9**	**81,469.7**
Mainland China	**24,360.5**	**76,854.2**
Others	**976.6**	**394.7**
	55,245.0	**158,718.6**
2014		
Hong Kong	26,688.3	68,410.4
Mainland China	28,606.7	72,424.4
Others	1,206.1	2,704.7
	56,501.1	143,539.5

Notes:

(a) The amount in the infrastructure segment includes (i) the Group's share of gain of HK$1,549.9 million arising from the disposal of its indirect interest in Companhia de Electricidade de Macau – CEM, S.A. and (ii) the Group's share of impairment loss of HK$300.0 million for Guangzhou Dongxin Expressway for the year ended 30 June 2015.

(b) The amount in the service segment includes an impairment loss of HK$1,779.4 million made for the Group's interest in Newton Resources Ltd, a listed associated company, for the year ended 30 June 2015.

(c) Non-current assets represent non-current assets other than financial instruments (financial instruments include interests in joint ventures and interests in associated companies), deferred tax assets and retirement benefit assets.

(d) For the year ended 30 June 2015, the operating profit before depreciation and amortisation amounted to HK$30,284.9 million, of which HK$21,735.6 million was attributable to Hong Kong and HK$8,549.3 million was attributable to Mainland China and others.

7 OTHER INCOME

	2015 HK$m	2014 HK$m
Dividend income from available-for-sale financial assets and financial assets at fair value through profit or loss	**31.8**	247.2

8 OTHER GAINS, NET

	2015 HK$m	2014 HK$m
Write back of provision for loans and other receivables	**376.6**	4.9
Gain on deemed disposal of interests in subsidiaries	**–**	31.4
Gain on deemed disposal of interests in joint ventures	**–**	594.3
Gain on deemed disposal of interest in an associated company	**50.7**	–
Gain on partial disposal of interests in subsidiaries and remeasurement of retained interest at fair value after reclassification to a joint venture (note (a))	**13,709.2**	–
Gain on remeasurement of an available-for-sale financial asset retained at fair value upon reclassification from an associated company (note (b))	**914.0**	–
Gain on remeasurement of previously held interest of a joint venture at fair value upon further acquisition to become a subsidiary (note (c))	**986.6**	67.3
Net (loss)/gain on fair value of financial assets at fair value through profit or loss	**(38.9)**	105.6
Net gain/(loss) on disposal of		
Non-current assets classified as assets held for sale	**30.3**	(46.0)
Available-for-sale financial assets	**66.2**	198.2
Financial assets at fair value through profit or loss	**(23.5)**	–
Investment properties and property, plant and equipment	**(63.2)**	41.3
Subsidiaries	**18.0**	119.8
Joint ventures	**–**	18.6
Associated companies	**(137.9)**	1,749.4
Impairment loss on		
Available-for-sale financial assets	**(11.8)**	(6.6)
Loans and other receivables	**(61.2)**	(91.1)
Property, plant and equipment	**(532.0)**	(4.1)
Intangible assets	**(100.5)**	(125.9)
Net exchange gain/(loss)	**93.8**	(344.1)
	15,276.4	2,313.0

Notes:

(a) On 29 April 2015, the Company and its subsidiaries, namely Beames Holdings Limited ("Beames"), Park New Astor Hotel Limited and Great TST Limited, entered into agreements with HIP Company Limited ("HIP"), a wholly owned subsidiary of the Abu Dhabi Investment Authority, to establish a new joint venture company (the "JVC") in which Beames and HIP will each (directly or indirectly) hold 50% of the issued share capital and into which the entire ownership of three hotels, namely, Grand Hyatt Hong Kong, Renaissance Harbour View Hotel, Hong Kong and Hyatt Regency, Tsim Sha Tsui will be injected with effect from the completion of the agreements (the "Sale and Transfer"). The total consideration for the Sale and Transfer is HK$18.5 billion (subject to customary closing adjustments). The Sale and Transfer was completed on 15 June 2015 and it resulted in a total gain on disposal, before taxation and share of non-controlling interests, of approximately HK$15.0 billion, out of which HK$13.7 billion was recognised as other gains, net and HK$1.3 billion was recognised as gross profit in the consolidated income statement. The interest in the JVC is accounted for as a joint venture of the Group.

8 OTHER GAINS, NET (continued)

Notes: (continued)

(b) During the year, the Group ceased to have significant influence over its interest in Haitong International Securities Group Limited ("Haitong International"), a company listed on the Stock Exchange which was previously classified as an associated company of the Group.

As a result, the Group's interest in Haitong International was reclassified from interest in an associated company to an available-for-sale financial asset and a fair value gain on remeasurement of HK$914.0 million was recognised in the consolidated income statement for the year ended 30 June 2015.

(c) During the year, the Group, through Ballina Enterprises Limited ("Ballina", a wholly owned subsidiary of the Group) acquired from Cheung Hung Development (Holding) Limited ("Cheung Hung", an associate of Chow Tai Fook Enterprises Limited ("CTF")) 40% equity interests of Sunbig Limited ("Sunbig"), which was 50% owned by Ballina and accounted for as a joint venture of the Group, and the entire amount of the unsecured and non-interest bearing shareholder's loan owing from Sunbig to Cheung Hung for an aggregate cash consideration of approximately HK$1,779.0 million. After the acquisition, Sunbig is accounted for as a subsidiary of the Group and a fair value gain on remeasuring previously held interest of HK$986.6 million was recognised in the consolidated income statement for the year ended 30 June 2015.

9 OPERATING PROFIT

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

	2015 HK$m	2014 HK$m
Gross rental income from investment properties	**2,213.7**	2,172.0
Outgoings	**(717.3)**	(649.6)
	1,496.4	1,522.4
Cost of inventories sold	**(19,709.2)**	(20,970.6)
Cost of services rendered	**(13,177.9)**	(11,290.5)
Depreciation of property, plant and equipment (note 17)	**(1,304.3)**	(1,342.9)
Amortisation		
Land use rights (note 18)	**(93.7)**	(86.3)
Intangible concession rights (note 19)	**(829.9)**	(758.2)
Intangible assets (note 20)	**(86.1)**	(85.6)
Operating lease rental expense		
Land and buildings	**(1,246.2)**	(1,103.0)
Other equipment	**(4.7)**	(7.8)
Staff costs (note 14(a))	**(6,366.8)**	(5,569.6)
Auditors' remuneration		
Audit services	**(68.5)**	(65.6)
Non-audit services	**(19.2)**	(15.6)

10 FINANCING COSTS

	2015 HK$m	2014 HK$m
Interest on bank loans and overdrafts	**3,005.4**	2,908.3
Interest on convertible bonds	**–**	410.2
Interest on fixed rate bonds and notes payable	**2,210.6**	1,708.8
Interest on loans from non-controlling shareholders	**19.8**	1.9
Total borrowing costs incurred	**5,235.8**	5,029.2
Capitalised as (note):		
Cost of properties under development	**(3,092.8)**	(2,763.6)
Cost of property, plant and equipment under construction and investment properties under development	**(521.1)**	(338.5)
	1,621.9	1,927.1

Note: To the extent funds are borrowed generally and used for the purpose of financing certain properties under development, property, plant and equipment under construction and investment properties under development, the capitalisation rate used to determine the amounts of borrowing costs eligible for the capitalisation is 4.5% (2014: 4.2%) for the year.

11 TAXATION

	2015 HK$m	2014 HK$m
Current taxation		
Hong Kong profits tax	**623.9**	864.0
Mainland China and overseas taxation	**1,706.6**	2,069.4
Mainland China land appreciation tax	**1,667.6**	2,425.0
Deferred taxation (note 27)		
Valuation of investment properties	**178.5**	143.8
Other temporary differences	**87.8**	236.0
	4,264.4	5,738.2

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

Taxation on Mainland China and overseas profits has been calculated on the estimated taxable profit for the year at the rates of taxation prevailing in the countries in which the Group operates. These rates range from 9% to 25% (2014: 9% to 25%).

11 TAXATION (continued)

Mainland China land appreciation tax is provided at progressive rates ranging from 30% to 60% (2014: 30% to 60%) on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

Share of results of joint ventures and associated companies is stated after deducting the share of taxation of joint ventures and associated companies of HK$1,085.8 million and HK$191.7 million (2014: HK$942.1 million and HK$121.8 million) respectively.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2015 HK$m	2014 HK$m
Profit before taxation and share of results of joint ventures and associated companies	**27,479.2**	15,979.5
Calculated at a taxation rate of 16.5% (2014: 16.5%)	**4,534.1**	2,636.6
Effect of different taxation rates in other countries	**644.9**	843.9
Income not subject to taxation	**(3,390.1)**	(1,106.0)
Expenses not deductible for taxation purposes	**627.7**	855.6
Tax losses not recognised	**589.1**	318.8
Temporary differences not recognised	**59.8**	41.2
Tax exemption granted	**–**	(1.2)
Utilisation of previously unrecognised tax losses	**(101.9)**	(108.1)
Deferred taxation on undistributed profits	**153.2**	268.3
Recognition of previously unrecognised temporary differences	**5.2**	98.5
(Over)/under-provision in prior years	**(71.7)**	68.8
Land appreciation tax deductible for calculation of income tax purposes	**(416.9)**	(604.6)
Others	**(36.6)**	1.4
	2,596.8	3,313.2
Mainland China land appreciation tax	**1,667.6**	2,425.0
Taxation charge	**4,264.4**	5,738.2

12 EARNINGS PER SHARE

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

	2015 HK$m	2014 HK$m
Profit attributable to shareholders of the Company	**19,112.0**	9,725.4
Effect of dilutive potential ordinary shares in respect of convertible bonds issued by a subsidiary:		
Interest expense	**–**	342.5
Adjustment on the effect of dilution in the results of subsidiaries	**(1.7)**	(2.5)
Profit for calculating diluted earnings per share	**19,110.3**	10,065.4

	Number of shares (million)	
	2015	2014
Weighted average number of shares for calculating basic earnings per share	**8,790.3**	7,102.5
Effect of dilutive potential ordinary shares upon the conversion of convertible bonds	**–**	257.1
Effect of dilutive potential ordinary shares upon the exercise of share options	**2.0**	5.5
Weighted average number of shares for calculating diluted earnings per share	**8,792.3**	7,365.1

Diluted earnings per share for the year ended 30 June 2015 assumed the effect of exercise of share options outstanding during the year since they would have a dilutive effect.

Diluted earnings per share for the year ended 30 June 2014 assumed the effects of conversion of convertible bonds, which were redeemed by the Group on 4 June 2014, and exercise of share options outstanding during the year since they would have a dilutive effect.

13 DIVIDENDS

	2015 HK$m	2014 HK$m
Interim dividend of HK$0.12 (2014: HK$0.12) per share	**1,067.2**	773.2
Final dividend proposed of HK$0.30 (2014: HK$0.30) per share	**2,699.1**	2,599.5
	3,766.3	3,372.7
Of which the following were settled by the issue of scrip:		
Interim dividend	**810.1**	563.3
Final dividend	**#**	1,991.9

Full amount had been set aside from retained profits for the 2015 proposed final dividend on the basis that all shareholders would elect to receive cash being the alternative to their entitlements to the scrip dividends.

At a meeting held on 24 September 2015, the Directors recommended a final dividend of HK$0.30 per share. This proposed dividend was not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained profits for the year ending 30 June 2016.

14 STAFF COSTS

(a) Staff costs

	2015 HK$m	2014 HK$m
Wages, salaries and other benefits	**5,896.3**	5,207.4
Pension costs – defined benefit plans	**7.1**	4.2
Pension costs – defined contribution plans	**294.5**	259.4
Share options (note (b))	**168.9**	98.6
	6,366.8	5,569.6

Staff costs include directors' remuneration.

14 STAFF COSTS (continued)

(b) Share options

During the year, the Company and its subsidiaries, New World China Land Limited ("NWCL") and NWSH operate share option schemes whereby options may be granted to eligible employees and directors, to subscribe for shares of the Company, NWCL and NWSH respectively.

Details of share options are as follows:

Grantor	Date of grant	Exercise price HK$	At 1 July 2014	Granted	Adjusted	Exercised	Lapsed/ cancelled	At 30 June 2015	Number of share options exercisable as at 30 June 2015	Note
The Company	19 March 2012 to 27 October 2014	9.161 to 11.249	132,649,994	34,400,000	237,912	(16,123,819)	(2,789,386)	148,374,701	105,801,784	(i)
	Weighted average exercise price of each category (HK$)		9.444	9.510	9.452	9.205	10.140	9.457	9.370	
NWCL	26 June 2009 to 22 August 2011	2.262 to 3.913	12,160,610	–	–	(2,742,802)	(178,878)	9,238,930	8,912,200	(ii)
	Weighted average exercise price of each category (HK$)		3.031	–	–	3.090	3.072	3.013	3.024	
	3 May 2012 to 11 May 2015	2.450 to 5.420	16,936,210	14,208,400	–	(2,676,280)	(1,759,360)	26,708,970	7,711,570	(ii)
	Weighted average exercise price of each category (HK$)		3.418	4.931	–	3.292	3.804	4.211	3.890	
NWSH	9 March 2015	14.158	–	55,470,000	8,053	–	–	55,478,053	33,286,832	(iii)
	Weighted average exercise price of each category (HK$)		–	14.160	14.158	–	–	14.158	14.158	

14 STAFF COSTS (continued)

(b) Share options (continued)

Notes:

(i) A share option scheme was adopted by the Company on 24 November 2006 and amended on 13 March 2012 which will be valid and effective for a period of ten years from the date of adoption. On 19 March 2012, 16 November 2012, 22 January 2014 and 27 October 2014, 107,300,000, 9,400,000, 30,100,000 and 34,400,000 share options were granted to Directors and certain eligible participants at the exercise price of HK$9.770, HK$11.996, HK$10.400 and HK$9.510 per share respectively.

The Company declared final dividend for the year ended 30 June 2014 and interim dividend for the six months ended 31 December 2014 in cash (with scrip option) during the year. Accordingly, adjustments were made to the number of outstanding share options and the exercise price. The exercise price per share of the share options granted on 19 March 2012 was adjusted from HK$9.176 to HK$9.172 on 30 December 2014, and further to HK$9.161 on 22 May 2015. The exercise price per share of the share options granted on 16 November 2012 was adjusted from HK$11.267 to HK$11.262 on 30 December 2014, and further to HK$11.249 on 22 May 2015. The exercise price per share of the share options granted on 22 January 2014 was adjusted from HK$9.781 to HK$9.777 on 30 December 2014, and further to HK$9.766 on 22 May 2015. The exercise price per share of the share options granted on 27 October 2014 was adjusted from HK$9.510 to HK$9.506 on 30 December 2014, and further to HK$9.495 on 22 May 2015.

The share options granted on 19 March 2012 were divided into 4 tranches and exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.

The share options granted on 16 November 2012 were divided into 4 tranches and exercisable from 16 November 2012, 16 November 2013, 16 November 2014 and 16 November 2015 respectively to 15 November 2016.

The share options granted on 22 January 2014 were divided into 4 tranches exercisable from 22 January 2014, 22 January 2015, 22 January 2016 and 22 January 2017 respectively to 21 January 2018.

The share options granted on 27 October 2014 were divided into 4 trenches exercisable from 27 October 2014, 27 October 2015, 27 October 2016 and 27 October 2017 respectively to 26 October 2018.

The fair value of the share options granted during the year is estimated at HK$1.780 (2014: HK$2.054) per share using the Binomial pricing model. Value is estimated based on the risk-free rate of 1.026% (2014: 1.192%) per annum with reference to the market yield rates of the Hong Kong Government Bond (maturing 10 December 2018) as of the value date, a historical volatility of 31.73% (2014: 31.90%) calculated based on the historical price with period equals to the life of the options, assuming dividend yield of 3.82% (2014: 3.29%) based on the average dividend yield in the past five years and an expected option life of four years.

For the year ended 30 June 2015, the weighted average share price at the time of exercise was HK$10.465 per share.

(ii) On dates of grant, the share options are divided into 3 to 5 tranches and exercisable within a period of 3 to 5 years commencing on the expiry of one month after the dates on which the options were accepted.

The fair value of options granted during the year determined using the Binomial pricing model was HK$21.8 million (2014: HK$9.0 million). The significant inputs to the model was share price ranging from HK$4.42 to HK$5.36 (2014: HK$3.97 to HK$4.01) at the grant dates, exercise prices ranging from HK$4.42 to HK$5.42 (2014: HK$3.97 to HK$4.01), volatility of the share ranging from 37.94% to 40.52% (2014: 44.49% to 51.49%), expected life of options of 5 years (2014: 5 years), expected dividend yield ranging from 0.57% to 1.68% (2014: 1.24% to 1.89%), risk-free interest rate ranging from 1.17% to 1.40% (2014: 1.19% to 1.51%) per annum and suboptimal exercise factor ranging from 1.90 to 1.91 times (2014: 1.91 to 1.93 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 NWCL over the past 5 years.

For the year ended 30 June 2015, the weighted average share price at the time of exercise was HK$4.931 per share and HK$5.166 per share under the NWCL 2002 Share Option Scheme and NWCL 2011 Share Option Scheme respectively.

14 STAFF COSTS (continued)

(b) Share options (continued)

Notes: (continued)

(iii) The share option scheme of NWSH, which was adopted on 21 November 2011, will be valid and effective for a period of ten years from the date of adoption. The Board of NWSH may, at their discretion, grant options to any eligible participant as defined under the scheme to subscribe for the shares of NWSH. The total number of shares which may be issued upon exercise of all options to be granted under the scheme must not in aggregate exceed 10% of the share capital of NWSH in issue as at 21 November 2011, i.e. 3,388,900,598 shares.

On 9 March 2015, 55,470,000 share options were granted to directors and certain eligible participants at the exercise price of HK$14.160, which represents the average closing price of NWSH's shares in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding 9 March 2015. Such share options will expire on 8 March 2020.

The fair value of the share options granted during the year with exercise price per share of HK$14.160 (subsequently being adjusted to HK$14.158) is estimated at approximately HK$2.2563 per share, using the Binomial pricing model. Values are appraised based on the risk-free rate of 1.29% per annum with reference to the rate prevailing on the Hong Kong government bond, an approximately five-year period historical volatility of 30%, assuming dividend yield of 5.34% per annum and an expected option life of five years.

Pursuant to the scheme, the number of unexercised share options and exercise price may be subject to adjustment in case of alteration in the capital structure of NWSH. NWSH declared the interim dividend for the six months ended 31 December 2014 in scrip form (with cash option) during the year which gave rise to adjustments to the number of unexercised share options and the exercise price in accordance with the scheme. The exercise price per share for the share options granted on 9 March 2015 was adjusted to HK$14.158 with effect from 19 May 2015.

The share options will be vested according to the scheme and the terms of grant provided that for the vesting to occur the grantee has to remain as an eligible participant on such vesting date.

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

14 STAFF COSTS (continued)

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 2 directors (2014: 3 directors) whose emoluments are reflected in the analysis shown in note 15(a). The emoluments to the remaining 3 (2014: 2) individuals during the year are as follows:

	2015 HK$m	2014 HK$m
Salaries and other emoluments	**32.5**	60.2
Employer's contributions to retirement benefit schemes	**1.2**	0.8
Share options	**11.6**	1.8
	45.3	62.8

The emoluments of the individuals fell within the following bands:

	Number of individuals 2015	2014
Emolument band (HK$)		
13,500,001-14,000,000	**1**	–
15,000,001-15,500,000	**1**	–
16,000,001-16,500,000	**1**	–
30,000,001-30,500,000	**–**	1
32,000,001-32,500,000	**–**	1
	3	2

(d) Emoluments of senior management

Other than the emoluments of directors and five highest paid individuals disclosed in note 15(a) and note 14(c) respectively, the emoluments of the senior management whose profiles are included in Directors' Profile/ Senior Management Profile sections of this report fell within the following bands:

	Number of individuals 2015	2014
Emolument band (HK$)		
4,000,001-4,500,000	**2**	–
5,500,001-6,000,000	**–**	1
8,000,001-8,500,000	**1**	–
9,000,001-9,500,000	**–**	1
	3	2

15 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Name of Directors	As director (note (i))						
	Fees	Salaries	Discretionary bonuses	Estimated money value of other benefits (note (iii))	Employer's contribution to retirement benefit schemes	As management (note (ii))	Total
	HK$m	HK$m	HK$m	HK$m	HK$m	HK$m	HK$m
Year ended 30 June 2015							
Dr. Cheng Kar-Shun, Henry	1.7	–	–	18.9	–	45.0	65.6
Mr. Doo Wai-Hoi, William	0.3	–	–	0.2	–	–	0.5
Dr. Cheng Chi-Kong, Adrian	0.7	–	–	2.6	–	18.4	21.7
Mr. Yeung Ping-Leung, Howard	0.4	–	–	0.3	–	–	0.7
Mr. Cha Mou-Sing, Payson	0.4	–	–	0.3	–	–	0.7
Mr. Cheng Kar-Shing, Peter	0.5	6.0	1.1	0.4	0.5	–	8.5
Mr. Ho Hau-Hay, Hamilton	0.4	–	–	0.3	–	–	0.7
Mr. Lee Luen-Wai, John	0.7	–	–	0.4	–	–	1.1
Mr. Liang Cheung-Biu, Thomas	0.4	–	–	0.3	–	–	0.7
Ms. Ki Man-Fung, Leonie	0.3	–	–	2.2	–	6.4	8.9
Mr. Cheng Chi-Heng	0.3	–	–	0.4	–	1.8	2.5
Mr. Chen Guanzhan	0.3	–	–	2.5	–	6.2	9.0
Ms. Cheng Chi-Man, Sonia	0.5	–	–	2.2	–	10.9	13.6
Mr. Au Tak-Cheong	0.8	–	–	2.0	–	6.6	9.4
Total	7.7	6.0	1.1	33.0	0.5	95.3	143.6

15 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(a) Directors' emoluments (continued)

Certain of the comparative information of directors' emoluments for the year ended 30 June 2014 previously disclosed in accordance with the predecessor Companies Ordinance have been restated in order to comply with the new scope and requirements by the Hong Kong Companies Ordinance (Cap. 622).

	As director (note (i))						
Name of Directors	Fees HK$m	Salaries HK$m	Discretionary bonuses HK$m	Estimated money value of other benefits (note (iii)) HK$m	Employer's contribution to retirement benefit schemes HK$m	As management (note (ii)) HK$m	Total HK$m
Year ended 30 June 2014							
Dr. Cheng Kar-Shun, Henry	1.6	–	–	7.5	–	63.7	72.8
Mr. Doo Wai-Hoi, William	0.4	–	–	0.3	–	–	0.7
Dr. Cheng Chi-Kong, Adrian	0.7	–	–	2.7	–	12.9	16.3
Mr. Liang Chong-Hou, David	0.1	–	–	0.4	–	–	0.5
Mr. Yeung Ping-Leung, Howard	0.4	–	–	0.4	–	–	0.8
Mr. Cha Mou-Sing, Payson	0.4	–	–	0.4	–	–	0.8
Mr. Cheng Kar-Shing, Peter	0.6	4.3	1.0	0.5	0.4	–	6.8
Mr. Ho Hau-Hay, Hamilton	0.4	–	–	0.4	–	–	0.8
Mr. Lee Luen-Wai, John	0.7	–	–	0.4	–	–	1.1
Mr. Liang Cheung-Biu, Thomas	0.4	–	–	0.4	–	–	0.8
Ms. Ki Man-Fung, Leonie	0.3	–	–	2.2	–	4.8	7.3
Mr. Cheng Chi-Heng	0.3	–	–	0.4	–	1.7	2.4
Mr. Chen Guanzhan	0.3	–	–	2.6	–	5.3	8.2
Ms. Cheng Chi-Man, Sonia	0.5	–	–	2.2	–	9.6	12.3
Mr. Au Tak-Cheong	0.8	–	–	2.0	–	16.1	18.9
Total	7.9	4.3	1.0	22.8	0.4	114.1	150.5

Notes:

(i) The amounts represented emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertakings.

(ii) The amounts represented emoluments paid or receivable in respect of a person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings and included salaries, discretionary bonuses, employer's contributions to retirement benefit schemes and housing allowance.

(iii) Other benefits represented share option. The value of the share options granted to the directors of the Company under the share option schemes of the Company and its subsidiaries represents the fair value of these options charged to the consolidated income statement for the year in accordance with HKFRS 2.

(iv) No director waived or agreed to waive any emoluments during the year.

15 BENEFITS AND INTERESTS OF DIRECTORS (continued)

(b) Directors' material interests in transactions, arrangements or contracts

On 11 April 2014, a master services agreement was entered into between the Company and Mr. Doo Wai-Hoi, William, Non-executive Vice-chairman ("Mr. Doo") for a term of three years commencing from 1 July 2014 in respect of the provision of certain operational and rental services by companies owned by Mr. Doo to the Group, and vice versa. For the year ended 30 June 2015, the aggregate amount of the transactions amounted to approximately HK$1,209.3 million (2014: HK$1,357.3 million for transactions under the former master services agreement dated 19 May 2011 and expired on 30 June 2014).

On 11 April 2014, the Company and CTF entered into a master services agreement for a term of three years commencing from 1 July 2014 in respect of the provision of certain operational and rental services by the Group to CTF and its subsidiaries, and vice versa. For the year ended 30 June 2015, the aggregate amount of the transactions amounted to approximately HK$604.0 million (2014: HK$465.0 million for transactions under the former master services agreement dated 30 June 2011 and expired on 30 June 2014).

On 11 April 2014, the Company and Chow Tai Fook Jewellery Group Limited ("CTFJ") entered into a master leasing agreement regarding the leasing of premises between the Group and CTFJ and its subsidiaries for an initial term of three years commencing from 1 July 2014. For the year ended 30 June 2015, the aggregated amount of the transactions amounted to approximately HK$125.4 million (2014: HK$98.8 million for transactions under the former master leasing agreement dated 28 November 2011 and terminated on 30 June 2014).

Save as mentioned above, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

16 INVESTMENT PROPERTIES

	2015 HK$m	2014 HK$m
Completed investment properties	**58,644.6**	53,190.6
Investment properties under development	**32,980.4**	24,194.0
	91,625.0	77,384.6

	Completed investment properties HK$m	Investment properties under development HK$m	Total HK$m
At 1 July 2014	**53,190.6**	**24,194.0**	**77,384.6**
Translation differences	**(0.5)**	**–**	**(0.5)**
Acquisition of subsidiaries	**1,695.3**	**4,435.0**	**6,130.3**
Disposal of subsidiaries	**(5.6)**	**–**	**(5.6)**
Additions	**1,283.3**	**3,379.9**	**4,663.2**
Transfer between investment properties, property, plant and equipment and land use rights	**(92.6)**	**–**	**(92.6)**
Transfer between investment properties, properties for/under development and properties held for sale	**(23.6)**	**954.3**	**930.7**
Disposals	**(424.7)**	**–**	**(424.7)**
Changes in fair value	**2,053.0**	**1,112.5**	**3,165.5**
Transfer between investment properties and non-current assets classified as assets held for sale	**(125.9)**	**–**	**(125.9)**
Reclassification	**1,095.3**	**(1,095.3)**	**–**
At 30 June 2015	**58,644.6**	**32,980.4**	**91,625.0**

16 INVESTMENT PROPERTIES (continued)

	Completed investment properties HK$m	Investment properties under development HK$m	Total HK$m
At 1 July 2013	50,142.8	21,548.4	71,691.2
Translation differences	(257.5)	(38.8)	(296.3)
Acquisition of a subsidiary	1,898.7	–	1,898.7
Disposal of a subsidiary	(41.0)	–	(41.0)
Additions	400.3	1,816.3	2,216.6
Transfer between investment properties, property, plant and equipment and land use rights	132.0	–	132.0
Transfer between investment properties, properties under development and properties held for sale	530.4	341.1	871.5
Disposals	(382.5)	–	(382.5)
Changes in fair value	1,034.0	391.5	1,425.5
Transfer between investment properties and non-current assets classified as assets held for sale	(131.1)	–	(131.1)
Reclassification	(135.5)	135.5	–
At 30 June 2014	53,190.6	24,194.0	77,384.6

Valuation processes of the Group

The Group measures its investment properties at fair value. The investment properties were revalued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, BMI Appraisals Limited, Savills Valuation and Professional Services Limited, and Knight Frank Petty Limited, independent qualified valuers, who hold recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued, at 30 June 2015 on an open market value basis. For all investment properties, their current use equates to the highest and best use.

The Group's finance department includes a team that reviews the valuation performed by the independent valuers for financial reporting purposes. This team reports directly to the senior management and the Audit Committee. Discussions of valuation processes and results are held between the management and valuers at least once every six months, in line with the Group's interim and annual reporting dates.

At each financial year end, the finance department verifies all major inputs to the independent valuation reports; assesses property valuation movements when compared to the prior year valuation reports; and holds discussions with the independent valuers.

16 INVESTMENT PROPERTIES (continued)

Valuation techniques

Fair value of completed commercial, residential properties and carparks in Hong Kong and Mainland China is generally derived using the income capitalisation method and wherever appropriate, by direct comparison method. Income capitalisation method is based on the capitalisation of the net income and reversionary income potential by adopting appropriate capitalisation rates, which are derived from analysis of sale transactions and valuers' interpretation of prevailing investor requirements or expectations. The prevailing market rents adopted in the valuation have reference to recent lettings, within the subject properties and other comparable properties.

Direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

Fair value of commercial properties, residential properties and carpark under development is generally derived using the residual method. This valuation method is essentially a means of valuing the completed properties by reference to its development potential by deducting development costs together with developer's profit and risk from the estimated capital value of the proposed development assuming completed as at the date of valuation.

As at 30 June 2015 and 2014, all investment properties are included in level 3 fair value hierarchy.

There were no changes to the valuation techniques during the year and there were no transfers between fair value hierarchy during the year.

Information about fair value measurements using significant unobservable inputs:

			Range of significant unobservable inputs		
	2015 Fair value HK$m	Valuation techniques	Prevailing market rents per month	Unit price	Capitalisation rate
Completed investment properties					
Hong Kong					
Commercial	**33,708.4**	Income capitalisation	HK$14–HK$480 per square feet	N/A	1.6%–7.5%
Carparks	**1,487.7**	Income capitalisation	HK$3,200–HK$5,600 per carpark space	N/A	4.5%–6.5%
Mainland China					
Commercial	**14,594.0**	Income capitalisation	HK$29–HK$286 per square metre	N/A	3.0%–8.5%
Carparks	**5,919.4**	Direct comparison	N/A	HK$81,000–HK$481,000 per carpark space	N/A
Residential	**2,935.1**	Income capitalisation	HK$11–HK$208 per square metre	N/A	4.0%–15.0%
Total	**58,644.6**				

16 INVESTMENT PROPERTIES (continued)

Valuation techniques (continued)

	2015 Fair value HK$m	Valuation techniques	Range of significant unobservable inputs: Unit price	Range of significant unobservable inputs: Estimated developer's profit and risk margins
Investment properties under development				
Commercial	**31,573.3**	Residual	HK$1,750–HK$53,500 per square feet	5.0%–25.0%
Carparks	**1,323.3**	Residual	HK$125,000–HK$262,500 per carpark space	0.3%–5.0%
Residential	**83.8**	Residual	HK$14,400 per square metre	7.0%
Total	**32,980.4**			

	2014 Fair value HK$m	Valuation techniques	Range of significant unobservable inputs: Prevailing market rents per month	Range of significant unobservable inputs: Unit price	Range of significant unobservable inputs: Capitalisation rate
Completed investment properties					
Hong Kong					
Commercial	29,396.6	Income capitalisation	HK$13–HK$435 per square feet	N/A	1.6%–7.5%
Carparks	1,279.0	Income capitalisation	HK$2,800–HK$4,750 per carpark space	N/A	4.3%–6.5%
Mainland China					
Commercial	15,275.1	Income capitalisation	HK$23–HK$267 per square metre	N/A	4.0%–8.8%
Carparks	4,559.1	Direct comparison	N/A	HK$81,000–HK$437,000 per carpark space	N/A
Residential	2,680.8	Income capitalisation	HK$14–HK$202 per square metre	N/A	4.0%–15.0%
Total	53,190.6				

16 INVESTMENT PROPERTIES (continued)

Valuation techniques (continued)

	2014 Fair value HK$m	Valuation techniques	Range of significant unobservable inputs: Unit price	Range of significant unobservable inputs: Estimated developer's profit and risk margins
Investment properties under development				
Commercial	23,140.1	Residual	HK$1,000–HK$21,500 per square feet	2.0%–13.0%
Carparks	974.3	Residual	HK$125,000–HK$238,000 per carpark space	2.0%–5.0%
Residential	79.6	Residual	HK$16,300 per square metre	11.0%
Total	24,194.0			

Prevailing market rents are estimated based on independent valuers' view of recent lettings, within the subject properties and other comparable properties. The higher the rents, the higher the fair value.

Capitalisation rates and developer's profit and risk margins are estimated by independent valuers based on the risk profile of the properties being valued and the market conditions. The lower the rates and the margins, the higher the fair value.

At 30 June 2015, the aggregate fair value of investment properties pledged as securities for the Group's borrowings amounted to HK$31,881.0 million (2014: HK$31,420.7 million) (note 39).

17 PROPERTY, PLANT AND EQUIPMENT

	Leasehold land HK$m	Buildings HK$m	Others (note (a)) HK$m	Assets under construction HK$m	Total HK$m
Cost					
At 1 July 2014	**2,955.8**	**7,776.4**	**11,918.2**	**6,475.5**	**29,125.9**
Translation differences	**–**	**(15.1)**	**(5.8)**	**(1.8)**	**(22.7)**
Acquisition of a subsidiary	**–**	**12.9**	**23.9**	**–**	**36.8**
Additions	**10.5**	**178.5**	**1,109.9**	**3,220.2**	**4,519.1**
Transfer between property, plant and equipment and investment properties	**187.1**	**318.7**	**(66.7)**	**–**	**439.1**
Transfer between property, plant and equipment, properties for/under development and properties held for sale	**–**	**102.1**	**–**	**377.6**	**479.7**
Transfer upon completion	**–**	**3,332.5**	**89.5**	**(3,422.0)**	**–**
Disposal of subsidiaries	**(656.1)**	**(614.8)**	**(1,047.2)**	**–**	**(2,318.1)**
Disposals	**(81.1)**	**(99.6)**	**(524.2)**	**–**	**(704.9)**
Transfer between property, plant and equipment and non-current assets classified as assets held for sale	**–**	**–**	**(35.1)**	**–**	**(35.1)**
At 30 June 2015	**2,416.2**	**10,991.6**	**11,462.5**	**6,649.5**	**31,519.8**
Accumulated depreciation and impairment					
At 1 July 2014	**522.5**	**2,344.4**	**7,968.2**	**–**	**10,835.1**
Translation differences	**–**	**(5.9)**	**(5.6)**	**–**	**(11.5)**
Transfer between property, plant and equipment and investment properties	**(5.9)**	**(24.7)**	**(18.9)**	**–**	**(49.5)**
Depreciation	**46.8**	**374.1**	**883.4**	**–**	**1,304.3**
Impairment	**–**	**408.8**	**123.2**	**–**	**532.0**
Disposal of subsidiaries	**(242.9)**	**(391.2)**	**(421.5)**	**–**	**(1,055.6)**
Disposals	**–**	**(88.6)**	**(408.8)**	**–**	**(497.4)**
Transfer between property, plant and equipment and non-current assets classified as assets held for sale	**–**	**–**	**(21.4)**	**–**	**(21.4)**
At 30 June 2015	**320.5**	**2,616.9**	**8,098.6**	**–**	**11,036.0**
Net book value (note (b))					
At 30 June 2015	**2,095.7**	**8,374.7**	**3,363.9**	**6,649.5**	**20,483.8**

17 PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land HK$m	Buildings HK$m	Others (note (a)) HK$m	Assets under construction HK$m	Total HK$m
Cost					
At 1 July 2013	2,956.9	7,600.4	10,714.5	4,254.5	25,526.3
Translation differences	–	(55.4)	(53.4)	(19.1)	(127.9)
Acquisition of subsidiaries	–	145.6	43.1	–	188.7
Additions	–	49.0	1,168.8	3,250.7	4,468.5
Transfer between property, plant and equipment and investment properties	–	(27.2)	(7.2)	(86.2)	(120.6)
Transfer between property, plant and equipment and land use rights	–	(194.4)	–	(27.4)	(221.8)
Transfer between property, plant and equipment, properties for/under development and properties held for sale	–	184.9	–	–	184.9
Transfer upon completion	–	419.9	477.1	(897.0)	–
Disposal of subsidiaries	–	(78.8)	(42.4)	–	(121.2)
Disposals	(1.1)	(267.6)	(382.3)	–	(651.0)
At 30 June 2014	2,955.8	7,776.4	11,918.2	6,475.5	29,125.9
Accumulated depreciation and impairment					
At 1 July 2013	483.6	2,301.3	7,418.5	–	10,203.4
Translation differences	–	(16.1)	(38.2)	–	(54.3)
Transfer between property, plant and equipment and investment properties	–	(2.0)	(1.9)	–	(3.9)
Depreciation	39.3	309.9	993.7	–	1,342.9
Impairment	–	–	4.1	–	4.1
Disposal of subsidiaries	–	(43.3)	(41.7)	–	(85.0)
Disposals	(0.4)	(205.4)	(366.3)	–	(572.1)
At 30 June 2014	522.5	2,344.4	7,968.2	–	10,835.1
Net book value (note (b))					
At 30 June 2014	2,433.3	5,432.0	3,950.0	6,475.5	18,290.8

Notes:

(a) Others mainly represented leasehold improvements for department stores, plant and machinery, motor vehicles, furniture and fixtures, office equipment, computer and telecommunication equipment and systems.

(b) As at 30 June 2015, the aggregate net book value of property, plant and equipment pledged as securities for the Group's borrowings amounted to HK$3,464.8 million (2014: HK$3,558.1 million) (note 39).

18 LAND USE RIGHTS

	2015 HK$m	2014 HK$m
At beginning of the year	**2,374.7**	2,206.8
Translation differences	**–**	(28.2)
Acquisition of a subsidiary	**24.7**	64.4
Additions	**116.0**	–
Transfer between land use rights and properties under development	**14.3**	17.6
Transfer between land use rights and investment properties	**(92.6)**	(11.4)
Transfer between land use rights and property, plant and equipment	**–**	221.8
Disposal of a subsidiary	**–**	(10.0)
Amortisation	**(93.7)**	(86.3)
At end of the year	**2,343.4**	2,374.7

Interests in land use rights represent prepaid operating lease payments.

As at 30 June 2015, the aggregate net book value of land use rights pledged as securities for the Group's borrowings amounted to HK$340.2 million (2014: HK$331.8 million) (note 39).

19 INTANGIBLE CONCESSION RIGHTS

	2015 HK$m	2014 HK$m
Cost		
At beginning of the year	**18,731.9**	18,981.2
Translation differences	**–**	(249.3)
Additions	**43.3**	–
At end of the year	**18,775.2**	18,731.9
Accumulated amortisation and impairment		
At beginning of the year	**3,147.5**	2,439.8
Translation differences	**–**	(50.5)
Amortisaton	**829.9**	758.2
At end of the year	**3,977.4**	3,147.5
Net book value		
At end of the year	**14,797.8**	15,584.4

As at 30 June 2015, the aggregate net book value of intangible concession rights pledged as securities of the Group's borrowings amounted to HK$14,253.7 million (2014: HK$14,980.8 million) (note 39).

20 INTANGIBLE ASSETS

	Goodwill HK$m	Trademarks HK$m	Hotel management contracts HK$m	Process, technology and know-how HK$m	Customer relationships HK$m	Operating rights HK$m	Total HK$m
Cost							
At 1 July 2014	**2,950.7**	**678.5**	**488.6**	**38.9**	**544.8**	**634.8**	**5,336.3**
Acquisition of subsidiaries	**81.4**	**–**	**–**	**–**	**–**	**0.7**	**82.1**
Transfer between intangible assets and non-current assets classified as assets held for sale	**(335.1)**	**(678.5)**	**(488.6)**	**(38.9)**	**(544.8)**	**–**	**(2,085.9)**
At 30 June 2015	**2,697.0**	**–**	**–**	**–**	**–**	**635.5**	**3,332.5**
Accumulated amortisation and impairment							
At 1 July 2014	**318.9**	**–**	**100.2**	**11.4**	**79.4**	**163.9**	**673.8**
Amortisation	**–**	**–**	**23.6**	**3.9**	**27.2**	**31.4**	**86.1**
Impairment	**44.1**	**–**	**56.4**	**–**	**–**	**–**	**100.5**
Transfer between intangible assets and non-current assets classified as assets held for sale	**(89.9)**	**–**	**(180.2)**	**(15.3)**	**(106.6)**	**–**	**(392.0)**
At 30 June 2015	**273.1**	**–**	**–**	**–**	**–**	**195.3**	**468.4**
Net book value							
At 30 June 2015	**2,423.9**	**–**	**–**	**–**	**–**	**440.2**	**2,864.1**

20 INTANGIBLE ASSETS (continued)

	Goodwill HK$m	Trademarks HK$m	Hotel management contracts HK$m	Process, technology and know-how HK$m	Customer relationships HK$m	Operating rights HK$m	Total HK$m
Cost							
At 1 July 2013	2,340.1	614.9	428.1	38.9	544.8	634.8	4,601.6
Translation differences	(20.0)	–	–	–	–	–	(20.0)
Acquisition of subsidiaries	630.6	63.6	60.5	–	–	–	754.7
At 30 June 2014	2,950.7	678.5	488.6	38.9	544.8	634.8	5,336.3
Accumulated amortisation and impairment							
At 1 July 2013	228.9	–	41.0	7.5	52.2	132.7	462.3
Amortisation	–	–	23.3	3.9	27.2	31.2	85.6
Impairment	90.0	–	35.9	–	–	–	125.9
At 30 June 2014	318.9	–	100.2	11.4	79.4	163.9	673.8
Net book value							
At 30 June 2014	2,631.8	678.5	388.4	27.5	465.4	470.9	4,662.5

Impairment test for goodwill

An operating segment level summary of the goodwill allocation is presented below:

	2015		
	Hong Kong HK$m	**Mainland China HK$m**	**Total HK$m**
Property development	**–**	**14.2**	**14.2**
Property investment	**–**	**285.1**	**285.1**
Service and infrastructure	**849.3**	**–**	**849.3**
Hotel operations	**–**	**9.2**	**9.2**
Department stores	**–**	**1,169.4**	**1,169.4**
Others	**96.7**	**–**	**96.7**
	946.0	**1,477.9**	**2,423.9**

20 INTANGIBLE ASSETS (continued)

Impairment test for goodwill (continued)

	2014			
	Hong Kong HK$m	Mainland China HK$m	Others HK$m	Total HK$m
Property development	–	14.2	–	14.2
Property investment	–	285.1	–	285.1
Service and infrastructure	849.3	–	–	849.3
Hotel operations	–	9.2	245.1	254.3
Department stores	–	1,168.2	–	1,168.2
Others	60.7	–	–	60.7
	910.0	1,476.7	245.1	2,631.8

Goodwill is allocated to the Group's cash generating units identified according to country of operation and business segment.

For the purpose of impairment test, the recoverable amount of the business unit is determined based on either fair value less costs to sell or value-in-use calculations whichever is higher. The key assumptions adopted on growth rates and discount rates used in the value-in-use calculations are based on management best estimates and past experience.

For the segment of property investment, growth rates 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 segment, which was 13.6% (2014: 15.6%).

For the segment of service and infrastructure, growth rates being 0% (2014: 0% to 2%) are determined by considering both internal and external factors relating to the relevant segment. Discount rates used also reflect specific risks relating to the relevant segment, which were 6.3% (2014: 6.2%).

The segment of hotel operations includes hotel operations and hotel management services. The growth rates of hotel operation of 3.5% (2014: 3.5%) are determined by considering both internal and external factors relating to the relevant segment. Discount rates used also reflect specific risks relating to the relevant segment, which ranged from 3.4% to 7.5% (2014: 5.1% to 7.5%).

For hotel management services in 2014, the key assumptions adopted on growth rates and discount rates used in the value-in-use calculations were based on management best estimates. A financial budget of five-year with growth rates ranging from 23% to 83% were determined by considering both internal and external factors relating to the relevant segment and the hotel management contracts in the pipeline. Cash flows beyond the five-year period were extrapolated using the estimated growth rates of 3%. Discount rate used also reflect specific risks relating to the relevant segment, which was 18.2%.

For the segment of department stores, estimated long-term growth rates of 5% (2014: 5%) are determined by considering both internal and external factors relating to the relevant segment. Discount rates used are post-tax and reflect specific risks relating to the relevant segment, which were 13.6% (2014: 15.6%).

21 INTERESTS IN JOINT VENTURES

	2015 HK$m	2014 HK$m
Equity joint ventures/joint ventures in wholly foreign owned enterprises		
Group's share of net assets	**5,696.4**	5,470.4
Goodwill on acquisition	**2.2**	2.2
Amounts receivable less provision (note (a))	**2,380.8**	2,291.9
	8,079.4	7,764.5
Co-operative joint ventures		
Cost of investment less provision	**6,838.5**	6,939.1
Share of undistributed post-acquisition results	**3,324.8**	3,012.0
Amounts receivable less provision (note (a))	**4,768.2**	3,750.3
	14,931.5	13,701.4
Companies limited by shares		
Group's share of net assets	**12,047.8**	11,526.8
Goodwill on acquisition	**1,475.5**	1,475.5
Amounts receivable less provision (note (a))	**12,917.7**	10,659.4
	26,441.0	23,661.7
Deposits paid for a joint venture	**–**	620.6
	49,451.9	45,748.2

Notes:

(a) Amounts receivable less provision are analysed as follows:

	2015 HK$m	2014 HK$m
Interest bearing		
Fixed rates (note (i))	**862.5**	483.8
Floating rates (note (ii))	**2,965.1**	5,284.4
Non-interest bearing	**16,239.1**	10,933.4
	20,066.7	16,701.6

(i) Carry interest rates ranging from 8.5% to 10.0% (2014: 8.5% to 10.0%) per annum.

(ii) Carry interest rates ranging from 2.0% over HIBOR to People's Bank of China rate (2014: 0.875% over HIBOR to People's Bank of China rate) per annum.

These amounts are unsecured. Their carrying amounts are not materially different from their fair values.

The amounts receivable form part of the Group's interests in joint ventures.

21 INTERESTS IN JOINT VENTURES (continued)

Notes: (continued)

(b) There is no joint venture that is individually material to the Group. The Group's share of results of the joint ventures are as follows:

	2015 HK$m	2014 HK$m
For the year ended 30 June		
Profit for the year	**4,319.2**	1,994.5
Other comprehensive income for the year	**(221.0)**	(358.7)
Total comprehensive income for the year	**4,098.2**	1,635.8

(c) Management regularly reviews whether there are any indications of impairments of the Group's interests in joint ventures based on value-in-use calculations. An impairment loss of HK$300.0 million was made for the Group's interest in Guangzhou Dongxin Expressway for the year ended 30 June 2015. Aside from this, management is of the view that there is no other impairment of the Group's interests in joint ventures as at 30 June 2015.

(d) Details of principal joint ventures are stated in note 50.

22 INTERESTS IN ASSOCIATED COMPANIES

	2015 HK$m	2014 HK$m
Group's share of net assets		
Hong Kong listed shares	**4,985.2**	7,694.1
Overseas listed shares	**1,081.0**	–
Unlisted shares	**8,621.5**	6,625.6
	14,687.7	14,319.7
Goodwill	**794.7**	794.7
Amounts receivable less provision (note (a))	**2,249.3**	1,879.6
	17,731.7	16,994.0
Market value of listed shares (note (b))	**6,396.2**	4,722.4

Notes:

(a) Amounts receivable less provision are analysed as follows:

	2015 HK$m	2014 HK$m
Interest bearing		
Fixed rate (note (i))	**148.5**	143.5
Floating rate (note (ii))	**967.8**	850.3
Non-interest bearing	**1,133.0**	885.8
	2,249.3	1,879.6

(i) Carry interest rate ranging from 6.0% to 8.0% (2014: 6.0% to 8.0%) per annum.

(ii) Carry interest rate ranging from 1.3% over HIBOR to 2.75% over LIBOR (2014: 0.58% over HIBOR to 1.3% over HIBOR) per annum.

The amounts were unsecured and not repayable within 12 months. Their carrying amounts were not materially different from their fair values.

22 INTERESTS IN ASSOCIATED COMPANIES (continued)

Notes: (continued)

(b) The market value of the Group's listed associated companies in Hong Kong and overseas amounted to HK$6,396.2 million (2014: HK$4,722.4 million). Management regularly reviews whether there are any indications of impairments of the Group's interests in associated companies based on value-in-use calculations. An impairment loss of HK$1,779.4 million was made for the Group's interest in Newton Resources Ltd, a listed associated company, for the year ended 30 June 2015. Aside from this, management is of the view that there is no other impairment of the Group's interests in associated companies as at 30 June 2015.

(c) There is no associated company that is individually material to the Group. The Group's share of results of the associated companies are as follows:

	2015 HK$m	2014 HK$m
For the year ended 30 June		
(Loss)/profit for the year	**(661.9)**	1,102.0
Other comprehensive income for the year	**(82.3)**	(44.7)
Total comprehensive income for the year	**(744.2)**	1,057.3

(d) Details of principal associated companies are stated in note 51.

23 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2015 HK$m	2014 HK$m
Equity securities		
Unlisted shares and investments, at fair value	**3,793.4**	2,880.1
Listed shares, at market value		
Hong Kong	**2,466.4**	587.2
Overseas	**405.2**	1,017.7
Debt securities		
Listed debentures in Hong Kong, at market value	**244.2**	244.4
	6,909.2	4,729.4

The fair value of unlisted securities are based on cash flows discounted using a rate based on the market interest rates and the risk premium specific to the unlisted securities.

23 AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

The available-for-sale financial assets are denominated in the following currencies:

	2015 HK$m	2014 HK$m
Hong Kong dollar	**4,457.0**	2,471.3
Renminbi	**1,217.6**	384.0
United States dollar	**1,180.2**	1,079.6
South African rand	**–**	736.6
Others	**54.4**	57.9
	6,909.2	4,729.4

24 HELD-TO-MATURITY INVESTMENTS

	2015 HK$m	2014 HK$m
Debt securities		
Unlisted debentures	**41.4**	40.9

25 DERIVATIVE FINANCIAL INSTRUMENTS

	2015 HK$m	2014 HK$m
Non-current assets		
Others	**39.5**	39.5
	39.5	39.5
Current assets		
Foreign exchange and interest rate swaps	**11.1**	25.8
Others	**19.3**	19.3
	30.4	45.1
	69.9	84.6
Non-current liabilities		
Foreign exchange and interest rate swaps	**(847.4)**	(864.6)

The total notional principal amounts of the outstanding derivative financial instruments as at 30 June 2015 was HK$10,617.4 million (2014: HK$11,789.7 million).

26 PROPERTIES FOR DEVELOPMENT

At 30 June 2015, the aggregate carrying value of properties for development pledged as securities for the Group's borrowings amounted to HK$1,051.7 million (2014: HK$923.3 million) (note 39).

27 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when taxes relate to the same taxation authority and where offsetting is legally enforceable. The following amounts, determined after appropriate offsetting, are shown separately on the consolidated statement of financial position.

	2015 HK$m	2014 HK$m
Deferred tax assets	**673.3**	764.7
Deferred tax liabilities	**(9,288.0)**	(9,011.9)
	(8,614.7)	(8,247.2)
At beginning of the year	**(8,247.2)**	(7,573.0)
Translation differences	**(29.2)**	51.5
Acquisition of subsidiaries	**(7.0)**	(472.2)
Disposal of subsidiaries	**30.3**	–
Transfer to current tax payable	**4.2**	27.3
Transfer to non-current assets classified as assets held for sale	**(34.0)**	–
Charged to consolidated income statement (note 11)	**(266.3)**	(379.8)
(Charged)/credited to reserves	**(65.5)**	99.0
At end of the year	**(8,614.7)**	(8,247.2)

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

Deferred tax assets

	Provisions		Accelerated accounting depreciation		Tax losses		Unrealised intra-group profit		Other items		Total	
	2015 HK$m	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m
At beginning of the year	**36.6**	28.1	**8.0**	12.0	**488.4**	547.8	**139.3**	265.6	**257.6**	253.3	**929.9**	1,106.8
Translation differences	**(0.5)**	(2.6)	**–**	2.0	**(11.1)**	(22.0)	**–**	–	**–**	(1.0)	**(11.6)**	(23.6)
Acquisition of subsidiaries	**–**	16.2	**–**	–	**–**	16.4	**–**	–	**–**	–	**–**	32.6
Transfer to non-current assets classified as assets held for sale	**–**	–	**–**	–	**(9.9)**	–	**–**	–	**–**	–	**(9.9)**	–
(Charged)/credited to consolidated income statement	**(16.1)**	(5.1)	**(6.6)**	(6.0)	**6.1**	(53.8)	**(68.2)**	(126.3)	**(14.7)**	5.3	**(99.5)**	(185.9)
At end of the year	**20.0**	36.6	**1.4**	8.0	**473.5**	488.4	**71.1**	139.3	**242.9**	257.6	**808.9**	929.9

27 DEFERRED TAXATION (continued)

Deferred tax liabilities

	Accelerated tax depreciation		Valuation of properties		Fair value adjustments of properties on acquisitions		Amortisation of intangible concession rights		Undistributed profits of subsidiaries, joint ventures and associated companies		Other items		Total	
	2015 HK$m	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m
At beginning of the year	**(2,623.3)**	(2,635.6)	**(1,423.4)**	(1,295.1)	**(1,907.4)**	(1,437.6)	**(2,260.9)**	(2,378.8)	**(769.9)**	(643.3)	**(192.2)**	(289.4)	**(9,177.1)**	(8,679.8)
Translation differences	**(1.7)**	0.1	**0.1**	16.5	**0.1**	18.9	**–**	28.6	**(0.1)**	9.6	**(16.0)**	1.4	**(17.6)**	75.1
Acquisition of subsidiaries	**(1.0)**	(1.0)	**–**	–	**(5.7)**	(503.8)	**–**	–	**(0.3)**	–	**–**	–	**(7.0)**	(504.8)
Disposal of subsidiaries	**29.0**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1.3**	–	**30.3**	–
Transfer to current tax payable	**–**	–	**–**	–	**–**	–	**–**	–	**4.2**	27.3	**–**	–	**4.2**	27.3
Transfer to non-current assets classified as assets held for sale	**(24.1)**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**(24.1)**	–
(Charged)/credited to consolidated income statement	**(83.3)**	13.2	**(178.5)**	(143.8)	**43.7**	15.1	**117.5**	89.3	**(42.5)**	(163.5)	**(23.7)**	(4.2)	**(166.8)**	(193.9)
(Charged)/credited to reserves	**–**	–	**(7.5)**	(1.0)	**–**	–	**–**	–	**–**	–	**(58.0)**	100.0	**(65.5)**	99.0
At end of the year	**(2,704.4)**	(2,623.3)	**(1,609.3)**	(1,423.4)	**(1,869.3)**	(1,907.4)	**(2,143.4)**	(2,260.9)	**(808.6)**	(769.9)	**(288.6)**	(192.2)	**(9,423.6)**	(9,177.1)

Deferred tax assets are recognised for tax loss carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of HK$17,961.5 million (2014: HK$16,198.2 million) to carry forward for offsetting against future taxable income. These tax losses have no expiry dates except for the tax losses of HK$3,494.8 million (2014: HK$2,875.6 million) which will expire at various dates up to and including 2020 (2014: 2019).

For the investment properties that are located outside Hong Kong, they are held by certain subsidiaries with a business model to consume substantially all the economic benefits embodied in the investment properties over time, rather than through sale, the presumption is rebutted and related deferred tax continues to be determined based on recovery of use. For the remaining investment properties, the tax consequence is on the presumption that they are recovered entirely by sale.

As at 30 June 2015, the aggregate amount of temporary differences associated with interests in subsidiaries and joint ventures for which deferred tax liabilities have not been recognised totalled approximately HK$9.2 billion (2014: HK$7.4 billion), as the directors consider that the timing of reversal of the related temporary differences can be controlled and the temporary differences will not be reversed in the foreseeable future.

28 OTHER NON-CURRENT ASSETS

	2015 HK$m	2014 HK$m
Retirement benefit assets	**0.1**	8.0
Long-term receivables (note)	**239.0**	56.8
Long-term prepayments and deposits	**1,531.3**	1,507.7
	1,770.4	1,572.5

Note:

	2015 HK$m	2014 HK$m
Other loans	**243.2**	61.0
Amounts receivable within one year included in debtors and prepayments	**(4.2)**	(4.2)
	239.0	56.8

29 PROPERTIES UNDER DEVELOPMENT

At 30 June 2015, the aggregate carrying value of properties under development pledged as securities for the Group's borrowings amounted to HK$10,382.7 million (2014: HK$18,499.2 million) (note 39).

	2015 HK$m	2014 HK$m
Properties under development		
Expected to be completed and available for sale after more than 12 months	**23,346.0**	33,270.8
Expected to be completed and available for sale within 12 months	**28,232.4**	15,442.6
	51,578.4	48,713.4

30 INVENTORIES

	2015 HK$m	2014 HK$m
Raw materials	**27.7**	27.8
Finished goods	**679.8**	533.2
	707.5	561.0

31 DEBTORS AND PREPAYMENTS

	2015 HK$m	2014 HK$m
Trade debtors (note (a))	**4,901.8**	6,442.4
Amounts due from customers for contract work (note 34)	**154.8**	251.0
Retention receivable for contract work	**932.0**	717.6
Payment for purchase of land and land preparatory costs	**5,338.2**	5,019.0
Deposits, prepayments and other debtors	**8,035.4**	10,396.9
Amounts due from associated companies (note (f))	**1,582.4**	70.3
Amounts due from joint ventures (note (g))	**283.3**	360.9
	21,227.9	23,258.1

Notes:

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

Aging analysis of trade debtors based on invoice date is as follows:

	2015 HK$m	2014 HK$m
Current to 30 days	**2,859.5**	3,751.6
31 to 60 days	**595.1**	731.1
Over 60 days	**1,447.2**	1,959.7
	4,901.8	6,442.4

There is no concentration of credit risk with respect to trade debtors as the customer bases are widely dispersed in different sectors and industries.

(b) At 30 June 2015, trade debtors of HK$1,716.6 million (2014: HK$2,881.1 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade debtors is as follows:

	2015 HK$m	2014 HK$m
Current to 30 days	**767.2**	1,275.2
31 to 60 days	**42.5**	483.6
Over 60 days	**906.9**	1,122.3
	1,716.6	2,881.1

At 30 June 2015, trade debtors of HK$56.6 million (2014: HK$34.8 million) were impaired. The aging analysis of these debtors is as follows:

	2015 HK$m	2014 HK$m
Current to 30 days	**0.9**	0.7
31 to 60 days	**0.6**	1.0
Over 60 days	**55.1**	33.1
	56.6	34.8

31 DEBTORS AND PREPAYMENTS (continued)

Notes: (continued)

(c) Movements on the provision for impairment of trade debtors are as follows:

	2015 HK$m	2014 HK$m
At beginning of the year	**34.8**	62.3
Translation differences	**–**	(1.1)
Increase in provision recognised in consolidated income statement	**26.8**	44.0
Amounts recovered	**(0.5)**	(1.9)
Amounts written off during the year	**(4.5)**	(68.5)
At end of the year	**56.6**	34.8

(d) The carrying amounts of the debtors and prepayments, which approximate to their fair values, are denominated in the following currencies:

	2015 HK$m	2014 HK$m
Renminbi	**12,448.3**	15,103.2
Hong Kong dollar	**6,716.0**	7,642.5
United States dollar	**1,875.0**	267.5
Others	**188.6**	244.9
	21,227.9	23,258.1

(e) Except for certain collaterals held as securities for other debtors, the Group does not hold other collateral as securities for the debtors and prepayments. The maximum exposure to credit risk at the end of the reporting period is the carrying value mentioned above.

(f) As at 30 June 2015, the amounts due from associated companies of the Group are interest free, unsecured and repayable on demand except for an aggregate amount of HK$1,038.0 million (2014: Nil) due from an associated company which bears interest at LIBOR plus a margin of 2.2% to 2.75% per annum.

(g) As at 30 June 2015, the amounts due from joint ventures of the Group are interest free, unsecured and repayable on demand except for an aggregate amount of HK$30.3 million (2014: HK$30.3 million) due from a joint venture which bears interest at 10.0% (2014: 10.0%) per annum.

32 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 HK$m	2014 HK$m
Non-current assets		
Unlisted equity securities, at fair value	**847.0**	428.9
Listed shares in Hong Kong, at market value	**–**	178.7
	847.0	607.6
Current assets		
Unlisted equity securities, at fair value	**0.2**	0.6
Total	**847.2**	608.2
Representing:		
Held for trading	**0.2**	179.3
Designated as financial assets at fair value through profit or loss	**847.0**	428.9
Total	**847.2**	608.2

32 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The financial assets at fair value through profit or loss are denominated in the following currencies:

	2015 HK$m	2014 HK$m
United States dollar	**767.0**	336.2
Renminbi	**57.9**	71.0
Hong Kong dollar	**–**	178.7
Others	**22.3**	22.3
	847.2	608.2

33 CASH AND BANK BALANCES

	2015 HK$m	2014 HK$m
Cash at banks and on hand	**22,954.4**	28,128.7
Bank deposits – unrestricted	**36,397.3**	33,597.1
	59,351.7	61,725.8
Bank deposits – restricted	**113.5**	97.4
	59,465.2	61,823.2

The effective interest rates on bank deposits range from 0.001% to 5.3% (2014: 0.001% to 4.41%) per annum and these deposits have maturities ranging from 1 to 731 days (2014: 1 to 1,096 days).

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

	2015 HK$m	2014 HK$m
Hong Kong dollar	**26,009.0**	28,098.4
Renminbi	**25,451.4**	22,210.1
United States dollar	**7,755.3**	11,290.3
Others	**249.5**	224.4
	59,465.2	61,823.2

Restricted bank deposits are funds which are pledged to secure certain borrowings (note 39) and interest rate swaps.

The conversion of Renminbi denominated balances into foreign currencies and the remittance of 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.

34 AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

	2015 HK$m	2014 HK$m
Contract costs incurred plus attributable profits less foreseeable losses	**27,614.9**	19,766.0
Progress payments received and receivable	**(28,310.4)**	(20,268.8)
	(695.5)	(502.8)
Representing:		
Gross amounts due from customers for contract work (note 31)	**154.8**	251.0
Gross amounts due to customers for contract work (note 41)	**(850.3)**	(753.8)
	(695.5)	(502.8)

35 NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE

Non-current assets classified as assets held for sale

	2015 HK$m	2014 HK$m
Listed securities		
Equity securities listed in Hong Kong	**7.8**	7.8
Investment properties	**257.0**	131.1
Interest in an associated company	**–**	384.1
Assets of the Disposal Group classified as held for sale (note)	**2,097.8**	–
	2,362.6	523.0

Liabilities directly associated with non-current assets classified as assets held for sale

	2015 HK$m	2014 HK$m
Liabilities of the Disposal Group classified as held for sale (note)	**927.9**	–

35 NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE (continued)

Note:

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

As at 30 June 2015, the assets and liabilities related to the Disposal Group have been classified as assets held for sale and liabilities directly associated with assets held for sale.

	2015 HK$m
Assets	
Property, plant and equipment	**13.7**
Intangible assets	**1,693.9**
Debtors and prepayments	**191.2**
Cash and bank balances	**165.0**
Deferred tax assets	**34.0**
Assets of the Disposal Group classified as held for sale	**2,097.8**
Liabilities	
Long-term borrowings	**818.1**
Creditors and accrued charges	**92.9**
Current tax payable	**16.9**
Liabilities of the Disposal Group classified as held for sale	**927.9**

36 SHARE CAPITAL

	2015		2014	
	Number of shares (million)	**HK$m**	Number of shares (million)	HK$m
Issued and fully paid:				
At beginning of the year	**8,664.0**	**63,761.3**	6,311.6	6,311.6
Issue of new shares as scrip dividends (note (a))	**316.8**	**2,802.0**	204.2	694.7
Issue of new shares upon exercise of share options	**16.1**	**148.3**	0.4	0.4
Transition to no par value regime on 3 March 2014 (note (b))	**–**	**–**	–	43,639.0
Issue of rights shares (note (c))	**–**	**–**	2,147.8	13,115.6
At end of the year	**8,996.9**	**66,711.6**	8,664.0	63,761.3

Notes:

(a) During the year ended 30 June 2015, 228,402,355 and 88,364,122 new shares were issued by the Company at HK$8.7210 and HK$9.1675 per share respectively for the settlement of 2014 final scrip dividends and 2015 interim scrip dividends. During the year ended 30 June 2014, 131,422,824 and 72,806,431 new shares were issued by the Company at HK$9.9446 and HK$7.7368 per share respectively for the settlement of 2013 final scrip dividends and 2014 interim scrip dividends.

(b) In accordance with the transitional provisions set out in section 37 of Schedule 11 to Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, any amount standing to the credit of the share premium account and the capital redemption reserve have become part of the Company's share capital.

(c) During the year ended 30 June 2014, 2,147,800,806 new shares were issued and allotted under the rights issue at the subscription price of HK$6.20 each on the basis of one rights share for every three shares held by the shareholders on 31 March 2014.

37 NON-CONTROLLING INTERESTS

The total non-controlling interests as at 30 June 2015 is HK$43,439.4 million (2014: HK$40,468.2 million), of which HK$18,051.3 million (2014: HK$16,945.4 million) is attributable to NWSH and HK$19,364.3 million (2014: HK$18,360.2 million) is attributed to NWCL. The total comprehensive income attributable to non-controlling interests for the year ended 30 June 2015 is HK$7,727.0 million (2014: HK$2,966.1 million), of which HK$1,709.7 million (2014: HK$1,203.6 million) is attributable to NWSH, HK$1,047.0 million (2014: HK$1,306.1 million) is attributable to NWCL and HK$4,935.3 million (2014: Nil) is attributable to the gain on partial disposal of interests in two hotels, namely Grand Hyatt Hong Kong and Renaissance Harbour View Hotel, Hong Kong (note 8). The non-controlling interests in respect of other subsidiaries are not material to the Group.

Set out below is the summarised financial information for NWSH and NWCL which are subsidiaries with material non-controlling interests to the Group.

Summarised consolidated statements of financial position extracted from annual report of the respective companies as at 30 June 2015 and 2014 are as follows:

	NWSH		NWCL	
	2015 HK$m	2014 HK$m	**2015 HK$m**	2014 HK$m
Non-current assets	**55,305.8**	55,135.5	**67,402.7**	61,912.2
Current assets	**19,847.8**	16,418.6	**67,024.8**	59,013.9
Total assets	**75,153.6**	71,554.1	**134,427.5**	120,926.1
Current liabilities	**12,748.9**	13,516.4	**31,898.0**	31,129.2
Non-current liabilities	**16,217.0**	14,994.3	**37,910.7**	28,478.3
Net assets	**46,187.7**	43,043.4	**64,618.8**	61,318.6
Non-controlling interests	**774.3**	827.0	**3,836.9**	3,566.1
Net assets after non-controlling interests	**45,413.4**	42,216.4	**60,781.9**	57,752.5

37 NON-CONTROLLING INTERESTS (continued)

Summarised consolidated statements of comprehensive income extracted from annual report of the respective companies for the year ended 30 June 2015 and 2014 are as follows:

	NWSH		NWCL	
	2015 HK$m	2014 HK$m	**2015 HK$m**	2014 HK$m
Revenues	**24,491.8**	21,443.0	**17,459.2**	21,850.1
Profit before taxation	**4,989.1**	4,987.8	**6,422.4**	9,107.1
Taxation	**(476.2)**	(605.3)	**(2,918.4)**	(4,167.1)
Profit for the year from continuing operations	**4,512.9**	4,382.5	**3,504.0**	4,940.0
Loss for the year from discontinued operation	**–**	–	**(34.0)**	(140.7)
Profit for the year	**4,512.9**	4,382.5	**3,470.0**	4,799.3
Other comprehensive income	**28.9**	(783.7)	**(59.7)**	(647.7)
Total comprehensive income	**4,541.8**	3,598.8	**3,410.3**	4,151.6
Non-controlling interests	**35.3**	47.5	**152.1**	151.7
Total comprehensive income after non-controlling interests	**4,506.5**	3,551.3	**3,258.2**	3,999.9
Dividends paid to non-controlling interests	**88.0**	58.4	**0.2**	23.6

Summarised consolidated statements of cash flows extracted from annual report of the respective companies for the year ended 30 June 2015 and 2014 are as follows:

	NWSH		NWCL	
	2015 HK$m	2014 HK$m	**2015 HK$m**	2014 HK$m
Net cash from/(used in) operating activities	**2,794.7**	3,165.0	**(1,770.5)**	1,245.8
Net cash from/(used in) investing activities	**2,385.6**	(1,601.8)	**(3,615.8)**	(4,046.3)
Net cash (used in)/from financing activities	**(2,393.6)**	(1,618.2)	**4,002.5**	1,098.9
Net increase/(decrease) in cash and cash equivalents	**2,786.7**	(55.0)	**(1,383.8)**	(1,701.6)
Translation differences	**–**	(73.8)	**(29.1)**	(284.0)
Cash and cash equivalents at beginning of the year	**7,619.0**	7,747.8	**17,351.6**	19,337.2
Cash and cash equivalents at end of the year	**10,405.7**	7,619.0	**15,938.7**	17,351.6

38 RESERVES

	Property revaluation reserve HK$m	Investment revaluation reserve HK$m	General reserve HK$m	Employees' share-based compensation reserve HK$m	Exchange reserve HK$m	Retained profits HK$m	Total HK$m
At 1 July 2014	3,435.8	1,492.3	1,077.5	338.9	6,956.1	82,746.4	96,047.0
Fair value changes of available-for-sale financial assets, net of taxation	–	311.7	–	–	–	–	311.7
Release of reserve upon disposal of available-for-sale financial assets	–	(101.8)	–	–	–	–	(101.8)
Employees' share-based payments	–	–	–	137.4	–	–	137.4
Share options lapsed	–	–	–	(10.1)	–	10.1	–
Acquisition of additional interests in subsidiaries	–	–	–	–	–	(1.4)	(1.4)
Release of reserves upon disposal of subsidiaries	–	–	(59.5)	–	(8.2)	58.0	(9.7)
Release of reserves upon partial disposal of interest in an associated company	–	(0.8)	(8.4)	–	(19.4)	–	(28.6)
Deemed disposal of interests in subsidiaries	–	–	–	–	–	(13.5)	(13.5)
Reversal of reserves upon reclassification of an available-for-sale financial asset as an associated company	–	408.2	–	–	31.6	–	439.8
Profit attributable to shareholders	–	–	–	–	–	19,112.0	19,112.0
Share of other comprehensive income of joint ventures and associated companies	–	8.3	(53.4)	–	(124.8)	(17.9)	(187.8)
Cash flow hedges	–	–	(0.7)	–	–	–	(0.7)
Remeasurement of post employment benefit obligation	–	–	(0.8)	–	–	3.0	2.2
Transfer of reserves	–	–	(197.6)	–	–	197.6	–
Revaluation of investment properties upon reclassification from property, plant and equipment and land use rights, net of taxation	289.7	–	–	–	–	–	289.7
Translation differences	–	–	–	–	(122.6)	–	(122.6)
2014 final dividend paid	–	–	–	–	–	(2,599.5)	(2,599.5)
2015 interim dividend paid	–	–	–	–	–	(1,067.2)	(1,067.2)
At 30 June 2015	3,725.5	2,117.9	757.1	466.2	6,712.7	98,427.6	112,207.0

38 RESERVES (continued)

	Capital redemption reserve HK$m	Share premium HK$m	Property revaluation reserve HK$m	Investment revaluation reserve HK$m	General reserve HK$m	Employees' share-based compensation reserve HK$m	Convertible bond capital reserve HK$m	Exchange reserve HK$m	Retained profits HK$m	Total HK$m
At 1 July 2013	37.7	42,422.5	3,433.7	1,949.8	1,120.2	390.5	804.9	7,882.1	74,777.6	132,819.0
Fair value changes of available-for-sale financial assets, net of taxation	–	–	–	(508.0)	–	–	–	–	–	(508.0)
Release of reserve upon disposal of available-for-sale financial assets	–	–	–	43.3	–	–	–	–	–	43.3
Release of investment revaluation deficit to the income statement upon impairment of available-for-sale financial assets	–	–	–	3.4	–	–	–	–	–	3.4
Redemption of convertible bond	–	–	–	–	–	–	(804.9)	–	804.9	–
Issue of new shares as scrip dividends	–	1,175.5	–	–	–	–	–	–	–	1,175.5
Issue of new shares upon exercise of share options	–	3.3	–	–	–	–	–	–	–	3.3
Employees' share-based payments	–	–	–	–	–	95.6	–	–	–	95.6
Share options lapsed	–	–	–	–	–	(147.2)	–	–	147.2	–
Acquisition of additional interests in subsidiaries	–	–	–	–	17.9	–	–	–	(3.8)	14.1
Release of reserve upon disposal of subsidiaries	–	–	–	–	–	–	–	(59.1)	–	(59.1)
Release of reserves upon deemed disposal of interests in joint ventures and disposal of interest in an associated company	–	–	–	–	4.5	–	–	(76.3)	–	(71.8)
Deemed disposal of interests in subsidiaries	–	–	–	–	–	–	–	–	(46.8)	(46.8)
Profit attributable to shareholders	–	–	–	–	–	–	–	–	9,725.4	9,725.4
Share of other comprehensive income of joint ventures and associated companies	–	–	–	3.8	9.7	–	–	(194.6)	(74.4)	(255.5)
Cash flow hedges	–	–	–	–	9.7	–	–	–	–	9.7
Remeasurement of post employment benefit obligation	–	–	–	–	–	–	–	–	(1.5)	(1.5)
Transfer of reserves	–	–	–	–	(84.5)	–	–	–	84.5	–
Revaluation of investment properties upon reclassification from property, plant and equipment and land use rights, net of taxation	–	–	2.1	–	–	–	–	–	–	2.1
Translation differences	–	–	–	–	–	–	–	(596.0)	–	(596.0)
Transition to no par value regime on 3 March 2014 (note 36(b))	(37.7)	(43,601.3)	–	–	–	–	–	–	–	(43,639.0)
2013 final dividend paid	–	–	–	–	–	–	–	–	(1,893.5)	(1,893.5)
2014 interim dividend paid	–	–	–	–	–	–	–	–	(773.2)	(773.2)
At 30 June 2014	–	–	3,435.8	1,492.3	1,077.5	338.9	–	6,956.1	82,746.4	96,047.0

38 RESERVES (continued)

Note:

Effect on transfer to non-controlling interests of the Group for the year ended 30 June 2015:

	2015 HK$m	2014 HK$m
Total comprehensive income for the year attributable to the shareholders of the Company	**19,704.2**	8,292.0
Transfer to non-controlling interests		
Acquisition of additional interests in subsidiaries	**(1.4)**	14.1
Deemed disposal of interests in subsidiaries	**(13.5)**	(46.8)
Net transfer to non-controlling interests	**(14.9)**	(32.7)
Total comprehensive income for the year attributable to the shareholders of the Company and net transfer to non-controlling interests	**19,689.3**	8,259.3

39 BORROWINGS

	2015 HK$m	2014 HK$m
Long-term borrowings		
Secured bank loans	**22,958.5**	29,205.2
Unsecured bank loans	**52,393.8**	48,308.2
Other secured loans	**–**	70.0
Other unsecured loans	**1,062.9**	125.5
Fixed rate bonds and notes payable	**33,311.5**	31,878.6
Loans from non-controlling shareholders (note (b))	**1,168.6**	2,127.8
	110,895.3	111,715.3
Current portion of long-term borrowings	**(27,256.9)**	(23,485.4)
	83,638.4	88,229.9
Short-term borrowings		
Secured bank loans	**65.4**	5,020.7
Unsecured bank loans	**2,330.9**	1,948.8
Other secured loans	**625.0**	–
Other unsecured loans	**256.3**	5.0
Loans from non-controlling shareholders (note (b))	**2,983.6**	1,889.3
	6,261.2	8,863.8
Current portion of long-term borrowings	**27,256.9**	23,485.4
	33,518.1	32,349.2
Total borrowings	**117,156.5**	120,579.1

39 BORROWINGS (continued)

Notes:

(a) Bank loans, other loans and fixed rate bonds and notes payable are repayable as follows:

	Bank loans		Other loans		Fixed rate bonds and notes payable	
	2015 HK$m	2014 HK$m	**2015 HK$m**	2014 HK$m	**2015 HK$m**	2014 HK$m
Within one year	**29,640.6**	23,714.8	**894.1**	200.2	**–**	6,544.9
In the second year	**12,425.7**	31,435.0	**362.7**	0.2	**3,868.4**	–
In the third to fifth year	**33,000.3**	25,998.1	**687.4**	0.1	**16,440.6**	7,572.8
After the fifth year	**2,682.0**	3,335.0	**–**	–	**13,002.5**	17,760.9
	77,748.6	84,482.9	**1,944.2**	200.5	**33,311.5**	31,878.6

(b) Loans from non-controlling shareholders

The loans of HK$238.9 million (2014: HK$247.8 million) are unsecured and interest bearing at fixed rates of 6.2% (2014: 5.0%-6.2%) per annum. The remaining loans are unsecured and interest free. A total amount of HK$1,168.6 million (2014: HK$2,127.8 million) is not repayable within the next 12 months and the remaining balances have no specific repayment term.

(c) Effective interest rates

	2015				2014			
	Hong Kong dollar	**Renminbi**	**United States dollar**	**Others**	Hong Kong dollar	Renminbi	United States dollar	Others
Bank loans	**2.1%**	**6.5%**	**6.2%**	**2.2%**	2.2%	6.4%	5.2%	0.8%
Fixed rate bonds and notes payable	**5.6%**	**5.5%**	**6.0%**	**–**	5.9%	6.6%	6.3%	–
Loans from non-controlling shareholders	**2.5%**	**6.2%**	**–**	**–**	5.0%	6.2%	–	–
Other secured loans	**–**	**10.1%**	**–**	**–**	–	6.5%	–	–
Other unsecured loans	**2.8%**	**7.6%**	**–**	**–**	2.7%	6.5%	–	–

(d) Carrying amounts and fair values of the borrowings

The fair value of the fixed rate bonds and notes payable at the end of the reporting period is HK$35,035.4 million (2014: HK$33,463.8 million). The carrying amounts of other borrowings approximate their fair values.

39 BORROWINGS (continued)

Notes: (continued)

(e) Currencies

The carrying amounts of the borrowings are denominated in the following currencies:

	2015 **HK$m**	2014 HK$m
Hong Kong dollar	**70,635.7**	73,884.2
United States dollar	**24,342.8**	12,753.8
Renminbi	**22,084.5**	33,891.1
Others	**93.5**	50.0
	117,156.5	120,579.1

(f) The contractual repricing dates or maturity dates (whichever is earlier) of the interest-bearing borrowings are as follows:

	Bank loans **HK$m**	**Other loans** **HK$m**	**Loans from non-controlling shareholders** **HK$m**	**Fixed rate bonds and notes payable** **HK$m**	**Total** **HK$m**
2015					
Within five years	**77,748.6**	**1,944.2**	**186.4**	**21,365.2**	**101,244.4**
After the fifth year	**–**	**–**	**52.5**	**11,946.3**	**11,998.8**
	77,748.6	**1,944.2**	**238.9**	**33,311.5**	**113,243.2**
2014					
Within five years	84,245.4	200.5	196.3	14,117.7	98,759.9
After the fifth year	237.5	–	51.5	17,760.9	18,049.9
	84,482.9	200.5	247.8	31,878.6	116,809.8

40 OTHER NON-CURRENT LIABILITIES

	2015 HK$m	2014 HK$m
Deferred income	**147.9**	129.6
Provision for long service payments	**46.8**	35.7
Long-term accounts payable	**601.1**	608.7
	795.8	774.0

41 CREDITORS AND ACCRUED CHARGES

	2015 HK$m	2014 HK$m
Trade creditors (note (a))	**11,088.1**	9,395.5
Amounts due to customers for contract work (note 34)	**850.3**	753.8
Deposits received on sale of properties	**12,603.6**	6,127.5
Amounts due to joint ventures (note (b))	**2,061.5**	1,100.0
Amounts due to associated companies (note (b))	**250.4**	307.3
Other creditors and accrued charges	**13,751.6**	13,615.4
	40,605.5	31,299.5

41 CREDITORS AND ACCRUED CHARGES (continued)

Notes:

(a) Aging analysis of trade creditors based on invoice date is as follows:

	2015 HK$m	2014 HK$m
Current to 30 days	**8,869.1**	7,301.1
31 to 60 days	**670.7**	751.5
Over 60 days	**1,548.3**	1,342.9
	11,088.1	9,395.5

(b) The amounts payable are interest free, unsecured and have no fixed terms of repayment.

(c) The carrying amounts of creditors and accrued charges, which approximate their fair values, are denominated in the following currencies:

	2015 HK$m	2014 HK$m
Hong Kong dollar	**20,128.5**	13,566.9
Renminbi	**19,490.5**	16,596.7
United States dollar	**553.3**	674.8
Macau Pataca	**231.6**	308.7
Others	**201.6**	152.4
	40,605.5	31,299.5

42 FINANCIAL INSTRUMENTS BY CATEGORY

In accordance with HKFRS 7, the financial assets and financial liabilities of the Group as shown in the consolidated statements of financial position are classified as follows:

(a) Financial assets at fair value through profit or loss and derivative financial instruments are categorised as financial assets at fair value through profit or loss and carried at fair value;

(b) Available-for-sale financial assets are categorised as available-for-sale financial assets and carried at fair value;

(c) Held-to-maturity investments are categorised as held-to-maturity investments and carried at amortised cost using the effective interest method;

(d) Long-term receivables, long-term deposits, restricted bank deposits, trade and other debtors, and cash and bank balances are categorised as loans and receivables and carried at amortised cost using the effective interest method; and

(e) Borrowings, trade and other creditors are categorised as financial liabilities and carried at amortised cost using the effective interest method. Derivative financial instruments are categorised as financial liabilities at fair value through profit or loss and carried at fair value.

43 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet provided is as follows:

	2015 HK$m	2014 HK$m
Contracted but not provided for		
Property, plant and equipment	**1,520.9**	2,031.0
Investment properties	**6,913.3**	3,853.8
Intangible concession rights	**93.0**	22.7
Associated companies	**1,679.6**	1,276.9
Joint ventures (note)	**425.7**	248.9
Other investments	**436.0**	675.7
	11,068.5	8,109.0

The Group's share of capital commitments of the joint ventures not included above are as follows:

	2015 HK$m	2014 HK$m
Contracted but not provided for (note)	**1,269.2**	871.6

Note:

On 30 June 2015, Chongqing Suyu Business Development Company Limited, ("Suyu", a 50% joint venture of NWSH) contracted to invest an equity interest of 25.1% in Chongqing Derun Environment Co., Ltd. ("Derun Environment"), a company engaged in environmental-related businesses in Mainland China. The consideration will be satisfied by the injection of approximately 13.44% equity interest in Chongqing Water Group Co., Ltd. currently owned by Suyu and cash consideration of approximately RMB442.0 million (equivalent to approximately HK$552.5 million). NWSH's share of commitments towards the aforesaid cash consideration have been included in above disclosed capital commitments. Subject to relevant government approvals, NWSH will indirectly own about 12.55% interest in Derun Environment upon completion.

(b) Commitments under operating leases

The future aggregate lease payments under non-cancellable operating leases are as follows:

	2015 HK$m	2014 HK$m
Land and buildings		
In the first year	**954.6**	876.8
In the second to fifth year	**3,176.8**	3,367.7
After the fifth year	**5,110.0**	5,828.6
	9,241.4	10,073.1

The Group leases various retail outlets under non-cancellable operating lease agreements. The leases have varying terms ranging from 1 to 19 years. Certain of these leases have escalation clauses and renewal rights.

43 COMMITMENTS (continued)

(c) Operating lease receivable

The future minimum rental receivable under non-cancellable operating leases are as follows:

	2015 HK$m	2014 HK$m
In the first year	**1,781.0**	1,865.5
In the second to fifth year	**2,550.3**	2,666.2
After the fifth year	**915.9**	687.6
	5,247.2	5,219.3

The Group's operating leases are for terms ranging from 1 to 10 years.

44 FINANCIAL GUARANTEE AND CONTINGENT LIABILITIES

	2015 HK$m	2014 HK$m
Financial guarantee contracts:		
Mortgage facilities for certain purchasers of properties	**2,240.0**	2,034.5
Guarantees for credit facilities granted to		
Joint ventures	**4,229.4**	4,466.7
Associated companies	**20.0**	20.0
A related company	**49.7**	64.7
Indemnity to non-wholly owned subsidiaries for Mainland China tax liabilities	**1,415.0**	1,666.2
	7,954.1	8,252.1

Note:

Share of contingent liabilities of joint ventures not included above are HK$19.4 million (2014: HK$16.8 million).

45 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash generated from operations

	2015 HK$m	2014 HK$m
Operating profit	**27,970.9**	16,823.1
Depreciation	**1,304.3**	1,342.9
Amortisation	**1,009.7**	930.1
Changes in fair value of investment properties	**(3,165.5)**	(1,425.5)
Write back of provision for loans and other receivables	**(376.6)**	(4.9)
Gain on deemed disposal of interests in subsidiaries	**–**	(31.4)
Gain on deemed disposal of interests in joint ventures	**–**	(594.3)
Gain on deemed disposal of interest in an associated company	**(50.7)**	–
Gain on partial disposal of interests in subsidiaries and remeasurement of retained interest at fair value after reclassification to a joint venture	**(13,709.2)**	–
Gain on remeasurement of an available-for-sale financial asset retained at fair value upon reclassification from an associated company	**(914.0)**	–
Gain on remeasurement of previously held interest of a joint venture at fair value upon further acquisition to become a subsidiary	**(986.6)**	(67.3)
Net loss/(gain) on fair value of financial assets at fair value through profit or loss	**38.9**	(105.6)
Net (gain)/loss on disposal of		
Non-current assets classified as assets held for sale	**(30.3)**	46.0
Available-for-sale financial assets	**(66.2)**	(198.2)
Financial assets at fair value through profit or loss	**23.5**	–
Investment properties and property, plant and equipment	**63.2**	(41.3)
Subsidiaries	**(18.0)**	(119.8)
Joint ventures	**–**	(18.6)
Associated companies	**137.9**	(1,749.4)
Impairment loss on		
Available-for-sale financial assets	**11.8**	6.6
Loans and other receivables	**61.2**	91.1
Property, plant and equipment	**532.0**	4.1
Intangible assets	**100.5**	125.9
Dividend income from available-for-sale financial assets and financial assets at fair value through profit or loss	**(31.8)**	(247.2)
Share options expenses	**168.9**	98.6
Net exchange (gain)/loss	**(93.8)**	344.1
Operating profit before working capital changes	**11,980.1**	15,209.0
(Increase)/decrease in inventories	**(77.5)**	26.7
Increase in properties for/under development and held for sale	**(7,004.7)**	(1,752.0)
Increase in debtors and prepayments	**(657.7)**	(2,836.7)
Increase/(decrease) in creditors and accrued charges	**9,588.4**	(3,521.7)
Net cash generated from operations	**13,828.6**	7,125.3

45 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Acquisition of subsidiaries

	2015 HK$m	2014 HK$m
Net assets acquired		
Investment properties	**6,130.3**	1,898.7
Land use rights	**24.7**	64.4
Property, plant and equipment	**36.8**	188.7
Intangible assets, other than goodwill	**0.7**	124.1
Properties for development	**–**	562.5
Properties held for sale	**–**	141.4
Inventories	**81.5**	5.8
Debtors and prepayments	**40.9**	201.2
Cash and bank balances	**31.2**	233.4
Creditors and accrued charges	**(170.4)**	(520.2)
Current tax payable	**(1.3)**	(82.5)
Deferred tax liabilities	**(7.0)**	(472.2)
Borrowings	**(397.0)**	(101.0)
Non-controlling interests	**(197.9)**	(0.3)
Net assets	**5,572.5**	2,244.0
Interest originally held by the Group as a joint venture	**(1,237.2)**	(372.0)
	4,335.3	1,872.0
Goodwill on acquisition	**81.4**	630.6
Gain on remeasurement of previously held interest of a joint venture at fair value upon further acquisition to become a subsidiary	**(986.6)**	(67.3)
Consideration	**3,430.1**	2,435.3

(c) Analysis of net outflow of cash and cash equivalents in respect of acquisition of subsidiaries

	2015 HK$m	2014 HK$m
Cash consideration	**(3,430.1)**	(2,435.3)
Cash and cash equivalents acquired	**31.2**	233.4
Consideration to be paid	**–**	15.0
Deposit paid in prior year included in other non-current assets	**–**	1,201.9
	(3,398.9)	(985.0)

45 NOTES TO CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(d) Disposal of subsidiaries

	2015 HK$m	2014 HK$m
Net assets disposed		
Property, plant and equipment	**1,262.5**	36.2
Investment properties	**5.6**	41.0
Land use rights	**–**	10.0
Held-to-maturity investments	**0.6**	–
Other non-current assets	**15.6**	–
Properties under development	**–**	139.5
Inventories	**12.8**	2.2
Debtors and prepayments	**175.3**	56.1
Cash and bank balances	**251.7**	236.0
Creditors and accrued charges	**(611.0)**	(54.2)
Current tax payable	**(70.3)**	–
Deferred tax liabilities	**(30.3)**	–
Net assets	**1,012.5**	466.8
Interest retained by the Group as a joint venture	**(4,787.1)**	–
Release of reserves upon disposal	**(14.0)**	(86.8)
Gain on partial disposal of interests in subsidiaries and remeasurement of retained interest at fair value after reclassification to a joint venture	**13,709.2**	–
Net gain on disposal of subsidiaries	**18.0**	119.8
Consideration	**9,938.6**	499.8

(e) Analysis of net inflow of cash and cash equivalents in respect of disposal of subsidiaries

	2015 HK$m	2014 HK$m
Cash consideration	**9,938.6**	499.8
Cash and cash equivalents disposed	**(251.7)**	(236.0)
	9,686.9	263.8

46 RELATED PARTY TRANSACTIONS

In addition to those disclosed in other sections of the consolidated financial statements, the following significant related party transactions have been entered into by the Group during the year:

	2015 HK$m	2014 HK$m
Joint ventures		
Provision of construction work services (note (a))	**676.8**	834.6
Interest income (note (b))	**204.9**	137.3
Rental expenses (note (c))	**277.5**	262.3

	2015 HK$m	2014 HK$m
Related companies (note (m))		
Provision of construction work services (note (a))	**249.6**	428.5
Rental income (note (c))	**132.1**	171.4
Concessionaires commissions (note (d))	**102.3**	127.6
Hotel management services fee income (note (e))	**100.0**	78.9
Sales of goods, prepaid shopping cards and vouchers (note (f))	**11.4**	56.8
Purchase of goods (note (g))	**61.1**	79.8
Engineering and mechanical services (note (h))	**923.8**	987.9
Management fee expenses (note (i))	**118.7**	127.2
Accounts payable (note (j))	**461.5**	60.2

Notes:

(a) Revenue from provision of construction work services is principally charged in accordance with relevant contracts.

(b) Interest income is charged at interest rates as specified in note 21(a) on the outstanding amounts.

(c) Rental income and expenses are charged in accordance with respective tenancy agreements.

(d) The income is charged in accordance with concessionaire counter agreements with CTFJ and its subsidiaries ("CTFJ Group"). The commission is mainly calculated by pre-determined percentages of gross sales value in accordance with respective agreements.

(e) The hotel management services fee income is charged in accordance with the terms of the respective management service agreements.

(f) This represents the amounts received in respect of the sales of goods, prepaid shopping cards and vouchers to CTFJ Group and companies owned by Mr. Doo.

(g) This represents purchase of goods by means of presenting various cash equivalent gift coupons, gift cards and stored value shopping cards to CTFJ Group. Such fee is charged in accordance with the terms of the agreements.

46 RELATED PARTY TRANSACTIONS (continued)

Notes: (continued)

(h) Engineering and mechanical services are charged in accordance with relevant contracts.

(i) Management fee expenses are charged at rates in accordance with relevant contracts.

(j) The accounts payable are unsecured, interest free and are repayable on demand.

(k) On 30 January 2015, a share purchase agreement (the "Share Purchase Agreement") was entered into between Natal Global Limited ("Natal Global", an indirect wholly owned subsidiary of NWSH, Zion Sky Holdings Limited ("Zion Sky"), Investec Bank plc. and Goshawk Aviation Limited ("Goshawk", a company which is engaged in commercial aircraft leasing) and pursuant to which, Natal Global agreed to purchase (i) 144.8 million preference shares of Goshawk held by Zion Sky, representing 40% of the total issued share capital of Goshawk; and (ii) the loan notes in the outstanding principal amount of approximately US$60.9 million (equivalent to approximately HK$473.2 million), representing approximately 18.7% of the estimated total outstanding notes as at the date of completion of the Share Purchase Agreement issued by GAL Dutch Finance B.V. under the senior notes deed dated 12 May 2014 and enter into between GAL Dutch Finance B.V. as issuer and, among others, Zion Sky and Investec as noteholders from Zion Sky at a total cash consideration of approximately US$222.5 million (equivalent to approximately HK$1,728.8 million). The total consideration was paid by Natal Global on the date of completion of the Share Purchase Agreement.

As at the date of signing of the Share Purchase Agreement, Zion Sky was wholly owned by CTF. Completion of the Share Purchase Agreement took place on 2 February 2015 and upon completion, Natal Global owned 40% equity interest in Goshawk which accounted for as an associated company of the Group.

(l) The acquisition of equity interest of Sunbig Limited from Cheung Hung Development (Holding) Limited, an associate of CTF, is disclosed in note 8.

(m) Related companies are subsidiaries, joint ventures and associated companies of CTF, CTFJ Group and companies owned by Mr. Doo.

(n) The balances with joint ventures and associated companies are disclosed in notes 21, 22, 31 and 41.

(o) No significant transactions have been entered with the Directors of the Company (being the key management personnel) during the year other than the emoluments paid to them as disclosed in note 15.

47 EVENT SUBSEQUENT TO YEAR END

On 3 July 2015, New World Development (China) Limited ("NWDC"), a wholly owned subsidiary of NWCL, entered into a Sales and Purchase Agreement with CTF to sell its entire equity interest in NWHM together with related outstanding shareholder's loan and accrued interest due and owing by NWHM to NWDC for an aggregate cash consideration of HK$1,963.0 million. Subject to the fulfillment of several conditions precedent, the disposal is expected to be completed on or before 31 December 2015 at a gain of approximately HK$844.0 million.

48 COMPANY STATEMENT OF FINANCIAL POSITION

	2015 HK$m	2014 HK$m
Assets		
Non-current assets		
Investment property	**115.0**	98.0
Property, plant and equipment	**9.0**	8.0
Interests in subsidiaries	**44,980.2**	46,680.4
Interests in joint ventures	**983.2**	978.8
Interests in associated companies	**29.4**	35.1
Available-for-sale financial assets	**3.6**	11.9
Deferred tax assets	**55.4**	55.4
	46,175.8	47,867.6
Current assets		
Properties held for sale	**1,256.0**	1,661.2
Debtors and prepayments	**280.4**	769.9
Amounts due from subsidiaries	**65,281.4**	52,102.1
Cash and bank balances	**333.6**	1,623.7
	67,151.4	56,156.9
Total assets	**113,327.2**	104,024.5
Equity		
Share capital	**66,711.6**	63,761.3
Reserves (note)	**21,350.3**	14,662.2
Total equity	**88,061.9**	78,423.5
Liabilities		
Current liabilities		
Creditors and accrued charges	**336.8**	381.4
Amounts due to subsidiaries	**24,928.5**	25,219.6
Total liabilities	**25,265.3**	25,601.0
Total equity and liabilities	**113,327.2**	104,024.5

Dr. Cheng Kar-Shun, Henry
Director

Dr. Cheng Chi-Kong, Adrian
Director

48 COMPANY STATEMENT OF FINANCIAL POSITION (continued)

Note:
Reserves

	Investment revaluation reserve HK$m	**Employees' share-based compensation reserve HK$m**	**Retained profits HK$m**	**Total HK$m**
At 1 July 2014	**1.6**	**322.8**	**14,337.8**	**14,662.2**
Employees' share-based payments	**–**	**74.8**	**–**	**74.8**
Share options lapsed	**–**	**(3.2)**	**3.2**	**–**
Fair value changes of available-for-sale financial assets	**(8.2)**	**–**	**–**	**(8.2)**
Profit for the year	**–**	**–**	**10,288.2**	**10,288.2**
2014 final dividend paid	**–**	**–**	**(2,599.5)**	**(2,599.5)**
2015 interim dividend paid	**–**	**–**	**(1,067.2)**	**(1,067.2)**
At 30 June 2015	**(6.6)**	**394.4**	**20,962.5**	**21,350.3**

	Capital redemption reserve HK$m	Share premium HK$m	Investment revaluation reserve HK$m	Employees' share-based compensation reserve HK$m	Retained profits HK$m	Total HK$m
At 1 July 2013	37.7	42,422.5	4.6	242.0	13,923.4	56,630.2
Issue of new shares as scrip dividends	–	1,175.5	–	–	–	1,175.5
Issue of new shares upon exercise of share options	–	3.3	–	–	–	3.3
Employees' share-based payments	–	–	–	85.6	–	85.6
Share options lapsed	–	–	–	(4.8)	4.8	–
Fair value changes of available-for-sale financial assets	–	–	(3.0)	–	–	(3.0)
Profit for the year	–	–	–	–	3,076.3	3,076.3
Transition to no par value regime on 3 March 2014 (note 36(b))	(37.7)	(43,601.3)	–	–	–	(43,639.0)
2013 final dividend paid	–	–	–	–	(1,893.5)	(1,893.5)
2014 interim dividend paid	–	–	–	–	(773.2)	(773.2)
At 30 June 2014	–	–	1.6	322.8	14,337.8	14,662.2

49 PRINCIPAL SUBSIDIARIES

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK$		
Incorporated and operate in Hong Kong				
Ace Island Limited	1	1	100	Property investment
Addlight Investments Limited	9,998	9,998	63	Property investment
	2[1]	2	63	
Adwin Top Limited	2	2	100	Property investment
All Speed Investment Limited	2	2	100	Property investment
Anway Limited	1	1	61	Duty free operation and general trading
Billion Huge (International) Limited	950,001	950,001	70	Investment holding
Billion Park Investment Limited	1,000,000	1,000,000	57	Investment holding
Billionoble Investment Limited	4,998	4,998	61	Investment holding
	2[1]	2	61	
Birkenshaw Limited	10,000	10,000	100	Property investment
Bounty Gain Limited	1	1	61	Investment holding
Bright Moon Company, Limited	100,000	1,000,000	75	Property investment
Calpella Limited	2	20	100	Property investment
Champion Delights Limited	10,000	10,000	72	Fashion retailing
Cheer Best Enterprises Limited	2	2	100	Property investment
Cheering Step Investments Limited	1	1	61	Investment holding
Cheong Sing Company Limited	10,000	10,000	100	Property investment
Cheong Yin Company Limited	30,000	3,000,000	100	Property investment
Chi Lam Investment Company Limited	7,000	700,000	100	Investment holding
Chinese Future Limited	1,000,000	1,000,000	61	Investment holding
CiF Solutions Limited	10	1,000	61	Provision of information technology solutions
	160,000[1]	16,000,000	61	
Deluxe Sign Limited	1	1	100	Property development
Discovery Park Commercial Services Limited	2	2	100	Property management
DP Properties Limited	4,000	1,000	100	Property investment
Earning Yield Limited	1	1	100	Property development
Fook Hang Trading Company Limited	100	10,000	85	Property investment
Fook Hong Enterprises Company, Limited	10,000	1,000,000	100	Property investment
Fortune Kingdom Development Limited	2	2	100	Property development
Gold Queen Limited	5,000	5,000	100	Property investment
Grace Crystal Limited	1	1	61	Investment holding

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK$		
Incorporated and operate in Hong Kong (continued)				
Grace Sky Creation Limited	10,000	10,000	100	Investment holding
Gracejoy Investments Limited	1	1	100	Property development
Grand Express International Limited	1	1	61	Investment holding
Happy Champion Limited	2	2	100	Investment holding
Head Step Limited	2	2	100	Hotel operation
Hip Hing Builders Company Limited	40,000	40,000,000	61	Construction
	10,000[1]	10,000,000	61	
Hip Hing Construction Company Limited	400,000	40,000,000	61	Construction and civil engineering
	600,000[1]	60,000,000	61	
Hip Hing Engineering Company Limited	2,000,000	200,000,000	61	Building construction
Hip Seng Builders Limited (Formerly: Waking Builders, Limited)	20,000	20,000,000	61	Construction
Hip Seng Construction Company Limited	1	1	61	Construction
Hong Kong Convention and Exhibition Centre (Management) Limited	3	3	61	Management of Hong Kong Convention and Exhibition Centre ("HKCEC")
	1[1]	1	61	
Hong Kong Exhibition and Convention Venue Management China Limited	1	1	61	Investment holding
Hong Kong Island Development Limited	33,400,000	167,000,000	100	Property investment
Hong Kong Jing-Guang Development Limited	100,000	1,000,000	52	Investment holding
Honour Shares Limited	100	100	100	Investment holding
Istaron Limited	4	4	64	Investment holding
Jade Gain Enterprises Limited	100	100	70	Property investment
Joint Profit Limited	2	2	100	Property investment
Joint View International Limited	1	1	100	Property development
Jumbo Time Development Limited	1,000	1,000	80	Investment holding
Kamking Limited	2	2	100	Property investment
K11 Art Collection Company Limited	1	1	100	Trading
K11 (China) Limited	1	1	100	Investment holding
K11 Concepts Limited	1	1	100	Provision of property management consultancy services

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK$		
Incorporated and operate in Hong Kong (continued)				
K11 Design Store Limited	1	1	100	Retail of consumer products
K11 Loyalty Program Limited	1	1	100	Marketing and promotion
K11 Real Estate Agency Limited	1	1	100	Estate agency
K11 Select Limited	1	1	100	Retail of consumer products
Kin Kiu Enterprises, Limited	10,000	10,000,000	100	Investment holding
King Lee Investment Company Limited	300	300,000	100	Investment holding
Kiu Lok Property Services (China) Limited	2	2	61	Property agency management and consultancy
	2[1]	2	61	
La Tune Limited	2	200	100	Property investment
Land Source Investment Limited	2	2	100	Property investment
Lingal Limited	1,800	1,800	70	Investment holding
	200[1]	200	–	
Legarleon Finance Limited	4,400,000	44,000,000	100	Financing
Loyalton Limited	2	20	100	Property investment
Macdonnell Hostel Company Limited	2	2	100	Hostel operation
Magic Sign Limited	2	2	100	Property development
Million World Development Limited	100	100	100	Property investment
New Advent Limited	1	1	100	Property investment
New World China Enterprises Projects Limited	2	2	100	Project management
New World Construction Company Limited	1	1	61	Construction
New World Construction Management Company Limited	1	1	61	Construction
New World Department Store (Investment) Limited	3	410,045,794	72	Investment holding
New World Department Stores Limited	2	2	72	Provision of management services to department stores
New World Development (China) Limited	2	2	70	Investment holding
	2[1]	2	100	
New World Finance Company Limited	200,000	20,000,000	100	Financial services
New World-Guangdong Highway Investments Co. Limited	100	10,000	61	Investment holding
	100[1]	10,000	65	

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued[#] Number of shares	Share capital issued[#] Issued and paid up share capital HK$	Attributable interest to the Group (%)	Principal activities
Incorporated and operate in Hong Kong (continued)				
New World Hotel Management Limited	1	1	70	Hotel management
New World Hotels (Holdings) Limited	576,000,000	510,795,731	64	Investment holding
New World Loyalty Programme Limited	1	1	100	Loyalty programme
New World Nominee Limited	2	200	100	Nominee services
New World Port Investments Limited	2	2	61	Investment holding
New World Property Management Company Limited	1	1	100	Property management
New World Real Estate Agency Limited	2	2	100	Estate agency
New World Telecommunications Limited	9,999,998	9,999,998	100	Telecommunication services
	2[1]	2	100	
New World Telephone Holdings Limited	200	200	100	Investment holding
New World Tower Company Limited	2	20	100	Property investment
New World (Xiamen) Port Investments Limited	2	2	61	Investment holding
NW Project Management (HK) Limited	1	1	100	Project management
NW Project Management Limited	2	2	100	Project management
NWS (Finance) Limited	2	2	61	Financial services
NWS Holdings (Finance) Limited	1	1	61	Financing
NWS Hong Kong Investment Limited	1	1	61	Investment holding
NWS Ports Management (Tianjin) Limited	1	1	61	Investment holding
Ocean Front Investments Limited	1	1	100	Property investment
Pacific Great Investment Limited	50,000,000	50,000,000	70	Investment holding
Paterson Plaza Properties Limited	10,000	10,000	100	Property investment
Pearls Limited	100	100	92	Property development
Peterson Investment Company Limited	10,000	10,000	100	Property investment
Polytown Company Limited	2	20	61	Property investment, operation, marketing, promotion and management of HKCEC
	100,000[1]	1,000,000	61	
Polyworth Limited	10	10	92	Property development
Pontiff Company Limited	10,000,000	10,000,000	100	Property investment
Power Estate Investments Limited	1	1	100	Property investment
Pridemax Limited	2	2	100	Property investment
Profit Now Limited	1	1	61	Investment holding

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK$		
Incorporated and operate in Hong Kong (continued)				
Queen's Land Investment Limited	1,000	1,000	100	Property development
Realray Investments Limited	2	2	100	Property investment
Regent Star Investment Limited	1,000	1,000	100	Property development
Richglows Limited	2	2	100	Property investment
Rosewood Hotels and Resorts (Asia Pacific) Limited	1	1	70	Hotel management
Scienward Fashion and Luxury Limited	10,000	10,000	72	Investment holding and fashion trading
Scienward Sports and Casual Limited	100	100	72	Provision of management services
Silver Rich Holdings Limited	2	2	85	Property investment
Sky Connection Limited	100	100	61	Duty free, operation and general trading
Speed Star Development Limited	2	2	100	Property investment
Spring Yield Investments Limited	1	1	100	Property investment
Super Memory Limited	2	2	100	Property investment
Super Value Development Limited	10,000	10,000	100	Property investment
Tao Yun Company Limited	2	20	100	Property investment
Top Flash Investments Limited	10,000	10,000	100	Property investment
True Hope Investment Limited	4,998	4,998	61	Investment holding
	2[1]	2	61	
Try Force Limited	4,998	4,998	61	Investment holding
	2[1]	2	61	
Twinic International Limited	1	1	61	Investment holding
Ultimate Vantage Limited	100	100	80	Property development
Urban Parking Limited	10,000,000	10,000,000	61	Carpark management
Vibro Construction Company Limited	1,630,000	163,000,000	61	Civil engineering
	20,000[1]	2,000,000	61	
Vibro (H.K.) Limited	20,000,004	60,328,449	61	Piling, ground investigation and civil engineering
Waygent Investment Limited	2	2	100	Property investment
Winpo Development Limited	2	2	100	Property investment
Wisemec Enterprises Limited	2	2	61	Investment holding
World Empire Property Limited	2	2	100	Property investment

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued[#] Number of shares	Share capital issued[#] Par value per share	Attributable interest to the Group (%)	Principal activities
Incorporated in the Cayman Islands				
Chinese Future Corporation	1,000,000	US$0.01	61	Investment holding
Incorporated in the Cayman Islands and operate in Hong Kong				
New World China Land Limited	8,688,759,557	HK$0.1	70	Investment holding
New World Department Store China Limited	1,686,145,000	HK$0.1	72	Investment holding
New World TMT Limited	952,180,007	HK$1	100	Investment holding
NWS Service Management Limited	1,323,943,165	HK$0.1	61	Investment holding
Incorporated and operate in the Philippines				
New World International Development Philippines, Inc	6,988,016	Peso100	31	Hotel operation
NWH Management Philippines, Incorporated	94,920	Peso100	70	Hotel management
Incorporated and operates in Malaysia				
Taipan Eagle Sdn. Bhd.	1,000,000	M$1	71	Property development

[#] Represented ordinary share capital, unless otherwise stated

[1] Non-voting deferred shares

	Registered/ fully paid capital	Attributable interest to the Group[ø] (%)	Principal activities
Incorporated and operate in the PRC			
Anshan New World Department Store Co., Ltd.	RMB25,000,000	72	Department store operation
Beijing Dongfang Huamei Real Estate Development Co., Ltd.	RMB200,000,000	64	Land development
Beijing K11 Art Development Limited (Formerly: PRC Art Collection Company Limited)	RMB500,000	100	Sales and leasing of arts and crafts collection (excluding artifacts)
Beijing Lingal Real Estates Development Co., Ltd.	US$13,000,000	70	Property sales
Beijing New World Huamei Real Estate Development Co., Ltd.	RMB748,000,000	53	Property development
Beijing New World Liying Department Store Co., Ltd.	RMB18,000,000	72	Department store operation

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[Ø] (%)	Principal activities
Incorporated and operate in the PRC (continued)			
Beijing New World Qianzi Department Store Co., Ltd.	HK$60,000,000	72	Department store operation
Beijing New World Trendy Department Store Co., Ltd.	RMB25,000,000	72	Department store operation
Beijing NW Project Management Consultancy Services Limited	RMB1,000,000	100	Project management and consultancy
Beijing Shishang New World Department Store Co., Ltd.	RMB50,000,000	72	Department store operation
Beijing Xintong Media & Advertising Co., Ltd.	RMB100,000,000	83	Provision of advertising and media related services
Beijing Yixi New World Department Store Co., ltd.	RMB65,000,000	72	Department store operation
Changsha New World Trendy Plaza Co., Ltd.	RMB60,000,000	72	Department store operation
Chaoming (Chongqing) Investment Company Limited	US$78,000,000	61	Investment holding
Chengdu New World Department Store Co., Ltd.	RMB20,000,000	72	Department store operation
Chengdu Xinyi Real Estate Development Co., Ltd.	US$99,500,000	51	Property development
Chongqing New World Department Store Co., Ltd.	RMB100,000,000	72	Department store operation
Dalian New World Plaza International Co., Ltd.	RMB58,000,000	62	Property investment and development
Dalian New World Tower Co., Ltd.	US$197,324,700	70	Property investment, development and hotel operation
Fortune Leader Overseas Chinese (Daiyawan) Investment Co. Ltd.	US$16,950,000	70	Golf club and resort operation
Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co. Ltd.	US$20,820,000	70	Property development
Foshan Country Club Co., Ltd.	US$52,923,600	59	Golf club operation
Foshan Country Real Estate Development Co., Ltd.	RMB638,030,000	59	Property development
Foshan Da Hao Hu Real Estate Development Co., Ltd.	RMB1,278,558,000	59	Property development
Guangdong Xin Chuan Co., Ltd.	RMB714,853,600	61	Investment holding
Guangxi Beiliu Xinbei Highways Co., Ltd.	RMB59,520,000	61	Operation of toll road

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[ø] (%)	Principal activities
Incorporated and operate in the PRC (continued)			
Guangxi Rongxian Xinrong Highways Limited	RMB57,680,000	61	Operation of toll road
Guangxi Yulin Xinye Highways Co., Ltd.	RMB63,800,000	37	Operation of toll road
Guangxi Yulin Xinyu Highways Co., Ltd.	RMB96,000,000	40	Operation of toll road
Guangzhou Fong Chuen-New World Property Development Ltd.	RMB330,000,000	70	Property development
Guangzhou Jixian Zhuang New World City Garden Development Limited	US$24,000,000	70	Property development
Guangzhou Metropolitan Properties Co., Ltd.	HK$140,000,000	100	Property investment
Guangzhou New World Properties Development Co., Ltd.	HK$220,000,000	100	Property investment
Guangzhou Xin Hua Chen Real Estate Co., Ltd.	RMB200,000,000	70	Property development
Guangzhou Xin Hua Jian Real Estate Co., Ltd.	RMB244,000,000	70	Property development
Guangzhou Xin Sui Tourism Centre Ltd.	HK$180,000,000	70	Property development
Guangzhou Xin Yi Development Limited	HK$286,000,000	63	Property investment and development
Guangzhou Yibo Real Estate Development Co., Ltd.	RMB392,500,000	70	Property development
Guiyang New World Real Estate Co., Ltd.	US$301,350,000	85	Property development and hotel operation
Haikou New World Housing Development Ltd.	US$8,000,000	70	Property development
Hangzhou Guoyi Expressway and Bridge Management Co., Ltd.	US$320,590,000	58	Operation of toll road
Harbin New World Department Store Co., Ltd.	RMB126,000,000	72	Department store operation
Huamei Wealth (Beijing) Technology Co., Ltd.	RMB640,000,000	70	Property investment
Hunan Fortune Lake Property Development Co., Ltd.	RMB205,265,854	70	Property development
Hunan Success New Century Investment Company Limited	RMB680,000,000	81	Property development

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[ø] (%)	Principal activities
Incorporated and operate in the PRC (continued)			
Jiangsu New World Department Store Co., Ltd.	RMB16,000,000	72	Department store operation
Jinan New World Sunshine Development Ltd.	US$69,980,000	70	Property development
K11 Business Services (Wuhan) Limited	RMB500,000	100	Business services
K11 Concepts (Beijing) Limited	RMB8,000,000	100	Business consultancy
K11 Concepts (Shanghai) Limited	RMB8,000,000	100	Business consultancy
Langfang New World Properties Development Co., Ltd.	US$145,300,000	70	Property development
Langfang Xin Zhong Properties Development Co., Ltd.	US$68,200,000	70	Property development
Lanzhou New World Department Store Co., Ltd.	RMB30,000,000	72	Department store operation
Mianyang New World Department Store Co., Ltd.	RMB14,000,000	72	Department store operation
Nanjing New World Real Estate Co., Ltd.	US$45,339,518	70	Property investment
New World Anderson (Tianjin) Development Co., Ltd.	US$5,500,000	70	Property investment
New World (Anshan) Property Development Co., Ltd.	RMB1,420,000,000	70	Property development
New World (China) Investment Limited	US$130,000,000	100	Investment holding
New World China Land (Haikou) Limited	US$600,000,000	70	Property investment and development
New World China Land Investments Company Limited	US$80,000,000	70	Investment holding
New World Department Store (China) Co., Ltd.	RMB50,000,000	72	Department store operation
New World Department Stores Investment (China) Co., Ltd.	US$150,000,000	72	Investment holding
New World Development (Wuhan) Co., Ltd.	US$112,000,000	70	Property investment and development
New World Goodtrade (Wuhan) Limited	US$188,000,000	70	Property investment and development
New World (Shenyang) Property Development Limited	RMB5,647,800,000	70	Property investment and development

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[ø] (%)	Principal activities
Incorporated and operate in the PRC (continued)			
New World Strategic (Beijing) Investment Consultancy Limited	US$2,400,000	100	Investment consultancy
Ningbo Firm Success Consulting Development Co., Ltd.	US$5,000,000	72	Investment holding and provision of consultancy services
Ningbo New World Department Store Co., Ltd.	RMB40,000,000	72	Department store operation
Ningbo New World Trendy Department Store Co., Ltd.	RMB20,000,000	72	Department store operation
Peak Moral High Commercial Development (Shanghai) Co., Ltd.	US$40,000,000	72	Property investment and shopping mall operation
Rosewood Hotels and Resorts (Shanghai) Limited	RMB500,000	70	Hotel management consultancy services
Scienward Fashion and Luxury (Shanghai) Co., Ltd.	US$6,460,000	72	Fashion retailing and trading
Shanghai Art Store Company Limited	RMB2,000,000	100	Arts derivatives operation
Shanghai Luxba Trading Ltd.	US$7,150,000	72	Properties investment and fashion trading
Shanghai New World Caixuan Department Store Co., Ltd.	RMB30,000,000	72	Department store operation
Shanghai New World Caizi Department Store Co., Ltd.	RMB50,000,000	72	Department store operation
Shanghai New World Department Store Co., Ltd.	RMB18,000,000	72	Department store operation
Shanghai New World Huiya Department Store Co., Ltd.	RMB40,000,000	72	Department store operation
Shanghai New World Huiyan Department Store Co., Ltd	RMB85,000,000	72	Property investment and shopping mall operation
Shanghai New World Huiying Department Store Co., Ltd.	HK$50,000,000	72	Department store operation
Shanghai New World Huizi Department Store Co., Ltd.	RMB5,000,000	72	Department store operation
Shanghai New World Trendy Plaza Co., Ltd.	RMB50,000,000	72	Department store operation
Shanghai New World Xinying Department Store Co., Ltd.	HK$100,000,000	72	Department store operation
Shanghai Ramada Plaza Ltd.	US$42,000,000	70	Property investment and hotel operation
Shanghai Trio Property Development Co., Ltd.	US$81,000,000	70	Property investment

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[ø] (%)	Principal activities
Incorporated and operate in the PRC (continued)			
Shanxi Xinda Highways Ltd.	RMB49,000,000	37	Operation of toll road
Shanxi Xinhuang Highways Ltd.	RMB56,000,000	37	Operation of toll road
Shenyang New World Department Store Ltd.	RMB30,000,000	72	Property investment and department store operation
Shenyang New World Xin Hui Properties Co., Ltd.	RMB501,520,000	70	Property development
Shenyang Trendy Property Company Limited	RMB27,880,000	72	Property investment
Shenzhen New World Xianglong Network Technology Company Limited	RMB447,708,674	100	Exploration of wireless telecommunication network
Shenzhen Top One Real Estate Development Co., Ltd.	HK$150,000,000	70	Property development
Shenzhen Topping Real Estate Development Co., Ltd.	HK$294,000,000	70	Property development
Tang Shan New World Property Development Co., Ltd.	US$117,000,000	70	Property development
Tianjin New World Department Store Co., Ltd.	US$5,000,000	72	Department store operation
Tianjin New World Housing Development Co., Ltd.	RMB80,000,000	70	Property development
Tianjin New World Properties Development Co., Ltd.	US$91,000,000	70	Property development
Tianjin New World Trendy Plaza Co., Ltd.	RMB30,000,000	72	Department store operation
Tianjin Xin Guang Development Co., Ltd.	US$4,500,000	70	Property investment
Wuhan New Eagle Enterprises Co., Limited	US$2,830,000	70	Property investment
Wuhan New World Caixuan Department Store Co., Ltd.	RMB75,000,000	72	Department store operation
Wuhan New World Department Store Co., Ltd.	US$15,630,000	72	Property investment and department store operation
Wuhan New World Trendy Department Store Co., Ltd.	RMB80,000,000	72	Department store operation
Wuhan New World Trendy Plaza Co., Ltd.	RMB50,000,000	72	Department store operation
Wuhan Xinhan Development Co., Ltd.	US$16,000,000	70	Property development

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[ø] (%)	Principal activities
Incorporated and operate in the PRC (continued)			
Wuzhou Xinwu Highways Limited	RMB72,000,000	32	Operation of toll road
Xiamen NWS Management Consultancy Limited	US$500,000	61	Management consultation
Xi'an New World Department Store Co., Ltd.	RMB40,000,000	72	Department store operation
Yancheng New World Department Store Co., Ltd.	HK$95,000,000	72	Department store operation
Yantai New World Department Store Co., Ltd	RMB80,000,000	72	Department store operation
Yunnan New World Department Store Co., Ltd.	RMB10,000,000	72	Department store operation
Zhaoqing New World Property Development Limited	US$16,500,000	70	Property development
Zhengzhou New World Department Store Co., Ltd.	RMB50,000,000	72	Department store operation
Incorporated and operate in Macau			
Barbican (Macau) Limited	MOP25,000	61	Construction
Hip Hing Engineering (Macau) Company Limited	MOP100,000	61	Construction
Ngo Kee (Macau) Limited	MOP25,000	61	Construction
Vibro (Macau) Limited	MOP1,000,000	61	Foundation works
Incorporated and operates in the US			
Rosewood Hotels and Resorts, L.L.C.	US$260,623,748	70	Hotel management
Incorporated and operates in Germany			
Penta Hotels Germany GmbH	EUR25,000	70	Hotel management

ø Profit or cash sharing percentage was adopted for certain PRC entities

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Par value per share		
Incorporated in Bermuda and operates in Hong Kong				
NWS Holdings Limited	3,775,365,900	HK$1	61	Investment holding
Incorporated in the British Virgin Islands				
Beauty Ocean Limited	1	US$1	61	Investment holding
Brilliant Alpha Investment Limited	1	US$1	70	Investment holding
Dragon Fortune Limited	57,895	US$1	70	Investment holding
Ease Kind Development Limited	1	US$1	100	Property development
Esteemed Sino Limited	1	US$1	70	Investment holding
Ever Brisk Limited	1	US$1	70	Investment holding
Fine Reputation Incorporated	10,000	US$1	100	Investment holding
Fortland Ventures Limited	1	US$1	61	Investment holding
Fortune Star Worldwide Limited	100	US$1	70	Investment holding
Fotoland Limited	1	US$1	100	Investment holding
Goodtrade Enterprises Limited	1	US$1	70	Investment holding
HH Holdings Corporation	600,000	HK$1	61	Investment holding
Hing Loong Limited	20,010,000	US$1	100	Investment holding
Hinto Developments Limited	1	US$1	70	Investment holding
Ideal Global International Limited	1	US$1	61	Investment holding
K11 Group Limited	1	HK$1	100	Investment holding
Kee Shing Investments Limited	1,000	US$1	100	Investment holding
Long York Limited	1	US$1	100	Investment holding
Lotsgain Limited	100	US$1	100	Investment holding
Magic Chance Limited	1	US$1	70	Investment holding
Moscan Developments Limited	1	US$1	61	Investment holding
Natal Global Limited	1	US$1	61	Investment holding
New World Enterprise Holdings Limited	1	US$1	100	Investment holding
New World Hotels Corporation Limited	1	US$1	64	Investment holding
New World Hotel Management (BVI) Limited	1,000	US$1	70	Investment holding
NWS CON Limited	1	HK$1	61	Investment holding
NWS Construction Limited	190,000	US$0.1	61	Investment holding
	8,825[R]	US$0.1	–	
NWS Infrastructure Bridges Limited	1	US$1	61	Investment holding

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Par value per share		
Incorporated in the British Virgin Islands (continued)				
NWS Infrastructure Power Limited	1	US$1	61	Investment holding
NWS Infrastructure Roads Limited	1	US$1	61	Investment holding
NWS Infrastructure Water Limited	1	US$1	61	Investment holding
Penta Enterprises Limited	1	US$1	100	Investment holding
Penta Hotel Holdings Limited	1,000	US$1	70	Investment holding
Pure Cosmos Limited	1	US$1	61	Investment holding
Radiant Glow Limited	1	US$1	70	Investment holding
Right Choice International Limited	200	US$1	37	Property investment
Right Heart Associates Limited	4	US$1	61	Investment holding
Righteous Corporation	1	US$1	61	Investment holding
Rosewood Hotels and Resorts Holdings Limited	1	US$1	70	Investment holding
Rosy Unicorn Limited	1	US$1	61	Financing
Silvery Castle Limited	1	US$1	61	Financing
Sparkling Rainbow Limited	1	US$1	70	Investment holding
Steadfast International Limited	2	US$1	100	Investment holding
Stockfield Limited	1	US$1	61	Investment holding
Sunbig Limited	10	US$1	90	Investment holding
Sweet Prospects Enterprises Limited	1	US$1	70	Investment holding
True Blue Developments Limited	1	US$1	70	Investment holding
Twin Glory Investments Limited	1	US$1	70	Investment holding
Ultra Good Development Limited	100	US$1	80	Investment holding
Winner World Group Limited	10	US$1	100	Investment holding
Incorporated in the British Virgin Islands and operate in Hong Kong				
Best Star (BVI) Investments Limited	1	US$1	61	Investment holding
China Sincere Limited	1	–	72	Financing
Citiplus Investment Limited	1	US$1	100	Investment holding
Creative Profit Group Limited	1	US$1	61	Investment holding
Economic Velocity Limited	1	US$1	61	Investment holding
Fita International Limited	1	–	100	Bond issuer
Forever Great Development Limited	1	US$1	61	Investment holding

49 PRINCIPAL SUBSIDIARIES (continued)

As at 30 June 2015

	Share capital issued[#]		Attributable interest to the Group	Principal activities
	Number of shares	Par value per share	(%)	
Incorporated in the British Virgin Islands and operate in Hong Kong (continued)				
Great Start Group Corporation	1	US$1	61	Investment holding
Hetro Limited	101	US$1	61	Investment holding
Lucky Strong Limited	1	US$1	61	Investment holding
New World Capital Finance Limited	1	US$1	100	Bond issuer
New World Strategic Investment Limited	1	US$1	100	Investment holding
NWD (MTN) Limited	1	US$1	100	Bond issuer
NWD Treasury Limited	1	US$1	100	Financing
NWS Financial Management Services Limited	1	US$1	61	Investment holding
NWS Infrastructure Management Limited	2	US$1	61	Investment holding
NWS (MTN) Limited	1	US$1	61	Financing
NWS Ports Management Limited	2	US$1	61	Investment holding
Park New Astor Hotel Limited	101	US$1	100	Property investment
Shine Fame Holdings Limited	1	US$1	61	Operation of logistics centre
South Scarlet Limited	1	US$1	100	Hotel operation
Sunny Start Group Limited	1	US$1	61	Investment holding
Tin Fook Development Limited	1	US$1	61	Investment holding
Vimanda Profits Limited	2	US$1	100	Property investment
Well Metro Group Limited	14,000	US$1	72	Investment holding
Incorporated in the British Virgin Islands and operates in the PRC				
Nacaro Developments Limited	2	US$1	100	Property investment

[#] Represented ordinary share capital, unless otherwise stated

[R] Redeemable, non-convertible and non-voting preference shares

50 PRINCIPAL JOINT VENTURES

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[Ω] (%)	Principal activities
Equity joint ventures			
Incorporated and operate in the PRC			
China United International Rail Containers Co., Limited	RMB4,200,000,000	18	Operation of rail container terminals and related business
Chongqing Suyu Business Development Company Limited	RMB650,000,000	31	Investment holding
Guangzhou Development Nansha Power Co., Ltd.	RMB450,000,000	13	Generation and supply of electricity
Guangzhou Oriental Power Co., Ltd.	RMB990,000,000	15	Generation and supply of electricity
Guangzhou Pearl River Electric Power Fuel Co., Ltd.	RMB613,361,800	21	Wholesale assembling and storage of fuel
Guangzhou Pearl River Power Company Limited	RMB420,000,000	31	Generation and supply of electricity
Guodian Chengdu Jintang Power Generation Co., Ltd.	RMB924,000,000	21	Generation and supply of electricity
Co-operative joint ventures			
Incorporated and operate in the PRC			
Beijing Zhuhai Expressway Guangzhou-Zhuhai Section Company Limited	RMB580,000,000	15	Operation of toll road
Beijing Chong Wen-New World Properties Development Co., Ltd.	US$225,400,000	49[s]	Property investment and development and hotel operation
Beijing Chong Yu Real Estate Development Co., Ltd.	US$171,840,000	49[s]	Property investment and development
Beijing Xin Kang Real Estate Development Co., Ltd.	US$12,000,000	49[s]	Property investment and development
Beijing Xin Lian Hotel Co., Ltd.	US$12,000,000	39[s]	Hotel operation
China New World Electronics Ltd.	US$57,200,000	49[s]	Property investment and development
Guangzhou Northring Freeway Company Limited	US$19,255,000	40[s]	Operation of toll road
Huizhou City Huixin Expressway Company Limited	RMB34,400,000	31	Investment holding and operation of toll road
Huizhou New World Housing Development Limited	RMB80,000,000	44[s]	Property development
Tianjin Xinzhan Expressway Co., Ltd.	RMB2,539,100,000	37[@s]	Operation of toll road
Wuhan New World Housing Development Limited	RMB96,000,000	42[s]	Property development
Wuhan Wuxin Hotel Co., Ltd.	US$49,750,000	42[s]	Hotel operation

50 PRINCIPAL JOINT VENTURES (continued)

As at 30 June 2015

	Registered/ fully paid capital	Attributable interest to the Group[Ω] (%)	Principal activities
Wholly foreign owned enterprises			
Incorporated and operate in the PRC			
Guangzhou Bosson Real Estate Co., Ltd.	RMB50,003,000	44[s]	Property development
Guangzhou Hemsell Real Estate Development Co., Ltd.	RMB79,597,000	44[s]	Property development
Ningbo Xin Li Real Estate Co. Ltd.	US$802,335,000	34	Property development
Shanghai New World Huai Hai Property Development Co., Ltd.	US$108,500,000	35	Property investment
Wuhan New World Hotel Properties Co., Ltd.	RMB83,507,110	42[s]	Property investment

Ω Percentage of equity interest, in the case of equity joint ventures or profit sharing percentage, in the case of co-operative joint ventures

@ Represented cash sharing ratio

s The Group through its non-wholly owned subsidiaries holds more than 50% interests in these joint ventures. These joint ventures are considered as subsidiary undertakings under the Hong Kong Companies Ordinance (Cap.622). However, under the respective contractual agreements, the Group does not control these joint ventures as the decisions about relevant activities require the unanimous consent of the parties sharing the control

	Share capital issued[#]		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK$		
Companies limited by shares				
Incorporated and operate in Hong Kong				
ATL Logistics Centre Hong Kong Limited	100,000'A'	100,000	34[&]	Operation of cargo handling and storage facilities
	20,000'B'[2]	20,000	49	
	54,918[1]	54,918	100	
ATL Logistics Centre Yantian Limited	10,000	10,000	28	Investment holding
Austin Project Management Limited	1,000,000	1,000,000	50	Project management
China Aerospace New World Technology Limited	30,000,000	165,000,000	50	Investment holding
Direct Profit Development Limited	200,000	10,000	15	Property investment
Eminent Elite Limited	1	1	34	Investment holding
Far East Landfill Technologies Limited	1,000,000	1,000,000	29	Landfill
Fast New Limited	1,000,000	1,000,000	50	Property development
First Star Development Limited	100	100	31	Property development
GH Hotel Company Limited (Formerly: Grand Hyatt Hong Kong Company Limited)	1,000	1,000	32	Hotel operation

50 PRINCIPAL JOINT VENTURES (continued)

As at 30 June 2015

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Issued and paid up share capital HK$		
Companies limited by shares (continued)				
Incorporated and operate in Hong Kong (continued)				
Gloryland Limited	900	900	33	Property investment
Golden Kent International Limited	1	1	40	Property development
Grace Sign Limited	1,000	1,000	30	Property investment
Great TST Limited	2	2	32	Hotel operation
Hotelier Finance Limited	1	1	32	Financing
New World Harbourview Hotel Company Limited	1,000	1,000	32	Hotel operation
NWS Infrastructure SITA Waste Services Limited	2	2	31	Investment holding
Super Lion Enterprises Limited	2	2	50	Property investment
Supertime Holdings Limited	100	100	31	Property development
Tate's Cairn Tunnel Investment Holdings Company Limited	1,100,000	1,100,000	18	Investment holding
Wincon International Limited	300,000,000	300,000,000	31	Investment holding
Wise Come Development Limited	30	30	50	Property investment

	Share capital issued#		Attributable interest to the Group (%)	Principal activities
	Number of shares	Par value per share		
Incorporated in the British Virgin Islands and operate in the PRC				
Holicon Holdings Limited	2	US$1	50	Property investment
Jaidan Profits Limited	2	US$1	50	Property investment
Jorvik International Limited	2	US$1	50	Property investment
Orwin Enterprises Limited	2	US$1	50	Property investment
Incorporated in the British Virgin Islands and operates in Hong Kong				
NWS Transport Services Limited	500,000,016	HK$1	31	Investment holding
Incorporated in the British Virgin Islands				
DP World New World Limited	2,000	US$1	31	Investment holding
Great Hotels Holdings Limited	4	US$1	32	Investment holding
Landso Investment Limited	100	US$1	35	Investment holding
Newfoundworld Investment Holdings Limited	5	US$1	20	Investment holding

50 PRINCIPAL JOINT VENTURES (continued)

As at 30 June 2015

	Share capital issued[#] Number of shares	Share capital issued[#] Par value per share	Attributable interest to the Group (%)	Principal activities
Companies limited by shares (continued)				
Incorporated in the British Virgin Islands (continued)				
Silvery Yield Development Limited	100	US$1	34	Investment holding
Success Concept Investments Limited	1,000	US$1	55[s]	Investment holding
Incorporated and operates in the Netherlands				
Hyva I B.V.	19,000	EUR1	31	Manufacturing and supply of components used in hydraulic loading and unloading systems

	Share capital issued[#] Number of shares	Share capital issued[#] Issued and paid up share capital HK$	Attributable interest to the Group (%)	Principal activities
Incorporated in Hong Kong and operates in Hong Kong, Macau and Mainland China				
Sino-French Holdings (Hong Kong) Limited	3,748,680'A'	374,868,000	–	Investment holding and operation of water plants
	7,209,000'B'	720,900,000	61	
	3,460,320'C'	346,032,000	–	

Represented ordinary share capital, unless otherwise stated

1 Non-voting deferred shares

2 Non-voting preference shares

& The directors of the Company considered the Group does not have unilateral control governing the financial and operating activities over these joint ventures

s The Group through its non-wholly owned subsidiaries holds more than 50% interests in these joint ventures. These joint ventures are considered as subsidiary undertakings under the Hong Kong Companies Ordinance (Cap.622). However, under the respective contractual arrangements, the Group does not control these joint ventures as the decisions about relevant activities require the unanimous consent of the parties sharing the control

51 PRINCIPAL ASSOCIATED COMPANIES

As at 30 June 2015

	Share capital issued# Number of shares	Share capital issued# Issued and paid up share capital HK$	Attributable interest to the Group (%)	Principal activities
Incorporated and operate in Hong Kong				
Ever Light Limited	1,000	1,000	40	Property investment
GHK Hospital Limited	10	10	25	Healthcare
Global Perfect Development Limited	1,000,000	1,000,000	35	Investment holding
Joy Fortune Investments Limited	10,000	10,000	31	Investment holding
Pure Jade Limited	1,000,000	1,000,000	20	Property investment
Quon Hing Concrete Company Limited	200,000	20,000,000	31	Production and sales of ready-mixed concrete
Ranex Investments Limited	100	100	10^	Property investment
Shun Tak Centre Limited	1,000'A'	100,000	29	Property investment
	450'B'	4,500	64	
	550'C'	5,500	–	

	Share capital issued# Number of shares	Share capital issued# Par value per share	Attributable interest to the Group (%)	Principal activities
Incorporated in the British Virgin Islands				
East Asia Secretaries (BVI) Limited	300,000,000	HK$1	15	Business, corporate and investor services
VMS Private Investment Partners II Limited	2,500*	US$0.01	–	Securities investment
	929**	US$0.01	61@	
VMS Private Investment Partners IV Limited	1,500*	US$0.01	–	Securities investment
	35**	US$0.01	37@	
Incorporated in the British Virgin Islands and operates in Hong Kong				
VMS Private Investment Partners III Limited	1,500*	US$0.01	–	Securities investment
	1,923**	US$0.01	61@	
Incorporated in Bermuda and operates in Hong Kong				
Wai Kee Holdings Limited	793,124,034	HK$0.1	17	Construction
Incorporated in the Cayman Islands and operate in Ireland				
Goshawk Aviation Limited	362,026,264***	US$0.001	24	Commercial aircraft leasing
Goshawk Management Holdings (Cayman) Limited	100	US$1	24	Commercial aircraft leasing management

51 PRINCIPAL ASSOCIATED COMPANIES (continued)

As at 30 June 2015

	Share capital issued[#] Number of shares	Par value per share	Attributable interest to the Group (%)	Principal activities
Incorporated in the Cayman Islands and operates in the PRC				
Newton Resources Ltd	4,000,000,000	HK$0.1	22	Mining, ore processing and sale of iron concentrate
Incorporated in the Cyprus and operates in South Africa				
Tharisa plc	254,780,646	US$0.001	10^	Chrome mining and processing

	Registered/ fully paid capital	Attributable interest to the Group[Ω] (%)	Principal activities
Incorporated and operate in the PRC			
Chongqing Silian Optoelectronics Science And Technology Co., Ltd.	RMB500,000,000	12	Manufacturing and sale of sapphire substrate and wafer, LED packaging and application
Hangzhou Ring Road Expressway Petroleum Development Co., Ltd.	RMB10,000,000	23	Operation of gasoline station
Tianjin Five Continents International Container Terminal Co., Ltd.	RMB1,145,000,000	11^	Operation of container terminal
Xiamen Container Terminal Group Co., Ltd.	RMB2,436,604,228	8^	Operation of container terminals
Zhaoqing Yuezhao Expressway Co., Ltd.	RMB818,300,000	15	Operation of toll road

	Issued and fully paid share captial[#] Number of shares	Par value per share	Attributable interest to the Group (%)	Principal activities
Incorporated and operates in the PRC				
Beijing Capital International Airport Co., Ltd	2,451,526,000 domestic shares	RMB1	–	Operation of an international airport
	1,879,364,000 H shares	RMB1	15^	

Represented ordinary share capital, unless otherwise stated

Ω Percentage of equity interest, in the case of equity joint ventures or profit sharing percentage, in the case of co-operative joint ventures

* Voting, non-participating, non-redeemable management shares

** Non-voting, redeemable participating shares

*** Preference shares

^ The directors of the Company considered the Group has significant influence over these companies through its representatives on the board of directors of these companies

@ The Group through its non-wholly owned subsidiaries holds more than 50% interests in these associated companies. These associated companies are considered as subsidiary undertakings under the Hong Kong Companies Ordinance (Cap. 622). However, under the respective contractual arrangements, the Group has no control over the relevant activities including investment decisions of these companies but has significant influence through its representative on each of these companies' investment committees

FIVE-YEAR FINANCIAL SUMMARY

For the year ended 30 June 2015

CONSOLIDATED INCOME STATEMENTS

For the year ended 30 June

	2015 HK$m	2014 HK$m	2013 HK$m	2012 HK$m	2011 HK$m
Revenues	**55,245.0**	56,501.1	46,779.9	35,620.1	32,882.0
Operating profit	**27,970.9**	16,823.1	19,286.7	16,115.0	12,285.7
Net financing costs	**(491.7)**	(843.6)	(695.2)	(513.5)	(465.9)
Share of results of joint ventures and associated companies	**3,657.3**	3,096.5	4,719.7	3,120.1	3,758.0
Profit before taxation	**31,136.5**	19,076.0	23,311.2	18,721.6	15,577.8
Taxation	**(4,264.4)**	(5,738.2)	(4,794.8)	(4,400.5)	(2,833.8)
Profit for the year	**26,872.1**	13,337.8	18,516.4	14,321.1	12,744.0
Non-controlling interests	**(7,760.1)**	(3,612.4)	(4,367.7)	(4,182.1)	(3,590.1)
Profit attributable to shareholders of the Company	**19,112.0**	9,725.4	14,148.7	10,139.0	9,153.9
Dividends per share (HK$)					
Interim	**0.12**	0.12	0.12	0.10	0.10
Final	**0.30**	0.30	0.30	0.28	0.28
Full year	**0.42**	0.42	0.42	0.38	0.38
Earnings per share (HK$)			(Adjusted)		
Basic	**2.17**	1.37	2.14	1.88	2.10
Diluted	**2.17**	1.37	2.10	1.85	2.04

Earnings per share for the years ended 30 June 2011 and 2012 have not been adjusted to reflect the effect of rights issue of the Company during the year ended 30 June 2014.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 June

	2015 HK$m	2014 HK$m	2013 HK$m	2012 HK$m	2011 HK$m
Assets					
Investment properties, property, plant and equipment and land use rights and intangible concession rights	**129,250.0**	113,634.5	105,762.3	92,014.1	66,808.7
Intangible assets	**2,864.1**	4,662.5	4,139.3	4,120.9	1,754.7
Interests in joint ventures, associated companies, other investments and other non-current assets	**104,068.9**	95,739.3	96,148.5	84,543.1	77,322.0
Current assets	**161,747.7**	155,191.1	126,139.0	105,693.6	83,230.0
Total assets	**397,930.7**	369,227.4	332,189.1	286,371.7	229,115.4
Equity					
Share capital	**66,711.6**	63,761.3	6,311.6	6,151.1	3,990.1
Reserves	**112,207.0**	96,047.0	132,819.0	117,391.8	99,790.3
Shareholders' funds	**178,918.6**	159,808.3	139,130.6	123,542.9	103,780.4
Non-controlling interests	**43,439.4**	40,468.2	38,614.4	34,497.8	30,588.2
Total equity	**222,358.0**	200,276.5	177,745.0	158,040.7	134,368.6
Current liabilities	**81,003.1**	70,070.5	65,146.8	50,691.2	49,864.6
Non-current liabilities	**94,569.6**	98,880.4	89,297.3	77,639.8	44,882.2
Total equity and liabilities	**397,930.7**	369,227.4	332,189.1	286,371.7	229,115.4

RISK FACTORS

The Group's businesses, financial condition, results of operations and growth prospects may be affected by risks and uncertainties directly or indirectly pertaining to the Group's businesses. The risk factors set out below are those that could result in the Group's businesses, financial conditions, results of operations or growth prospects differing materially from expected or historical results. Such factors are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

A. RISKS RELATING TO PROPERTY DEVELOPMENT, SALES, INVESTMENTS AND HOTEL OPERATIONS

1. As most properties of the Group are located in Hong Kong and the PRC, the Group's businesses and prospects are principally dependent on the performance of property market in Hong Kong and the PRC. The property market in Hong Kong and the PRC are affected by a number of factors, including changes in social, political, economic and legal environment, as well as changes in the government's financial, economic, monetary, industrial and conservation policies. The Group is also susceptible to changes in economic conditions, consumer confidence, consumption spending, and changes in consumption preferences. Other factors beyond the Group's control, including personal and family disposable income levels and mortgage market condition etc., may also affect consumer confidence and demand for properties in the Group's location of operations. Any adverse changes, price control on property prices or rental value and restrictions on the growth of property market imposed by the relevant governments in the locations where the Group operates may have material adverse impacts on its businesses, financial condition, results of operations and growth prospects.

2. Under the influence of government policies and present economic trend of Hong Kong, the PRC and the world, property markets in Hong Kong and the PRC have witnessed volatility in recent years. In future, any downturn or financial turmoil in Hong Kong, the PRC and the global economies may have a material adverse impact on the Group's potential purchasers or tenants, which will in turn lead to a decrease in the general market demand for the Group's properties and its property price or rental value.

3. The Group's results of operations may fluctuate according to the progress of property development and the timing of its property sales. Turnover from property sales is recognised on the date of the sale or on the date of issue of the relevant occupation permit, whilst the economic benefit and the risks and returns are respectively accrued to the Group and the purchasers. The Group's revenue and results may vary from one period to another depending on the number of properties completed in a specific period, or the time and capital required for the completion of construction projects. The timing of its property sales is dependent on the lead time required for the Group to obtain the requisite government approvals, which is beyond the control of the Group.

4. The property industries in Hong Kong and the PRC are regulated by the respective governments. In general, property developers must comply with requirements mandated by the applicable laws and regulations, which include policies and procedures established by the local governments for implementation thereof. Property developers in Hong Kong and the PRC, in particular, must obtain relevant permits, licenses, certificates and other approvals at various stages of property development for the purpose of its property development business. The grant of relevant permits, licenses, certificates and other approvals is dependent on whether certain conditions set by the relevant authorities are fulfilled as they are often subject to governmental discretions and new laws, regulations, and changes in polices that are in relation to the property industry.

A. RISKS RELATING TO PROPERTY DEVELOPMENT, SALES, INVESTMENTS AND HOTEL OPERATIONS (continued)

5. The Group cannot assure that it will not encounter impediments in fulfilling the conditions or meeting the particular process requirements in order to obtain the required approvals, or will acquire occupation of the land parcels, in relation to its property development project, or can perform its obligations under the land grant contract including the commencement and completion of the development in future. There can be no assurance that the Group's businesses will be in compliance with new laws, regulations or policies which come into effect from time to time relating to the particular process related to the granting of the approvals or generally applicable to the overall property industry. When the Group fails to obtain the relevant approvals, fulfill the conditions or acquire the land parcels, the relevant projects may not proceed as scheduled or at all.

6. Hong Kong's property market is also affected by the policies of the Hong Kong government. For instance, the government introduced the special stamp duty (SSD) applicable to the purchase of residential flats in 2010 to cool the property market for a period of 24 months. Subsequently, the rate of the SSD was raised while the period was extended to 36 months with the introduction of buyers' stamp duty (BSD), which became applicable to non-residential flats in 2013. On the other hand, the Hong Kong Monetary Authority required banks to lower their property mortgage proportion. The Hong Kong government also withdrew the Capital Investment Entrant Scheme in 2013. The above examples show that the Hong Kong government will be able to exert greater influence on the property market through legislation or administrative measures.

   There can be no assurance that the Hong Kong government will or will not implement further cooling measures or extend the scope, application and rate level of the existing measures. These and any further measures may adversely impact the Hong Kong property market which may in turn adversely impact the Group's business, financial condition, results of operations and prospects.

7. For some of the Group's property development, where agricultural land parcels are converted into residential or commercial uses, approvals from various government authorities would be required. The lengthy and complicated approval procedures imply that government policies and efficiency of approval directly affects the addition to land reserve. The Group cannot guarantee that such land use conversion will be approved, or that the Group can precisely grasp the land use and timeframe of such conversion.

8. A portion of the Group's revenue is derived from its hotel operations. Since hotel guests are short-term occupants of hotel rooms, they are generally not committed to contracts of medium-term or long-term rental payment. Consequently, a hotel's occupancy rate and room rate are subject to a high degree of fluctuations due to factors including seasonality, social stability, politics, natural hazards, disease and economic condition as well as the nature of hotel business. In addition, a significant portion of the Group's revenue from hotel operations is attributable to catering services, including banqueting services. Typically, demand for banqueting services increases on holidays, festivals and the propitious dates on the Chinese lunar calendar. Although corresponding measures have been taken to cope with the seasonal fluctuations of the hotel business, such measures may be ineffective. Therefore, any comparison of our results of operations between various interims in a financial year may not be meaningful and shall not be relied upon as an indicator for the Group's performance.

9. A significant amount of fixed costs are involved in operating investment properties and hotels of the Group, including maintenance costs as well as employees and staff salaries and expenses. These fixed costs may constrain the Group's ability to respond to adverse market conditions by minimising costs. Where property leasing or the hotel industry experience downturns, such costs may adversely affect the profitability of the Group, and may fuel the decline in occupancy rate, rental rate or room rate. If the maintenance costs significantly increase, there may be material adverse effect on the Group's businesses, financial condition, results of operations and growth prospects.

A. RISKS RELATING TO PROPERTY DEVELOPMENT, SALES, INVESTMENTS AND HOTEL OPERATIONS (continued)

10. The rapid economic growth and infrastructure development in Hong Kong and the PRC in recent years have uplifted the costs of construction materials and wages of workers. In addition, in view of the improvement of general living standards in Hong Kong and the PRC and recent policies of the government of the PRC (the "PRC Government") to increase the wages of workers from rural areas, the Group expects that labour costs will continue to increase in the foreseeable future. Other than the higher labour costs, the rising labour demand and in turn more intensified competition for construction workers in regions where the Group operates, such as the growing shortage of construction workers and service in Hong Kong, has made it increasingly difficult for the Group to hire sufficient well-skilled labour for its property development projects and investment properties, hindering its property development business. In addition, labour shortage in neighboring regions such as Macau has intensified competition for labour in the region, which may adversely impact on the Group's business. Increasing cost of construction materials and labor are expected to raise contractors' fee quotes in our new property development projects. In addition, the Group usually commences pre-sales of properties prior to their completion. In the event that the construction materials and labour costs surge subsequent to the pre-sales, such increases in costs may not be passed on to buyers of the properties. Escalating labour shortage and/or significant increase in costs of labour or construction materials without corresponding reduction of other costs to offset such increases or pass on such increases to the buyers or tenants of our properties may adversely and materially affect the Group's businesses, financial condition, results of operations and growth prospects.

B. RISK RELATING TO FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

1. The following factors may lower the level of turnover and profit of the Group, while the Group cannot guarantee that the turnover and net profit level will be sustained or improved. The Group may not be able to sustain similar patterns or levels of turnover or profit in the future:

   I. change in the mix of turnover contributions, such as income from property development, rental income from investment properties and income from our hotels;

   II. increased market competition;

   III. unfavourable government policies affecting consumer sentiments;

   IV. failure to achieve target sales volumes and prices;

   V. failure to achieve target rentals, daily room rates and occupancy rates;

   VI. decrease in the fair value of investment properties;

   VII. our costs may not decrease in tandem with a reduction in turnover to be derived from properties, as most of the expenses associated with owning and maintaining the Group's properties are fairly fixed (including land cost, development cost, administration cost, and selling and distribution cost); and

   VIII. failure to negotiate volume discounts with suppliers on favourable terms.

B. RISK RELATING TO FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS (continued)

2. The Group's finance costs and interest expenses fluctuate with changes in interest rates. In Hong Kong, the Group's borrowings include amounts denominated in Hong Kong dollars. The interest rates on some of our outstanding Hong Kong dollar denominated borrowings are benchmarked to the Hong Kong interbank offered rates ("HIBOR") for Hong Kong dollars. We cannot assure that the benchmark interest rate will not increase in the future, which would increase our financing costs and interest expenses. In the PRC, the Group's borrowings also include amounts denominated in RMB. The People's Bank of China adjusts its benchmark lending rates from time to time in response to domestic and global economic changes. On 22 November 2014, the one-year benchmark lending rate was set at 5.6% as promulgated by the People's Bank of China. On 28 February 2015, the one-year benchmark lending rate for loans effective on 1 March 2015 was reduced to 5.35%, whereas the Group cannot guarantee that the People's Bank of China will not raise such lending rates in future. In addition, as the Group also borrows from overseas banks and other financial institutions, the availability of sufficient capital in the capital market directly affects the cost of borrowing in relation to the currencies the Group borrows. The Group may also be affected by changes in the prevailing interest rate of the global credit market. Any increase in interest rate in connection with the currencies the Group borrows will increase the Group's finance costs and customers' mortgage interest rates and may adversely and materially affect the Group's businesses, financial condition, results of operations and growth prospects.

3. Fluctuations in the Group's results of operations may also be induced by other factors, including changes in market demand for the Group's properties. In addition, the periodicity of the property market also has an impact on the optimal timing for land acquisition as well as the planning of development and sales of properties. As results of operations in relation to property development activities are susceptible to significant fluctuations, comparison of the Group's results of operations and cash flow position among periods may not be an effective indicator of the Group's financial performance in any particular period.

4. The Group is required to reassess the fair value of its investment properties at every balance sheet date to which financial statements are made up. Pursuant to Hong Kong Financial Reporting Standards (HKFRS), investment properties are stated at their fair value, and the variation in their changes should be taken to the consolidated income statement of the financial period in which it is incurred. Based on the appraisal conducted by independent property valuers, the Group recognises the aggregate market value of investment properties at fair value and the related deferred tax in the consolidated statement of financial position, while the variation in changes in fair value and the related deferred tax of investment properties are recognised in the consolidated income statement. Therefore, the assumptions made in appraising investment properties would change under changing market conditions, including lower weighted average capital ratio. Notwithstanding any variations in profit, fair value gains and losses are not cash items and will not increase or decrease cash and cash equivalent. The amount of revaluation adjustment has been and will continually be subject to changes in market conditions. As such, there can be no assurance that changes in market conditions will continue to generate gains from fair value changes in investment properties at similar level or at all, or there will be no decline in the fair value of the Group's investment properties. If a property market in the region where the Group operates slows down, the fair value of the Group's investment properties may decline.

B. RISK RELATING TO FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS (continued)

5. Properties developed by the Group for sales in the PRC are subject to Land Appreciation Tax (“LAT”). LAT is calculated based on proceeds received from the sale of properties less deductible expenditures as provided in the relevant tax laws. Pending settlement with the relevant tax authorities, we make provisions for the amount of LAT in accordance with the relevant PRC tax laws and regulations from time to time. Provisions for LAT are made on the Group’s own estimates based on, among other things, its own apportionment of deductible expenses which is subject to final confirmation by the relevant tax authorities upon settlement of the LAT. The Group only prepays a portion of such provisions each year as required by the local tax authorities. The Group cannot assure that the relevant tax authorities will agree with its calculation of LAT, nor can it assure that the LAT provisions will be sufficient to cover its LAT obligations in respect of its past LAT liabilities in relation to its combined property business. If the relevant tax authorities determine that its LAT exceed the LAT prepayments and provisions, and seek to collect that excess amount, the Group’s cash flow, results of operations and financial may be materially and adversely affected. As there are uncertainties as to when the tax authorities will enforce the LAT collection and whether it will apply the LAT collection retrospectively to properties sold before the enforcement, any payment as a result of the enforcement of LAT collection may significantly restrict the Group’s cash flow position, its ability to finance its land acquisitions and to execute its business plans.

6. The results of the Group are presented in Hong Kong dollars, but its various subsidiaries, joint ventures and associated companies may receive turnover and incur expenses in other currencies. Any currency fluctuations on translation of the accounts of these subsidiaries, joint ventures and associated companies and also on the repatriation of earnings, equity investments and loans may therefore impact on the Group’s businesses. Exchange rate of Hong Kong dollar against RMB or other foreign currencies are affected by, among other things, changes in the political and economic environment of the issuing jurisdictions of the currencies. The exchange rate of RMB against Hong Kong dollar, the US Dollar or other currencies may be re-valued, and may be permitted to enter a full or limited free float. Such situation may result in appreciation or depreciation in RMB against Hong Kong dollar, the US Dollar or other foreign currencies. Continual fluctuations in the exchange rate of the Hong Kong dollar against RMB or other currencies may materially and adversely affect the Group’s businesses, financial condition, results of operations and growth prospects.

7. In April 2013, State Administration of Foreign Exchange (“SAFE”) issued the Operation Guidelines for the Administration of Foreign Debt (the “Guidelines”), which became effective on 13 May 2013. The Guidelines stipulate that, amongst other things, (i) with respect to real estate enterprises with foreign investment who obtained approval certificates from commercial authorities and registered with the Ministry of Commerce on or after 1 June 2007, the branches of SAFE will no longer process the foreign debt registrations for such enterprises, (ii) with respect to real estate enterprises with foreign investment established prior to 1 June 2007, such enterprises may borrow foreign debt in accordance with the relevant provisions in the Guidelines, but the amount of foreign debt shall not exceed the surplus between the enterprise’s total investment amount and its registered capital (the “Surplus”); in the event that the enterprise increases its registered capital, and the Surplus after the increase of registered capital is less than the Surplus before the increase of registered capital, then the amount of foreign debt of such enterprise shall not exceed the Surplus after the increase of registered capital, and (iii) in the event that the registered capital of a real estate enterprise with foreign investment is not paid in full, or such real estate enterprise with foreign investment does not obtain State-owned land use rights certificate(s), or the capital for real estate projects to be developed is less than 35% of the total investment amount of such projects, such real estate enterprise with foreign investment is prohibited from borrowing foreign debt, and the branches of SAFE will not process the foreign debt registrations for such enterprises. The Guidelines therefore restrict the ability of our PRC subsidiaries that are real estate enterprises with foreign investment to raise funds offshore for the purpose of injecting such funds into the enterprises by way of shareholder loans. The Group cannot assure that the PRC Government will not issue any new policy that will further restrict the ability of the Group in allocating its funds in China.

B. RISK RELATING TO FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS (continued)

8. The Group maintains a certain level of indebtedness to finance its operation. The Group's indebtedness could have an adverse effect on it, for example, by:

    I. requiring the Group to maintain certain financial ratios;

    II. requiring the Group to dedicate a large portion of its cash flow to repay interest and debt, thereby reducing the availability of its cash flow to expand its business;

    III. increasing the Group's vulnerability to adverse economic or industry conditions;

    IV. limiting the Group's flexibility in planning or responding to the changes in its business or the industry in which it operates;

    V. limiting the Group's ability to raise additional debt or equity capital in the future of increasing the cost of such funding;

    VI. restricting the Group from making strategic acquisitions or taking advantage of business opportunities;

    VII. increasing the difficulty of the Group to meet its obligations in relation to its debt; and

    VIII. increasing the cost of borrowings of the Group.

    The Group is principally engaged in property development business. As such business operation requires substantial capital input, the Group will still need to obtain financing from financial institutions. When the credit market contracts or tightens, the Group cannot assure that there will be sufficient borrowings or that it can refinance, in which case its business development will be adversely affected to a certain extent.

    In the future, the Group may from time to time incur other substantial indebtedness, intensifying the risks induced by its indebtedness. The Group's ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend on the Group's operating performance in future, which will be affected by, among other things, the prevailing economic conditions, governmental regulations, the demand for properties in the region where the Group's business operates and other factors, many of which are beyond the Group's control. The Group may not generate sufficient cash flow to pay its anticipated operating expenses and to service its debts. In this case, the Group will have to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, disposing of the Group's assets, restructuring or refinancing, or seeking equity capital. These strategies may not be implemented on satisfactory terms, or at all. Even they are implemented, they may result in an adverse effect on the Group's businesses, financial conditions and results of operations. In addition, if the Group fails to fulfill its payment obligations, comply with any actual covenants or required financial ratios, or breach any restrictive covenants, it may result in a default under the terms of such borrowing. If an event of default occurs, the loan borrower is entitled to request the Group to repay in full or part of its outstanding indebtedness on an accelerated basis.

C. OTHER RISKS

1. An outbreak of any other epidemics in the region where the Group operates may result in material disruptions in the Group's and its tenants' businesses. Natural disasters or other catastrophic events, such as earthquake, flood or severe weather conditions, could, depending on its magnitude, significantly disrupt the Group's business operations or result in significant economic downturn in the affected regions. The Group cannot assure that there will be no occurrence of earthquakes or other natural hazards in the area where it operates, which may result in severe destruction of the Group's property development projects, assets, cash flow from infrastructure and facilities.

2. The Group is subject to extensive and increasingly stringent environmental protection laws, regulations and decrees that imposes fines for violation of such laws, regulations or decrees and provide for the shutdown by the government authorities of any construction sites not in compliance with government orders requiring the cessation or cure of certain activities causing environmental damage. In addition, there is a growing global awareness of environmental issues and the Group may sometimes be expected to meet a standard which is more stringent than the requirement of the prevailing environmental laws and regulations and may cause negative impacts on the costs and operations of its projects. We have adopted various environmental protection measures, including conducting environmental assessment on the Group's property construction project and hiring contractors with good environmental protection and safety track records, and required them to comply with the relevant regulations or laws on environmental protection and safety, whereas such measure may be ineffective. In addition, the Group cannot assure that more stringent environmental projection regulations will not be imposed in the future. If the Group fails to comply with the prevailing environmental laws or regulations, or fails to meet public expectations in relation to environmental matters, the Group's reputation may be damaged or may be required to pay fines or take remedial actions, in which case suspension of operation may be required in the Group's subsidiaries.

3 The development of, and future trends in Hong Kong and the PRC property industries have been the focus of numerous media reports. As a leading property developer in Hong Kong and the PRC, information about the Group or its projects appears frequently in various media outlets. Some of these media reports contain inaccurate information about the projects of the Company and the Group. There can be no assurance that there will not be false, inaccurate or adverse media reports about the Group or its projects in the future. In particular, the Group may be required to respond or take defensive and remedial actions with regard to such inaccurate or adverse media reports, which may adversely divert its resources and our management's attention and may materially and adversely impact its business operations. Moreover, there can be no assurance as to the appropriateness, accuracy, completeness or reliability of any media reports regarding the Company. The Group disclaims any media reports contain information that is inconsistent or conflicts with the information contained in its annual report and circulars. Investors should not rely on such information in making a decision as to invest in the company's shares and/or its listed securities, and should rely only on the information included in its listing document.

4 The Group has insurance in place in relation to its various development projects, including third-party and earthquake insurances. In general, such insurances do not cover wars, riots, terrorism and acts of God, any of which case would result in an unpredictable amount of losses and have negative impacts on the Group's businesses and cash flow to a certain extent.

5 Certain businesses of the Group are operated under concession rights, including the Hong Kong Convention and Exhibition Centre, public bus services, public ferry services, operations of duty-free shops and toll roads etc. The Group cannot assure that such concession rights can be renewed upon their expiry, and the conditions could be worse off than the existing ones even if renewals are approved.

6. Notwithstanding the appropriate measures adopted to protect the Group's computer system and information, the Group cannot assure that there will be no occurrence of unlawful break-ins or misuse with rapid technological advancement, which may affect its businesses to a certain extent.

D. MAJOR RISK FACTOR ON SUBSIDIARIES

New World China Land Limited ("NWCL")

1. NWCL's property development business is highly susceptible to the prevailing condition and performance of the PRC property market which is heavily regulated by the PRC central and local governments. In response to the domestic and international market volatility, the PRC Government will, from time to time adjust its monetary and economic policies to monitoring the rate of growth of the PRC economy and economies of local areas within the PRC. Such policies and regulations would have significant impact on the PRC property market where NWCL operates.

2. Economic conditions in the PRC are sensitive to global economic conditions, and it is impossible to predict how the PRC economy will develop in the future and whether it might slow down due to the global crisis or experience a financial crisis in a manner and scale similar to that in the United States and the European countries. As the real estate industry is sensitive to macroeconomic trends, real estate prices tend to fluctuate along with the change of macroeconomic conditions.

3. These and other issues resulting from the global economic slowdown and financial market turmoil have adversely affected, and may continue adversely affecting, the Chinese market and consumption capacity in this market, which may lead to a decline in the general demand for NWCL's products and erosion of their sale prices. In addition, any further tightening of liquidity in the global financial markets and in China may negatively affect our liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets crisis continue, our business, financial condition and results of operations may be adversely affected.

4. NWCL's property development operations face competition from both international and local property developers with respect to factors such as location, facilities and supporting infrastructure, services and pricing. NWCL competes with both local and international companies in capturing new business opportunities in the PRC. In addition, some local companies have extensive local knowledge and business relationships and/or a longer operational track record in the relevant local markets than NWCL while international companies are able to capitalise on their overseas experience to compete in the PRC markets. Intensified competition between property developers may result in increased costs for land acquisition and an over-supply of properties, both of which may adversely affect NWCL's business and financial conditions.

5. Property development companies in the PRC, including some of NWCL's PRC subsidiaries, are subject to extensive governmental regulation in most aspects of their operations, including those relating to the acquisition of land use rights, resettlement and clearance of land, the approval of property development proposals and pre-sales. There can be no assurance that these regulations will not change in the future in a manner which could adversely affect NWCL's business or results of operations. In addition, the PRC Government is presently strengthening its regulation and control of the development of properties. While enforcement of these and other regulations are beneficial to the entire property development industry, it is possible that certain individual regulations could adversely affect property development companies, including NWCL. As regulations continue to develop, prevailing industry practices may not comply with such regulations.

6. The PRC Government has in the past imposed restrictions on foreign investments in the property sector to curtail the overheating of the property sector by, among other things, increasing the capital and other requirements for establishing foreign-invested real estate enterprises, tightening foreign exchange control and imposing restrictions on purchases of properties in China by foreign persons. Such restriction may affect NWCL's ability to make further investments in NWCL's PRC subsidiaries and as a result may limit its business growth and have a material adverse effect on its business, financial condition and results of operations.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

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

7. The fiscal and other measures adopted by the PRC Government from time to time may limit NWCL's flexibility and ability to use bank loans to finance its property developments and therefore may require NWCL to maintain a relatively high level of internally-sourced cash. In recent years, the PRC Government has tightened the requirements in relations to grant of state-owned land used rights by way of tender, auction and listing-for sale and raised the minimum down payment of land premium several times up to 70% of the benchmark price of the locality where the parcel of land is granted, and the bidding deposit at not less than 20% of the minimum land premium. Additionally, a land grant contract is required to be entered into within 10 working days after a land grant deal is closed, and the down payment of 50% of the land premium is to be paid within one month of the signing of the land grant contract, with the remaining to be paid in full within one year of the date of the land grant contract in accordance with provisions of such land grant contract, subject to limited exceptions. Such change of policy may constrain NWCL's cash otherwise available for additional land acquisitions and construction works.

8. Under PRC tax laws and regulations, NWCL's properties developed for sale are subject to LAT, which is collectible by the local tax authorities. All income from the sale or transfer of state-owned land use rights, buildings and their ancillary facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value as defined by the relevant tax laws, with certain exemptions available for the sale of ordinary residential properties if the appreciation does not exceed 20% of the total deductible items as defined in the relevant tax laws. Sales of commercial properties are not eligible for such exemption. A minimum LAT prepayment rate ranging from 1% to 2% of sale value required to be paid by developer upon sale and before the development project is completed and eligible for tax audit for final settlement of LAT.

9. Local provincial tax authorities can formulate their own implementation rules according to the Notice on the Administration of the Settlement of Land Appreciation Tax of Property Development Enterprises and local situations and there are uncertainties as to how they will enforce this notice. In the event that relevant tax authorities change their requirements as to the amount or timing of payment of provisional LAT, NWCL's cash flow may be materially and adversely affected.

10. A significant portion of NWCL's operation is in the PRC and majority of NWCL's income and expenditures were transacted in Renminbi. Renminbi is not freely convertible. The PRC Government regulates the conversion between Renminbi and foreign currency, and there is significant restriction on the remittance of Renminbi into and outside the PRC. The value of Renminbi is subject to changes in PRC Government policies and to international economic and political developments. Therefore there is no assurance that the exchange rate of Renminbi will remain stable against foreign currencies in the market and fluctuations in exchange rates may adversely affect the value, translated into Hong Kong dollars, of NWCL's net assets, earnings and any declared dividends.

11. In recent years, the PRC Government has promulgated administrative measures to gradually liberalise the control over cross-border remittance of Renminbi where payment of current account items, including profit distributions, interest payments and expenditure from trade may be made in foreign currencies without prior approval, but subject to certain procedural requirements. However strict foreign exchange controls continue to implement in respect of capital account transactions including repayment of loan principal and return on direct capital investments and investments in negotiable securities. Such exchange controls may impact the distribution plans of NWCL's PRC subsidiaries to the Company.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

New World China Land Limited (“NWCL”) (continued)

12. NWCL’s property development business required substantial capital investment. NWCL will require additional financing to fund working capital and capital expenditure, to support the future growth of its business and/or to refinance existing debts obligations. NWCL’s ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in NWCL, success of its businesses, provisions of tax and securities laws that may be applicable to NWCL’s efforts to raise capital and political and economic conditions in the PRC. In additions, a substantial portion of NWCL’s borrowings are linked to benchmark lending rates published by the PBOC. The PBOC has adjusted the benchmark one-year lending rate a number of times in the past in response to the changing PRC and global financial and economic conditions. As such, NWCL is exposed to foreign currency exchange risk, interest rate risk, credit risk and liquidity risk.

New World Department Store China Limited (“NWDS”)

1. PRC Government announced that the expected GDP growth for 2015 is around 7% and it was 7% in both the first and the second quarter of 2015 which is the lowest since the financial crisis. It is anticipated that GDP would continue to decelerate modestly. As a result, it would inevitably affect, to certain extent, the disposable income of citizens as well as personal consumption behavior, which in turn may have a negative impact on the retail industry in the PRC.

2. This slowdown also causes an adjustment of economic structure which has brought great challenges to the traditional industries, manufacturers and suppliers as well. Nowadays, industrial and commercial transformation aiming to increasing efficiency, reducing pollution and eliminating irregular and unnecessary intermediaries is being implemented. Consumers’ requirement to the products and services becomes more quality, functional and environmental oriented. Therefore, it requires players in retail market to be more responsive, caring and socially responsible in order to satisfy customers’ need.

3. Moreover, wage growth in China is not as fast as that of CPI, resulting in a decline of purchasing power. For example, customers would prefer buying goods with lower price from the internet to the retail stores.

4. The retail market remained sluggish as relevant government policies and measure in the PRC exerted significant pressure on the retail market, especially the luxury goods, shopping (stored value) cards sales and group (bulk) purchase. Therefore, it is anticipated that these sectors will continue to underperform to a larger extent as compared to other general goods and products.

5. The recent fluctuation in stock market in China created an undesirable sentiment which may affect consumers’ spending behavior and in turn retail market. The majority of consumers’ disposable funds have been stuck in the stock market, which may result in a decline in purchasing power and weaker motivation of buying goods.

6. The purchasing power of people in China diminishes as a result of recent devaluation of RMB. It may affect the demand for imported goods or products substantially made of or assembled from imported materials.

7. It shows that a total of 212 million Chinese were aged over 60 by the end of 2014, about 15.5% of the total population and expects to take up 34% of population in 2050. The aging society can exacerbate the effects of recession. The good news, however, is that many aging populations are healthier than previous generations of senior citizens, and much more prosperous. So it would be a huge opportunity to the retail industry if they could accurately identify and take advantage of this large segment of consumers’ preferences and habit.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

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

8. Online shopping continues to grow at the expense of store visits. There is no doubt that e-commerce shares will be expanded in the retail markets, and will continue to affect traditional stores' sales performance.

9. Chinese overseas shopping hits record high. According to World Tourism Organization figures, China accounts for the world's highest volume of international travelers and the highest per capita spending abroad. In the year of 2014, Chinese tourists contributed USD164.8 billion and hit the record, ranking the first worldwide. Meanwhile, the rising demand for the best quality drives the consumer away from buying local goods. It is expected that by the end of 2015, Chinese consumers' spending on overseas shopping will be USD194 billion.

10. Three major operating costs, rent, labor and utilities will continue to rise. These three major costs, accounting for over 70% of the overall cost, have a rapid growth as a result of fast expansion and demand previously while the revenue doesn't increase at the same pace and hence could not offset the increase in costs which adversely affect the profitability and margin of retail business.

11. Besides, the emerging retail formats like shopping mall's expansion keeps hitting department store's market shares. Especially in the 1st and 2nd tier cities, it has gradually become consumers' most preferred shopping place. Meanwhile, store departments could not offer comprehensive experience as shopping mall, and due to the lack of price advantage and brand homogenization problem, it's getting tougher to compete with shopping malls.

12. It is expected the government will issue several policies to support e-commerce, with a target to establish a matured and well developed e-commerce market by 2020. New policies include the lowering of barrier for market access and reduction of tax burdens etc. The release of the above polices will greatly stimulate the development of China's e-commerce market, while placing huge pressure on the physical stores.

NWS Holdings Limited ("NWSH")

Infrastructure division

1. In addition to the typical political risks associated with investments in the PRC or elsewhere, there are a number of constructions, financing, operating and other risks associated with infrastructure investments. Infrastructure projects of the types undertaken by NWSH typically require substantial capital expenditures during the construction phase and usually take many months, sometimes years, before they become operational and generate revenue. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, accidents, changes in government priorities and other unforeseen circumstances. Any of these could give rise to delays in the completion of construction and/or to cost overruns. In relation to certain of NWSH's infrastructure projects in the PRC, certain government approvals, permits, licences or consents may not yet be obtained. Delays in the process of obtaining or failure to obtain the requisite licences, permits or approvals from government agencies or authorities can also increase the cost or delay or prevent the commercial operation of a business, which could adversely affect the financial performance of NWSH's infrastructure business in the PRC. Construction delays may result in the loss of revenue. The failure to complete construction according to its specifications may result in liabilities, reduced efficiency, delay in commencement of operations and thus lower financial returns.

2. Although the majority of NWSH's infrastructure projects have been completed and are generating income, there can be no assurance that this will remain the case or that future infrastructure projects will be completed on time, or at all, and generate satisfactory returns.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

NWS Holdings Limited ("NWSH") (continued)

Infrastructure division (continued)

Roads

3. NWSH invests in and operates a wide range of roads and related projects in Hong Kong and the PRC. The operation of toll roads generally has a low level of operational risk so long as an effective system of internal controls over the collection of toll is properly established and appropriate periodic maintenance is carried out. However, revenue from NWSH's toll roads and tunnel is principally dependent upon the number and classes of motor vehicles using such roads and the applicable toll regime. Traffic volume is directly and indirectly affected by a number of factors, including the availability, quality, proximity and toll rate differentials of alternative roads and the existence of new competing roads and other means of transportation, including rail and waterway, fuel prices, taxation and environmental regulations. NWSH's operating results may also be affected by capital expenditure requirements for the ongoing repair, maintenance, renewal and expansion of the toll roads.

4. Although NWSH believes that its toll roads and tunnel offer advantages over alternative roads, there is no assurance that such other roads or modes of transportation will not significantly improve their services and reduce their charges, and consequently adversely affect the revenue, operating results and financial condition of NWSH.

Energy

5. NWSH currently operates power plants and a coal distributor company in the PRC. The operations of power plants are complex and may be adversely affected by many factors, such as the downtime experienced during system upgrades and overhaul works, the breakdown or failure of equipment or processes, performance below expected levels of output or efficiency, labour disputes, natural disasters, insufficient or poor quality fuel, insufficient demand for electricity, the setting of on-grid tariffs and the need to comply with the directions of the relevant government authorities or utilities. Fluctuations in fuel and finance costs, changes to regulatory regimes, disruptions in fuel supply or shortage of transportation resources may adversely affect the profit and normal operations of the power plants which in turn may impact on NWSH's business and financial condition.

Water

6. Through a joint venture company, Sino-French Holdings (Hong Kong) Limited ("Sino French"), NWSH invests in a variety of water and sludge treatment projects as well as technical consultancy companies in the PRC, Hong Kong and Macau. In addition, NWSH also has investments in a hazardous chemical waste incineration plant in the PRC and a landfill in Hong Kong. NWSH's water and related projects are subject to environmental regulation and are exposed to environmental risks, such as water supplies being exposed to pollution from naturally occurring compounds or from man-made sources. The types and amounts of pollutants in the water or waste water treated by NWSH may increase unexpectedly due to a number of factors, including the occurrence of natural disasters or industrial accidents, increases in levels of manufacturing activities or consumption and shortage of water supplies. Should any such pollution or contamination occur in respect of the water supplies or the types or amounts of pollutants in the water, waste water or emissions from treatment projects increase significantly and NWSH is unable to adequately and efficiently treat the contaminated water or remove those pollutants, then NWSH's business, financial condition and operating results may be materially and adversely affected.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

NWS Holdings Limited ("NWSH") (continued)

Infrastructure division (continued)

Ports & Logistics

7. NWSH operates warehousing and logistics facilities, as well as seaports, airport and rail container terminal projects in Hong Kong and the PRC. The operation of NWSH's container terminal, cargo handling and logistics facilities may be adversely affected by many factors, such as the breakdown of shore cranes, forklifts and other equipment, labour disputes, inclement weather, natural disasters, increasing government regulations, the lack of adjoining land for expansion, the lack of qualified equipment operators and the overall performance of the container shipping industry.

8. In addition, the terminals outsource various internal operations and trucking services to contractors. The failure or inefficient operations of such contractors could disrupt operations of the terminals. Tariff and rental rates for cargo handling and logistics services may be adversely affected by many factors, such as an increase in warehouse supply, availability of alternative terminals and slowdown in domestic and international trade. Aircraft movements and passenger volume handled by NWSH's airport project may be adversely affected by many factors, such as downturns in the domestic and global economies, airspace constraints for civil aviation, inclement weather, increase in airfares, competition from other airports and alternative modes of transport and changes in regulatory restrictions. Concessions and other non-aeronautical income may be adversely affected by many factors, such as changes in passengers' consumption ability and preference and a failure to renew concession contracts.

Tariff and service fee determination

9. Tariff rates and fees charged by NWSH's projects with respect to its toll roads, water supplied/treated by water plants, electricity produced by its power stations and aeronautical service provided by its airport are set by various relevant government authorities, although NWSH in conjunction with its joint venture partners can propose rate changes. Factors that these government authorities take into account when considering rate changes may include construction costs, prospective recovery period of investment, loan repayment terms, inflation rate, operating and maintenance costs, affordability and usage. While the relevant local authorities have in the past approved applications for tariff and toll rate increases made by NWSH's projects, there can be no assurance that the relevant local authorities will approve any future request in a timely manner or at all or that the relevant local authorities or any other governmental authority will not at any time request a tariff or toll rate reduction. The review on toll rates for all toll roads in the PRC and the implementation of new policies by the government of the PRC (the "PRC Government"), such as toll free access by certain types of vehicles during major holiday periods and toll rate standardization measures, may cast uncertainty on NWSH's roads business and operating results. Reductions in or cessation of tariffs, toll rates or concession period may adversely affect NWSH's operating results.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

NWS Holdings Limited ("NWSH") (continued)

Services division

Facilities Management

10. NWSH's facilities management of Hong Kong Convention and Exhibition Centre ("HKCEC") may be adversely affected by factors such as limited expansion capacity, fierce competition from other exhibition venues and potential political sensitivities associated with HKCEC being a government owned Hong Kong icon. HKCEC generally has a high occupancy rate with over 100 recurrent exhibitions annually and many exhibition halls are pre-booked well in advance. However, the physical capacity for further growth is limited due to HKCEC being located in the heart of the city adjacent to Victoria Harbour meaning that land supply for further expansion is limited. Moreover, efforts to lobby for expansion are facing numerous political challenges. HKCEC has also recently been affected by the rapid emergence of competing exhibition centres across Hong Kong, the PRC, Macau and other south-east Asian countries which offer viable alternatives to potential organisers considering whether to hold exhibitions in Hong Kong. In addition, as a Hong Kong icon, HKCEC has from time to time come under pressure from a variety of media and social-political groups in Hong Kong which may impact on its attractiveness both commercially and socially. There is no assurance that the above factors will not adversely affect NWSH's financial condition and operating results.

11. NWSH's duty free business has been and continues to be affected by changes in government policy relating to domestic and cross-border duty and taxes on tobacco, wine and alcohol. Furthermore, as a significant portion of the revenue of NWSH's duty free business is dependent upon outbound tourists and travellers, any changes in outbound immigration and travel policies may cause uneven fluctuations in NWSH's revenue. However, by improving its scale of operations and capitalising on the strong patronage of high spending visitors from Mainland China, NWSH believes that its duty free business can reduce the effect of the pressures from changes in government policies and market competition through improved merchandising and promotions to maintain its price margins. There is no assurance that future price pressures, changes in consumer sentiments and changes in government policies will not adversely affect NWSH's financial condition and operating results.

Construction & Transport

12. NWSH, through its subsidiaries, provides construction services in Hong Kong and Macau and, operating jointly with Chow Tai Fook Enterprises Limited ("CTF"), provides bus and ferry transport services in Hong Kong.

13. Factors such as general economic conditions, government investment plans, mortgage and interest rates, inflation, demographic trends, consumer confidence and supply of suitably skilled labour and workforce in Hong Kong and Macau may influence the performance and growth of NWSH's construction business. An economic downturn and a downturn in any of the industries NWSH serves in its construction business will generally lead to a decrease in the number of new construction projects available to NWSH as well as delays in or cancellation of NWSH's ongoing projects, which will in turn adversely affect NWSH's financial condition and operating results.

14. With respect to NWSH's bus and ferry transport services, NWSH's operations could be affected by fluctuations in fuel costs, inelasticity of fares, adverse impacts from labour unions and strikes as well as traffic accident rates, including mechanical or equipment failures, collisions, weather and natural disasters. Increases in the demand for and cost of oil coupled with rising commodity prices will bring about inflationary pressures directly impacting on NWSH's bus and ferry transport operations where fuel is a major cost component. Given the Hong Kong population's heavy reliance upon public transport as a means for work and travel, any fare increases by NWSH to offset rising overheads and costs is often met with strong public objection and negative publicity.

D. MAJOR RISK FACTOR ON SUBSIDIARIES (continued)

NWS Holdings Limited ("NWSH") (continued)

Services division (continued)

Construction & Transport (continued)

15. Due to the "Railways as the backbone" transport policy of the government of the HKSAR (the "HKSAR Government"), the growth of local franchised bus services is limited to consolidating and improving service levels on existing routes. Furthermore, although labour unions are an important aspect of NWSH's bus and ferry transport workforce particularly with respect to wages, any sudden or unexpected strikes or disputes which occur from time to time can substantially disrupt the day-to-day operations of NWSH's transport business. Accidents, natural disasters and civil disruptions could interrupt or prevent the operation of bus and ferry services and lead to decreased revenue, increased expenditure, prolonged interruptions and a reduction in NWSH's operating flexibility. Although NWSH believes that the insurance it has put in place is adequate and consistent with industry practice, there is no assurance that it will be sufficient to cover NWSH's losses or that such insurance will continue to be available to NWSH on similar terms. Accordingly, any of the above factors could adversely affect the business, financial condition and operating results of NWSH.

Concession, franchise and license risks

16. NWSH operates and manages certain franchise businesses such as providing facilities services in respect of HKCEC, operating public bus and ferry transportation services in Hong Kong and operating duty free tobacco and alcohol sales under franchise and licence agreements. NWSH also has roads, energy and water projects operating under concessions in Hong Kong, the PRC and Macau. There can be no assurance that renewals of concession, franchise and licence periods can be obtained or that if renewed, that the terms of such concession, franchise and licence will not be on terms less favourable than currently obtained by NWSH.

CORPORATE GOVERNANCE REPORT

All along, the Company is committed to maintain a high standard of corporate governance practices to safeguard the interests of its shareholders and enhance the performance of the Group. From time to time, the board of Directors (the "Board") reviews and improves its corporate governance practices in order to ensure that the Group is under the leadership of an effective board so as to optimise return for its shareholders.

CORPORATE GOVERNANCE CODE

Throughout the year ended 30 June 2015, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules, with the exception of code provision A.6.4.

Code provision A.6.4 is in relation to guidelines for securities dealings by relevant employees. As required under code provision A.6.4, the Board should establish for its relevant employees written guidelines on no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules in respect of their dealings in the securities of the Company. Instead of following the Model Code strictly, the Board has established its own guidelines which are not on no less exacting terms than the Model Code. Such deviation from the CG Code is considered necessary, mainly because of the huge size of employees of the Group which is around 48,000, and the Group's diversified businesses. For these reasons, to follow the exact guidelines of the Model Code will cause immense administrative burden to the Company in processing written notifications from the relevant employees when they deal in the securities of the Company, which can be avoided under the Company's own guidelines.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions by its Directors.

Specific enquiries have been made with all Directors who confirmed that they had complied with the required standard set out in the Model Code during the year ended 30 June 2015.

BOARD OF DIRECTORS

Composition

Currently, the Board comprises a total of 14 Directors, being seven Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. The number of Independent Non-executive Directors represents more than one-third of the Board as required by Rule 3.10A of the Listing Rules. The biographies of the Directors are set out from pages 44 to 50 of this Annual Report.

All Directors have entered into formal letters of appointment with the Company for a term of three years, subject to retirement by rotation in accordance with the articles of association of the Company (the "Articles of Association").

Article 103(A) of the Articles of Association provides that at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Also, pursuant to Article 94 of the Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the Board is subject to re-election at the next following general meeting or next following annual general meeting of the Company respectively.

Independence of Independent Non-executive Directors

Mr. Liang Cheung-Biu, Thomas ("Mr. Thomas Liang") was re-designated as Independent Non-executive Director on 1 March 2012. Mr. Thomas Liang had been a Non-executive Director immediately preceding his re-designation and he is also a cousin of Mr. Liang Chong-Hou, David ("Mr. David Liang"), who was a Non-executive Director of the Company up to his resignation on 22 July 2013. Notwithstanding his previous relationship with the Company as a Non-executive Director and his cousin-relationship with Mr. David Liang, the Board believes that Mr. Thomas Liang is sufficiently independent to act as an Independent Non-executive Director and he will be able to perform his duties as an Independent Non-executive Director impartially and independently, for the following reasons:

(a) during his tenure as a Non-executive Director, Mr. Thomas Liang had not carried out any executive or managerial functions for the Company and was not financially dependent on the Company;

(b) even though Mr. Thomas Liang is the cousin of Mr. David Liang, they are independent of each other, and Mr. Thomas Liang does not have any business dealings with Mr. David Liang; and

(c) other than his previous relationship with the Company as a Non-executive Director and his cousin-relationship with Mr. David Liang, Mr. Thomas Liang is independent of and does not have any connection with the Company, its controlling shareholders, any of their respective subsidiaries or connected persons of the Company.

The Company has received annual confirmation of independence from all Independent Non-executive Directors in accordance with Rule 3.13 of the Listing Rules. The Board is of the view that all Independent Non-executive Directors are independent in accordance with the Listing Rules.

Role of the Board

The Board oversees the management, businesses, strategic directions and financial performance of the Group. It is collectively responsible for the management and operation of the Company. The Board is the ultimate decision making body of the Company except for matters requiring the approval of the shareholders in accordance with the Articles of Association, the Listing Rules or other applicable laws and regulations.

Day-to-day businesses of the Company are delegated to the management team who works under the leadership and supervision of the two Executive Directors and Joint General Managers and the Executive Committee of the Board as discussed in sections below.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties of the Company including:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of the Directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the Directors; and

(e) to review the Company's compliance with Appendix 14 of the Listing Rules (Corporate Governance Code and Corporate Governance Report).

Board Meetings

Regular Board meetings are held at least four times a year with at least 14 days' notices and additional meetings with reasonable notices are held as and when the Board considers appropriate. The Company Secretary assists the Chairman in preparing agenda for each meeting. Draft agenda for each Board meeting is circulated to all Directors to enable them to include other matters into the agenda. Agenda accompanying board papers are sent to all Directors at least three days before each regular Board meeting. Board decisions are voted upon at the Board meetings. The Company Secretary records all matters considered by the Board, decisions reached and any concerns raised or dissenting views expressed by the Directors. Minutes of meetings are kept by the Company Secretary with copies circulated to all Directors for information and records.

Directors' Training

Each newly appointed Director is provided with the necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statues, laws, rules and regulations. From time to time, the Company Secretary also provides the Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements.

In addition, all Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

All Directors are encouraged to participate in continuous professional development activities to develop and refresh their knowledge and skills. From time to time, the Company has arranged in-house trainings for the Directors in the form of seminars and reading materials. A summary of training received by the Directors for the year ended 30 June 2015 according to the records provided by the Directors is as follows:

Name of Directors	**Type of Continuous Professional Development**	
	Training on corporate governance, regulatory development and other relevant topics	**Attending corporate events or visits**
Executive Directors		
Dr. Cheng Kar-Shun, Henry	✓	–
Dr. Cheng Chi-Kong, Adrian	✓	✓
Mr. Chen Guanzhan	✓	✓
Ms. Ki Man-Fung, Leonie	✓	✓
Mr. Cheng Chi-Heng	✓	–
Ms. Cheng Chi-Man, Sonia	✓	✓
Mr. Au Tak-Cheong	✓	✓
Non-executive Directors		
Mr. Doo Wai-Hoi, William	✓	–
Mr. Cheng Kar-Shing, Peter	✓	–
Independent Non-executive Directors		
Mr. Yeung Ping-Leung, Howard	✓	✓
Mr. Cha Mou-Sing, Payson	✓	✓
Mr. Cha Mou-Zing, Victor *(alternate to Mr. Cha Mou-Sing, Payson)*	✓	–
Mr. Ho Hau-Hay, Hamilton	✓	✓
Mr. Lee Luen-Wai, John	✓	✓
Mr. Liang Cheung-Biu, Thomas	✓	✓

CHAIRMAN, EXECUTIVE VICE-CHAIRMAN & JOINT GENERAL MANAGER, EXECUTIVE DIRECTOR & JOINT GENERAL MANAGER AND OTHER EXECUTIVE DIRECTORS

Dr. Cheng Kar-Shun, Henry, the Chairman, has led the Board and ensured that the Board works effectively and that all important issues are discussed in a timely manner. Dr. Cheng Chi-Kong, Adrian, the Executive Vice-chairman & Joint General Manager and Mr. Chen Guanzhan, the Executive Director & Joint General Manager, jointly manage the Company's day-to-day businesses and implement major strategies and policies of the Company. Each of the other Executive Directors takes up different responsibilities according to their own expertise. The responsibilities of the Chairman, the Executive Vice-chairman & Joint General Manager, the Executive Director & Joint General Manager and the other Executive Directors are clearly set out in their respective letters of appointment. The positions of the Chairman, the Executive Vice-chairman & Joint General Manager and the Executive Director & Joint General Manager are held by separate individuals so as to maintain an effective segregation of duties.

NON-EXECUTIVE DIRECTORS

Non-executive Directors (including the Independent Non-executive Directors) serve the relevant function of bringing independent judgement on the development, performance and risk management of the Company. They have the same duties of care and skill and fiduciary duties as the Executive Directors. Each Non-executive Director has entered into a letter of appointment with the Company for a fixed term of three years, subject to retirement by rotation in accordance with the Articles of Association.

BOARD COMMITTEES

The Board currently has four committees, namely the Executive Committee, the Audit Committee, the Remuneration Committee and the Nomination Committee. All the Board committees are empowered by the Board under their own terms of reference which have been posted on HKEx's website and/or the Company's website.

Executive Committee

Members:

Executive Directors	Dr. Cheng Kar-Shun, Henry *(Chairman)*
	Dr. Cheng Chi-Kong, Adrian
	Mr. Chen Guanzhan
	Ms. Ki Man-Fung, Leonie
	Mr. Cheng Chi-Heng
	Ms. Cheng Chi-Man, Sonia
	Mr. Au Tak-Cheong

The Board has delegated to the Executive Committee comprising all Executive Directors with authority and responsibility for handling the management functions and day-to-day operations of the Company, while reserving certain key matters such as the declaration of interim dividend, making recommendation of final dividend or other distributions for the approval by the Board. The Executive Committee shall monitor the execution of the Company's strategic plans and the operations of all business units of the Company, and manage and develop generally the businesses of the Company. The Executive Committee meets regularly as and when necessary.

Audit Committee

Members:

Independent Non-executive Directors	Mr. Cha Mou-Sing, Payson *(Chairman)*
	Mr. Yeung Ping-Leung, Howard
	Mr. Ho Hau-Hay, Hamilton
	Mr. Lee Luen-Wai, John
	Mr. Liang Cheung-Biu, Thomas*

* became member on 24 September 2014

The Audit Committee is responsible for the review and supervision of the Group's financial reporting process and internal control system.

During the year, the Audit Committee met twice and reviewed the audited financial statements for the year ended 30 June 2014 and the unaudited interim financial statements for the six months ended 31 December 2014 with recommendations to the Board for approval, reviewed reports on internal control system of the Group, and discussed with the management and the external auditors of the accounting policies and practices which may affect the Group and the financial reporting matters. Furthermore, the Audit Committee reviewed the system of internal control and the financial statements for the year ended 30 June 2015 with recommendation to the Board for approval.

Remuneration Committee

Members:

Independent Non-executive Directors	Mr. Ho Hau-Hay, Hamilton *(Chairman)* Mr. Yeung Ping-Leung, Howard Mr. Cha Mou-Sing, Payson Mr. Lee Luen-Wai, John
Executive Director	Dr. Cheng Kar-Shun, Henry

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure on the remuneration of all Directors and senior management of the Company and on the establishment of a formal and transparent procedure for developing remuneration policy for the Company for approval by the Board. It shall also make recommendations to the Board on the remuneration packages of individual Executive Director and senior management.

During the year, the Remuneration Committee met once and reviewed the remuneration policy of the Company, including that for the Directors and senior management of the Company. The remuneration for the Executive Directors comprises basic salary, pensions and discretionary bonus. Share options have been granted to all Directors and senior management to subscribe for shares in the Company under the Company's share option scheme. In addition, certain Directors have been granted options under share option schemes of various listed subsidiaries to subscribe for shares in those subsidiaries. Details of the remuneration paid to the Directors and members of senior management for the financial year ended 30 June 2015 are disclosed in the notes to the financial statements.

Nomination Committee

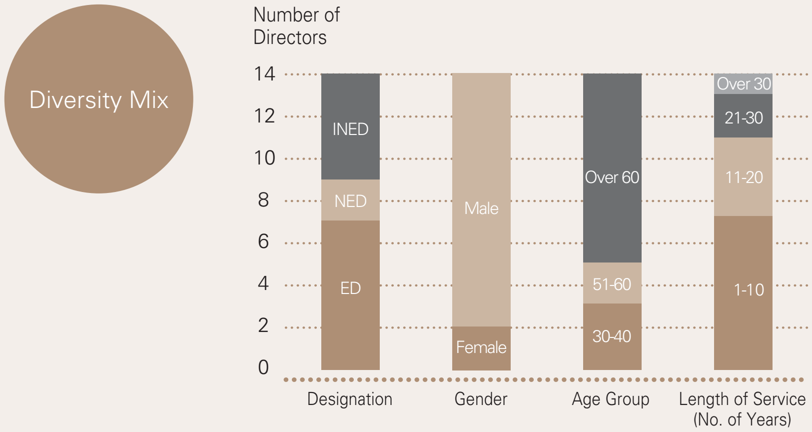
Members:

Executive Director	Dr. Cheng Kar-Shun, Henry *(Chairman)*
Independent Non-executive Directors	Mr. Lee Luen-Wai, John Mr. Liang Cheung-Biu, Thomas

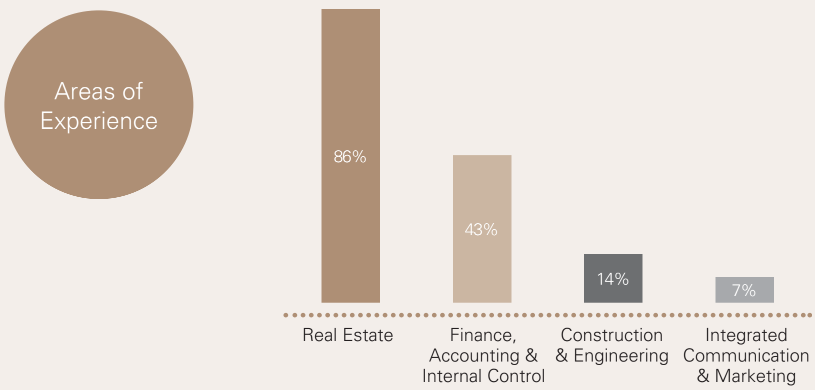
The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy. It shall consider the suitability of a candidate to act as a Director on the basis of the candidate's qualification, experience, integrity and potential contribution to the Company, and assess the independence of Independent Non-executive Directors taking into account the independence requirements set out in Rule 3.13 of the Listing Rules. During the year, the Nomination Committee met twice and considered and recommended to the Board on nomination of executive vice-chairman, reviewed the structure, size and composition of the Board and considered that the current Board consists of a diverse mix of members appropriate to the requirements of the businesses of the Company.

The Board adopted a Board Diversity Policy (the "Policy") in August 2013 which sets out the approach by the Company to achieve diversity on the Board. Under the Policy, the Company recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining its competitive advantage and supporting its sustainable development. In determining an optimum composition of the Board, the Company will consider all aspects of diversity and will also take into account factors based on its own business model and specific needs from time to time. Board members' appointment will be based on meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, skills, regional and industry experience and expertise, cultural and educational background, and professional experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Currently, the Board consists of 14 members coming from diverse professional backgrounds, of which more than one-third are Independent Non-executive Directors. The Board considers the current Board composition has provided a good balance of skills and experience appropriate to its business needs and will continue to review its composition from time to time taking into account of the Group's business development requirements. The diversity mix of the Board is summarised in the following charts:



Remarks:
ED - Executive Director
NED - Non-executive Director
INED - Independent NED



ATTENDANCE AT BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND GENERAL MEETINGS

Name of Directors	Number of Meetings Attended/ Eligible to attend for the year ended 30 June 2015				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual General Meeting
Executive Directors					
Dr. Cheng Kar-Shun, Henry	6/6	–	1/1	2/2	1/1
Dr. Cheng Chi-Kong, Adrian	6/6	–	–	–	1/1
Mr. Chen Guanzhan	6/6	–	–	–	1/1
Ms. Ki Man-Fung, Leonie	6/6	–	–	–	1/1
Mr. Cheng Chi-Heng	6/6	–	–	–	1/1
Ms. Cheng Chi-Man, Sonia	5/6	–	–	–	1/1
Mr. Au Tak-Cheong	6/6	–	–	–	1/1
Non-executive Directors					
Mr. Doo Wai-Hoi, William	6/6	–	–	–	1/1
Mr. Cheng Kar-Shing, Peter	4/6	–	–	–	1/1
Independent Non-executive Directors					
Mr. Yeung Ping-Leung, Howard	5/6	1/2	1/1	–	1/1
Mr. Cha Mou-Sing, Payson	5/6	2/2	1/1	–	0/1
Mr. Ho Hau-Hay, Hamilton	6/6	2/2	1/1	–	1/1
Mr. Lee Luen-Wai, John	6/6	2/2	1/1	2/2	1/1
Mr. Liang Cheung-Biu, Thomas *	6/6	1/1	–	2/2	1/1

* became member of Audit Committee on 24 September 2014

AUDITORS' REMUNERATION

During the year ended 30 June 2015, the total fee paid/payable in respect of audit and non-audit services provided by the Group's external auditors is set out below:

Type of services	Fee paid/payable for the year ended 30 June	
	2015 HK$m	2014 HK$m
Audit services	**68.5**	65.6
Non-audit services	**19.2**	18.4
Total	**87.7**	84.0

Non-audit services include merger and acquisition related due diligence, taxation and services on system enhancement.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board, supported by the finance and accounts department, is responsible for the preparation of the financial statements of the Company and the Group. The Board has prepared the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. Appropriate accounting policies have also been used and applied consistently. The Directors have not been aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company and the Group regarding its reporting responsibilities on the financial statements of the Company and the Group is set out in the Independent Auditor's Report on page 99 of this Annual Report.

INTERNAL CONTROL

The Board is responsible for the internal control of the Group and for reviewing its effectiveness. Procedures have been designed for safeguarding assets against unauthorised use or disposition, ensuring the maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensuring compliance of applicable laws, rules and regulations. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.

An internal audit department has been established to conduct internal audit of the Company and its subsidiaries, joint ventures and associated companies. 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, and to ensure that the internal control measures are carried out appropriately 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 Audit Committee also receives the report from the internal audit department and takes such report into consideration when it makes recommendation to the Board for approval of the half-yearly or annual results of the Group.

COMPANY SECRETARY

The Company Secretary is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. The Company Secretary reports to the Chairman and is responsible for advising the Board on governance matters. For the year under review, the Company Secretary has confirmed that he has taken no less than 15 hours of relevant professional training. The biography of the Company Secretary is set out on page 51 of this Annual Report.

CONSTITUTIONAL DOCUMENTS

No change has been made to the Company's Articles of Association during the year. Changes reflecting the impact of the Hong Kong Companies Ordinance (Cap. 622) which came into effect on 3 March 2014 will be proposed and considered by shareholders at the annual general meeting of the Company to be held on 18 November 2015. Details are set out in the circular sent to the shareholders together with this Annual Report.

SHAREHOLDERS' RIGHTS

Convening Extraordinary General Meeting ("EGM") and Putting Forward Proposals at Shareholders' Meetings

Shareholders representing at least 5% of the total voting rights of all the shareholders of the Company having a right to vote at general meetings can deposit a written request to convene an EGM at the registered office of the Company for the attention of the Company Secretary. Such requisition, signed by the shareholders concerned, must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. If the Directors do not within 21 days from the date of the deposit of a request (after being verified to be valid) proceed to convene an EGM on a day not more than 28 days after the date on which the notice convening the EGM is given, the shareholders concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, but any EGM so convened shall not be held after the expiration of three months after the date on which the Directors become subject to the requirement to call a meeting.

To put forward proposals at the shareholders' meeting, a request in writing must be made by:

(i) shareholders representing at least 2.5% of the total voting rights of all shareholders of the Company having the right to vote at the shareholders' meeting; or

(ii) at least 50 shareholders of the Company having the right to vote at the meeting,

to the Company to give to shareholders notice of any resolution which may properly be moved and is intended to be moved at an annual general meeting, or to circulate to shareholders any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at any general meeting.

The written request must be signed by all the shareholders concerned in one or more documents in like form and deposited at the registered office of the Company for the attention of the Company Secretary not less than six weeks before the meeting in the case of a requisition requiring notice of a resolution at annual general meeting, and not less than seven days before the meeting in the case of requiring circulation of statement. Upon the request verified to be valid, the Company will give notice of the resolution or circulate the statement.

If a shareholder of the Company intends to propose a person other than a Director of the Company for election as a Director of the Company at any general meeting, the shareholder concerned shall lodge with the registered office of the Company for the attention of the Company Secretary (i) a written notice of his intention to propose that person for election as a Director; and (ii) a written notice by that person of his/her willingness to be elected as a Director together with the necessary information within the period commencing no earlier than the day after the dispatch of the notice of the general meeting and ending no later than seven days prior to the date of such general meeting.

Detailed procedures can be found in the following documents which are available on the Company's website:

- "Procedures for Shareholders to convene Extraordinary General Meetings and putting forward proposals at General Meetings"; and

- "Procedures for Shareholders to propose a person for election as a Director".

Enquiries to the Board

Enquiries may be put to the Board through the Company's Investor Relations Department at 30/F., New World Tower, 18 Queen's Road Central, Hong Kong (email: ir@nwd.com.hk).

COMMUNICATION WITH SHAREHOLDERS

The Board and senior management maintain a continuing dialogue with the Company's shareholders and investors through various channels including the Company's annual general meeting. The Chairman, other members of the Board and the external auditor attend the annual general meeting to meet the shareholders. The Directors will answer questions raised by the shareholders on the performance of the Group. The Company 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 Company are available to answer questions regarding the performance of the Group. Our corporate website which contains corporate information, interim and annual reports, announcements and circulars issued by the Group as well as the recent developments of the Group enables the Company's shareholders to have timely and updated information of the Group. Shareholders can refer to the "Shareholders' Communication Policy" posted on the Company's website for more details.

EMPHASISE INVESTOR RELATIONS

To ensure that the investors have a comprehensive and thorough understanding of the Group, the Group participates in different international forums and overseas roadshows on a regular basis to elaborate the Group's business development plans to global investors. We also show our key development projects in both Mainland China and Hong Kong to the media and investors via site visits and meetings, and establish timely and effective two-way communications with media and investors. The Investor Relations Section is set out from pages 52 to 55 of this Annual Report.

PRINCIPAL PROJECTS SUMMARY

Project Summary – Major Property Development Projects in Hong Kong

No.	Name of Property Development Projects	Site Area (sq ft)	Total GFA (sq ft)
	Central and Western District		
1	BOHEMIAN HOUSE, 321 Des Voeux Road West, Western District	10,034	105,418
2	1-17 Sai Yuen Lane, Western District	7,812	91,012
	Wan Chai District and Eastern District		
3	THE PAVILIA HILL, 18A Tin Hau Temple Road, North Point	49,569	396,546
4	FLEUR PAVILIA, Upper & Lower Kai Yuen Lane and 5 Kai Yuen Street, North Point	72,000	573,301
	Yau Tsim Mong District and Kwun Tong District		
5	SKYPARK, 17 Nelson Street, Mongkok (2)	26,673	186,712
			53,346
6	Yau Tong Redevelopment Project, Kowloon East	822,380	4,039,687
	Sha Tin District and Sai Kung District		
7	DOUBLE COVE STARVIEW PRIME, 8 Wu Kai Sha Road (Phase 3), Ma On Shan (3)	947,673	812,296
	DOUBLE COVE GRANDVIEW, 8 Wu Kai Sha Road (Phase 4), Ma On Shan		387,166
	8 Wu Kai Sha Road (Phase 5), Ma On Shan		332,953
8	Tai Wai Station Development Project, STTL No. 520, Sha Tin (2)	521,107	2,050,327
9	MOUNT PAVILIA, 663 Clear Water Bay Road, Sai Kung	719,035	1,078,553
	Tsuen Wan District, Yuen Long District and Tuen Mun District		
10	West Rail Tsuen Wan West Station (TW6), TWTL No. 402, Tsuen Wan (2)	148,586	675,021
11	THE PARKHILL, 138 Tong Yan San Tsuen Road, Yuen Long	85,251	85,251
12	Lot No.2131 in DD121, Tong Yan San Tsuen (Phase 1 – Site A), Yuen Long	78,502	78,502
13	76-92 Tuen Mun Heung Sze Wui Road, Tuen Mun	8,000	82,411
14	Lot No. 4537 in DD116, Tai Tong Road, Yuen Long	6,086	21,301
15	YLTL 524, Tai Tong Road, Yuen Long	48,922	171,228
16	DD221, Sha Ha, Sai Kung	615,055	922,582
17	Lung Tin Tsuen (Phase 2), Yuen Long	88,157	343,812
18	Lung Tin Tsuen (Phase 3), Yuen Long	127,553	127,553
19	Tong Yan San Tsuen (Phase 3), Yuen Long	102,828	102,828
20	Tong Yan San Tsuen (Phase 4), Yuen Long	175,000	175,000
21	Sha Po North, Yuen Long	TBC	373,240
	Grand total	4,660,223	13,266,046

Remarks:
(1) P=Planning; D=Demolition; SP=Site Preparation; F=Site Formation/Foundation; S=Superstructure; LE=Land Exchange; NA=Not Applicable
(2) Property in which the Group is entitled to a share of development profits in accordance with the terms and conditions of the respective development agreements
(3) Kindergarten
(4) TBC=to be confirmed

Group Interest (%)	Residential (sq ft)	Retail (sq ft)	Others (sq ft)	Total Attributable GFA (sq ft)	Stage of Completion [1]
80.00	71,714	12,620		84,334	F
100.00	82,632	8,380		91,012	F
85.00	337,064			337,064	S
40.00	229,320			229,320	F
100.00	186,712			186,712	S
50.00		26,673		26,673	S
8.45	333,849	7,540		341,389	D
32.00	257,024		2,910	259,934	S
32.00	123,893			123,893	S
32.00	106,545			106,545	S
100.00	2,050,327			2,050,327	P
63.00	665,926	13,563		679,489	S
80.00	540,017			540,017	F
100.00	85,251			85,251	S
100.00	78,502			78,502	SP
100.00	69,471	12,940		82,411	SP
20.97	3,462	1,005		4,467	LE
20.97	35,907			35,907	LE
76.00	701,162			701,162	P
100.00	343,812			343,812	LE
100.00	127,553			127,553	LE
100.00	102,828			102,828	LE
100.00	175,000			175,000	LE
34.81	129,925			129,925	NA
	6,837,896	82,721	2,910	6,923,527	

Project Summary – Major Property Investment Projects in Hong Kong

No.	Name of Property Investment Projects	Total GFA (sq ft)	Total Attributable GFA (sq ft)
	Completed		
	Hong Kong Island		
1	Manning House, Central	110,040	110,040
2	New World Tower, Central	640,135	640,135
3	Shun Tak Centre, Shopping Arcade, Sheung Wan	214,336	96,451
4	Hong Kong Convention and Exhibition Centre, Shopping Arcade, Wan Chai	87,999	87,999
5	Grand Hyatt Hong Kong	524,928	167,977
6	Renaissance Harbour View Hotel	544,518	174,246
7	Pearl City, Causeway Bay – Portion of Ground Floor to 4th Floor	53,691	21,476
	Pearl City, Causeway Bay – Portion of Ground Floor to Basement	24,682	24,682
8	EIGHT KWAI FONG, Happy Valley	65,150	57,965
9	2 MacDonnell Road, Mid-levels(1)	116,954	116,954
10	Methodist House, Wan Chai(1)	40,813	40,405
	Kowloon		
11	Telford Plaza, Kowloon Bay(1)	335,960	335,960
12	K11, Tsim Sha Tsui(1)	335,939	264,552
	Hyatt Regency Hong Kong, Tsim Sha Tsui	277,877	88,921
13	pentahotel Hong Kong, Kowloon	285,601	285,601
14	KOHO, Kwun Tong	204,514	204,514
	New Territories		
15	ATL Logistic Centre, Kwai Chung	9,329,000	3,190,518
16	NWS Kwai Chung Logistics Centre, Kwai Chung	920,000	562,120
17	Discovery Park Shopping Centre, Tsuen Wan	466,400	466,400
18	PopCorn II, Tseung Kwan O(1)	125,730	88,011
19	Hyatt Regency Hong Kong, Sha Tin(1)	538,000	538,000
20	Citygate, Tung Chung	659,003	131,800
	Novotel Citygate Hong Kong	236,758	47,352
	Grand Total	**16,138,028**	**7,742,079**
	To be completed/Under development		
21	New World Centre, Tsim Sha Tsui(4)	2,951,444	2,951,444
22	704-730 King's Road, North Point(4)	487,504	438,754
23	TCTL 11, Tung Chung(4)	539,599	107,920
	Alteration and additional work		
24	12 Salisbury Road, Tsim Sha Tsui (previously named as "SOGO Tsim Sha Tsui")	141,331	141,331

Notes:
(1) Properties in which the Group has a development interests: other parties provide the land whilst the Group finances the construction costs and occasionally land costs, and is entitled to a share of the rental income or a share of the development profits in accordance with the terms and conditions of the respective joint development agreements after completion

Retail (sq ft)	Office (sq ft)	Hotel (sq ft)	Residential (sq ft)	Others (sq ft)	Total Number of Carpark	Land Lease Expiry
63,383	46,657					2843
77,948	562,187				385	2863
96,451					85	2055
69,173				18,826[2]	1,070	2060
		167,977				2060
		174,246				2060
21,476						2868
24,682						2868
			57,965			2079
			116,954		34	2031
	40,405					2084
335,960					136	2047
264,552					240	2057
		88,921				2057
		285,601				2057
1,567	202,947				28	2047
				3,190,518[3]		2047
				562,120[3]		2058
466,400					1,000	2047
88,011					50	2047
		538,000			100	2047
99,696	32,104				1,238	2047
		47,352				2047
1,609,299	884,300	1,302,097	174,919	3,771,464	4,366	
						2052
						2083/2088/2090
						2063
141,331						2052

(2) Meeting rooms
(3) Logistics centre
(4) GFA breakdown by usage is to be determined
(5) TBD=To be determined

Project Summary – Major Property Projects in Mainland China

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Projects under development/held for development			
1	Beijing New View Garden Remaining Phases	Joint venture	70%	22,561
	Beijing New View Garden Commercial Centre			39,653
2	Beijing Xin Yu Garden Remaining Phases	Joint venture	70%	605,600
	Beijing Xin Yu Garden Commercial Centre			89,620
3	Beijing Yuzhuang Project Phase II	Subsidiary	75%	101,616
4	Langfang New World Centre District C1	Subsidiary	100%	126,768
	Langfang New World Centre District A and C2			234,313
5	Langfang New World Garden District 3	Subsidiary	100%	119,317
	Langfang New World Garden District 1			120,785
	Langfang New World Garden District 2			99,060
6	Tangshan New World Centre Phase II	Subsidiary	100%	156,914
7	Jinan New World Sunshine Garden Remaining Portion	Subsidiary	100%	78,144
8	Shenyang New World Garden Phase I West District A	Subsidiary	100%	53,434
	Shenyang New World Garden Phase II D			655,855
	Shenyang New World Garden Remaining Phases			849,280
9	Shenyang New World Centre – Expo	Subsidiary	100%	119,475
	Shenyang New World Centre Phase I and II			883,796
	Shenyang New World Centre Remaining Phases			238,092
10	Shenyang New World Commercial Centre Phase II	Subsidiary	100%	96,026
11	Anshan New World Garden Phase III A	Subsidiary	100%	145,748
	Anshan New World Garden Phase III B			139,582
	Anshan New World Garden Remaining Phases			687,238
12	Wuhan Menghu Garden Phase III C	Subsidiary	100%	30,008
	Wuhan Menghu Garden Phase III A			17,669
13	Wuhan Changqing Garden Phase IX Area 6 South District Phase II	Joint venture	60%	208,654
	Wuhan Changqing Garden Phase IX Area 6 North District			446,647
	Wuhan Changqing Garden Phase IX Area 7			363,550
	Wuhan Changqing Garden Phase IX Area 8			310,800
	Wuhan Changqing Garden Remaining Phases			250,040
14	Wuhan New World Centre Phase III	Subsidiary	100%	136,650
15	Wuhan Guanggu New World	Subsidiary	100%	338,324
16	Wuhan New World • Times	Subsidiary	100%	658,251

(1) TBD=To be determined

Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)	Development Status	Expected Completion Date
	2,223	12,629		7,709	Under planning	TBD
	16,531	8,052		15,070	Under planning	Mar/2018
251,000	99,800	135,100		119,700	Under planning	TBD
	60,925			28,695	Under planning	Dec/2018
101,616					Under development	Jun/2017
55,546	6,251	40,086		24,885	Under development	Sep/2015
83,975	52,942		46,951	50,445	Under development	Jun/2016
101,319				17,998	Under development	Dec/2015
89,615	5,722			25,448	Under development	Jul/2016
68,138	7,264			23,658	Under development	May/2017
23,203	37,447	48,768		47,496	Under development	Oct/2015
	2,604	31,695	18,729	25,116	Under development	Oct/2016
	5,471	38,435		9,528	Under development	Jun/2016
455,974	20,439			179,442	Under development	Jun/2018
533,784	50,211			265,285	Under planning	TBD
				119,475	Under development	Sep/2016
308,691	327,201		133,637	114,267	Under development	Sep/2016
		238,092			Under planning	TBD
	25,266	51,406		19,354	Under planning	TBD
84,087	15,936			45,725	Under development	Jun/2016
86,564	13,287			39,731	Under development	Jun/2017
498,734	13,312			175,192	Under planning	TBD
28,387	1,621				Planning completed	Dec/2015
17,669					Planning completed	Sep/2016
158,684				49,970	Planning completed	Sep/2017
346,520	10,927			89,200	Planning completed	Mar/2018
174,220	47,830	14,100		127,400	Under planning	Dec/2019
	234,000			76,800	Under planning	Dec/2019
85,506	68,634		74,000	21,900	Under planning	TBD
	31,805	59,432		45,413	Planning completed	Feb/2018
	49,372	132,269	62,269	94,414	Planning completed	Jan/2017
238,805	26,000	250,000		143,446	Under planning	TBD

Project Summary –
Major Property Projects in Mainland China (continued)

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Projects under development/held for development			
17	Changsha La Ville New World Phase III B	**Subsidiary**	**48%**	**122,806**
	Changsha La Ville New World Phase IV			**422,389**
18	Yiyang New World Scenic Heights Phase I A	**Subsidiary**	**100%**	**8,652**
	Yiyang New World Scenic Heights Phase I B			**31,762**
	Yiyang New World Scenic Heights Phase I C			**12,573**
	Yiyang New World Scenic Heights Phase II			**55,372**
	Yiyang New World Scenic Heights Phase III			**232,540**
	Yiyang New World Scenic Heights Remaining Phases			**16,442**
19	Chengdu New World Riverside Phase II 1A	**Subsidiary**	**30%**	**220,223**
	Chengdu New World Riverside Phase II 1B			**360,262**
	Chengdu New World Riverside Phase II 2A and 2B			**266,665**
	Chengdu New World Plaza			**387,926**
	Chengdu New World Riverside Remaining Phases			**2,389,687**
20	Guiyang Jinyang Sunny Town Phase II B Remaining Portion	**Subsidiary**	**50%**	**10,203**
	Guiyang Jinyang Sunny Town Phase II C			**434,726**
	Guiyang Jinyang Sunny Town Phase II E			**232,889**
	Guiyang Jinyang Sunny Town Phase III A			**66,943**
	Guiyang Jinyang Sunny Town Phase IV A			**84,047**
	Guiyang Jinyang Sunny Town Remaining Phases			**3,039,127**
21	Guangzhou Dong Yi Garden Phase V	**Subsidiary**	**100%**	**26,128**
22	Guangzhou Covent Garden Phase III	**Subsidiary**	**100%**	**113,457**
	Guangzhou Covent Garden Phase III			**7,788**
	Guangzhou Covent Garden Phase III Remaining Portion			**345,847**
	Guangzhou Covent Garden Remaining Phases			**385,715**
23	Guangzhou Park Paradise Phase III B	**Subsidiary**	**100%**	**84,957**
	Guangzhou Park Paradise Phase V A			**282,330**
	Guangzhou Park Paradise Phase V B			**48,591**
	Guangzhou Park Paradise Remaining Phases			**121,430**
24	Canton First Estate Phase II (CF19B)	**Subsidiary**	**85%**	**85,826**
	Canton First Estate Phase II (CF20)			**86,617**
	Canton First Estate Remaining Phases			**835,944**

(1) TBD=To be determined

Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)	Development Status	Expected Completion Date
68,261	24,058			30,487	Under development	Dec/2016
377,767	7,239			37,383	Under planning	TBD
5,889	2,763				Under development	Dec/2015
13,863				17,899	Under planning	Dec/2016
12,573					Under development	Jun/2016
42,589	1,800			10,983	Under planning	Jun/2017
126,885	56,212			49,443	Under planning	Dec/2017
12,067	2,109			2,266	Under planning	TBD
134,783				85,440	Under development	Jun/2016
234,423	1,122			124,717	Under development	Apr/2018
161,958				104,707	Under development	Apr/2018
26,603	150,610		60,987	149,726	Planning completed	Sep/2018
1,774,585				615,102	Under planning	TBD
			10,203		Under development	TBD
325,758	11,454			97,514	Under development	Jun/2016
232,889					Under development	Jul/2018
45,395	563			20,985	Under development	Apr/2016
64,937				19,110	Under development	Dec/2016
1,624,647	261,753	466,090		686,637	Under planning	TBD
22,940				3,188	Under development	Jun/2017
87,204				26,253	Under development	Aug/2015
	7,788				Under development	Dec/2015
283,538				62,309	Under development	Oct/2016
318,813	38,587			28,315	Planning completed	TBD
	5,047		63,494	16,416	Under development	Apr/2018
128,298	77,853			76,179	Under development	Jul/2018
42,369				6,222	Planning completed	Nov/2019
87,339	25,033			9,058	Under planning	TBD
49,074				36,752	Under development	Dec/2016
86,617					Under development	Jun/2017
750,507			85,437		Under planning	TBD

Project Summary – Major Property Projects in Mainland China (continued)

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Projects under development/held for development			
25	Zhaoqing New World Garden Phase III Remaining Portion	**Subsidiary**	**100%**	**81,960**
26	Huiyang Hu Xia Liao Project	**Subsidiary**	**100%**	**162,717**
27	Huiyang Palm Island Resort Remaining Phases	**Subsidiary**	**100%**	**211,063**
28	Huizhou Changhuyuan Phase IV	**Joint venture**	**63%**	**91,830**
29	Haikou New World • Meilisha Phase II (#0102)	**Subsidiary**	**100%**	**119,153**
	Haikou New World • Meilisha Phase II (#03)			**41,524**
	Haikou New World • Meilisha Phase II (#1801)			**197,182**
	Haikou New World • Meilisha K11 (#1902)			**129,002**
	Haikou New World • Meilisha Remaining Phases			**2,074,774**
30	Ningbo New World Plaza Phase I	**Joint venture**	**49%**	**260,212**
	Ningbo New World Plaza Remaining Phases			**373,524**
	Total (Projects under development/held for development)			**22,986,275**

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Completed investment properties			
31	Beijing New World Centre Phase I	**Joint venture**	**70%**	**94,188**
32	Beijing New World Centre Phase II	**Joint venture**	**70%**	**73,392**
33	Beijing Zhengren Building	**Joint venture**	**70%**	**16,415**
34	Beijing New World Garden	**Joint venture**	**70%**	**34,544**
	Beijing Xin Yang Commercial Building			**3,439**
	Beijing Xin Cheng Commercial Building			**8,051**
35	Beijing Xin Yi Garden	**Joint venture**	**70%**	**52,358**
1a	Beijing New View Garden	**Joint venture**	**70%**	**11,398**
2a	Beijing Xin Yu Garden	**Joint venture**	**70%**	**24,800**
36	Beijing Xin Kang Garden	**Joint venture**	**70%**	**39,910**
37	Beijing Baoding Building Shopping Arcade	**Subsidiary**	**100%**	**62,286**
38	Tianjin Xin An New World Plaza	**Subsidiary**	**100%**	**96,181**
39	Tianjin New World Garden	**Subsidiary**	**100%**	**7,395**

(1) TBD=To be determined

	Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)	Development Status	Expected Completion Date
	75,523	2,862			3,575	Under development	Jun/2016
	162,717					Under planning	TBD
	211,063					Under planning	TBD
	67,070				24,760	Under planning	TBD
	87,781	2,147			29,225	Under development	Nov/2016
	30,643				10,881	Planning completed	Sep/2017
	129,034				68,148	Under development	Mar/2018
		66,792			62,210	Under development	Sep/2017
	1,287,659	19,629		174,686	592,800	Under planning	TBD
	139,595	42,556	53,549		24,512	Under development	May/2019
		102,144	147,232	31,863	92,285	Under planning	TBD
	13,125,693	2,143,142	1,726,935	762,256	5,228,249		

	Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)
		74,232			19,956
		46,378			27,014
					16,415
					34,544
					3,439
					8,051
					52,358
					11,398
		3,603			21,197
		11,725			28,185
		40,286			22,000
		78,283	6,614		11,284
					7,395

Project Summary – Major Property Projects in Mainland China (continued)

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Completed investment properties			
40	Tianjin Glorious Place	Subsidiary	100%	25,661
7a	Jinan New World Sunshine Garden	Subsidiary	100%	26,905
8a	Shenyang New World Garden	Subsidiary	100%	308,833
10a	Shenyang New World Commercial Centre	Subsidiary	100%	9,473
11a	Anshan New World Garden	Subsidiary	100%	56,198
41	Dalian New World Plaza	Subsidiary	88%	69,196
42	Dalian New World Tower	Subsidiary	100%	48,982
43	Shanghai Hong Kong New World Tower	Joint venture	50%	130,385
44	Shanghai Ramada Plaza	Subsidiary	100%	34,340
	Shanghai Belvedere Service Apartment			37,935
45	Shanghai Jiu Zhou Shopping Arcade	Subsidiary	100%	129
46	Wuhan New World International Trade Tower I	Subsidiary	100%	121,828
	Wuhan New World International Trade Tower II			10,005
14a	Wuhan New World Centre	Subsidiary	100%	82,317
	Wuhan New World Centre	Joint venture	60%	6,202
47	Wuhan K11 Gourmet Tower	Subsidiary	100%	20,947
15	Wuhan Guanggu New World	Subsidiary	100%	362
13a	Wuhan Changqing Garden	Joint venture	60%	91,097
48	Wuhan Xin Hua Garden	Joint venture	60%	71,769
17a	Changsha La Ville New World Phase I	Subsidiary	48%	7,315
19a	Chengdu New World Riverside Phase I	Subsidiary	30%	39,064
49	Nanjing New World Centre	Subsidiary	100%	52,794
20a	Guiyang Jinyang Sunny Town	Subsidiary	50%	155,283
21a	Guangzhou Dong Yi Garden	Subsidiary	100%	13,616
50	Guangzhou New World Oriental Garden	Subsidiary	100%	34,159
51	Guangzhou Central Park-view	Subsidiary	91%	67,187
22a	Guangzhou Covent Garden	Subsidiary	100%	30,432
23	Guangzhou Park Paradise	Subsidiary	100%	92,315
52	Guangzhou Park Paradise Area 6	Subsidiary	100%	22,438
53	Guangzhou Xintang New World Garden	Joint venture	63%	81,549
54	Shenzhen New World Yi Shan Garden	Subsidiary	100%	38,925
55	Shenzhen New World Signature Hill	Subsidiary	100%	8,017
56	Shunde New World Centre	Joint venture	42%	48,517
25a	Zhaoqing New World Garden	Subsidiary	100%	16,662

(1) TBD=To be determined

Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)
	25,661			
	7,830			19,075
	10,584			298,249
				9,473
	4,509			51,689
	49,413			19,783
	27,067			21,915
	35,474	80,549		14,362
	20,743			13,597
37,935				
	129			
		104,556		17,272
		10,005		
	45,766	8,657		27,894
		563		5,639
	10,367			10,580
	362			
	62,710	3,151		25,236
	36,069			35,700
	386			6,929
				39,064
	41,712			11,082
	80,142			75,141
	8,221			5,395
	21,787			12,372
29,868	17,408			19,911
	22,669			7,763
22,112	15,708			54,495
				22,438
	22,886			58,663
				38,925
				8,017
	33,577			14,940
	15,062			1,600

Project Summary – Major Property Projects in Mainland China (continued)

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Completed investment properties			
28a	Huizhou Changhuyuan	**Joint venture**	**63%**	**30,298**
57	Haikou New World Garden Phase III	**Subsidiary**	**100%**	**5,107**
4a	Langfang New World Centre District B	**Subsidiary**	**100%**	**7,498**
24a	Canton First Estate Phase I (CF19A)	**Subsidiary**	**85%**	**24,606**
	Subtotal			**2,452,703**

No.	Project name	NWCL's Accounting Classification	NWCL's Attributable Interest	Total GFA (sq m)
	Completed hotel properties			
58	pentahotel Beijing	**Joint venture**	**55%**	**23,988**
59	New World Beijing Hotel	**Joint venture**	**70%**	**53,998**
60	New World Dalian Hotel	**Subsidiary**	**100%**	**53,248**
61	New World Shanghai Hotel	**Subsidiary**	**100%**	**46,942**
62	pentahotel Shanghai	**Subsidiary**	**100%**	**13,353**
63	New World Wuhan Hotel	**Joint venture**	**60%**	**29,411**
64	New World Shunde Hotel	**Joint venture**	**33%**	**36,524**
65	New World Guiyang Hotel	**Subsidiary**	**50%**	**39,521**
	Subtotal			**296,985**
	Total (Completed investment and hotel properties)			**2,749,688**

(1) TBD=To be determined

Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)
	354			29,944
				5,107
	5,747			1,751
11,039				13,567
100,954	876,850	214,095	–	1,260,804

Residential (sq m)	Commercial (sq m)	Office (sq m)	Hotel (sq m)	Carpark and Others (sq m)
			23,988	
			53,998	
			53,248	
			46,942	
			13,353	
			29,411	
			36,524	
			39,521	
–	–	–	296,985	–
100,954	876,850	214,095	296,985	1,260,804

Project Summary – Hotel Projects

No.	Name of Hotels	Total Number of Rooms As at 30 June 2015
	Hong Kong	
1	Renaissance Harbour View Hotel	857
2	Grand Hyatt Hong Kong	539
3	Hyatt Regency Hong Kong, Sha Tin	559
4	Hyatt Regency Hong Kong, Tsim Sha Tsui	381
5	Novotel Citygate Hong Kong	440
6	pentahotel Hong Kong, Kowloon	695
	Subtotal	**3,471**
	Mainland China	
7	pentahotel Beijing	307
8	New World Shanghai Hotel	558
9	pentahotel Shanghai	258
10	New World Shunde Hotel	370
11	New World Dalian Hotel	420
12	New World Wuhan Hotel	327
13	New World Beijing Hotel(1)	309
14	Rosewood Beijing(2)	283
15	New World Guiyang Hotel(3)	306
	Subtotal	**3,138**
	Southeast Asia	
16	New World Makati Hotel, The Philippines	584
17	New World Saigon Hotel, Vietnam	533
18	Renaissance Riverside Hotel Saigon, Vietnam	336
	Subtotal	**1,453**
	Grand Total	**8,062**

Notes:
(1) Started operation on 22 November 2013 and will be in full operation in November 2015
(2) Started operation on 23 October 2014 and full operation in June 2015
(3) Started operation on 25 September 2014 and will be in full operation in the third quarter of 2015

Project Summary – Infrastructure Projects

No.	Name of Projects	Gross Length	NWSH's Form of Investment	NWSH's Attributable Interest (%)	Expected/ Actual Operation Date	Year of Expiry[1]
	Roads					
R1	Guangzhou City Northern Ring Road	**22.0 km**	CJV	65.3	1/1994	2023
R2	Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section)		CJV	25.0		2030
	Section I	**8.6 km**			12/1999	
	Section II	**53.8 km**			12/1999	
R3	Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Northern Section)	**27.0 km**	CJV	15.0	12/2005	2032
R4	Guangzhou-Zhaoqing Expressway		CJV	25.0		2031
	Phase I	**48.0 km**			9/2002	
	Phase II	**5.4 km**			9/2010	
R5	Shenzhen-Huizhou Expressway (Huizhou Section)					
	Expressway	**34.7 km**	CJV	33.3	6/1993	2023
	Roadway	**21.8 km**	CJV	50.0	12/1997	2022
R6	Guangzhou Dongxin Expressway	**46.2 km**	Equity	45.9	12/2010	2035
R7	Guangzhou City Nansha Port Expressway	**72.4 km**	Equity	22.5	12/2004	2030
R8	Guangdong Unitoll Services Incorporated	**N/A**	Equity	2.0	1/2013	N/A
R9	Hangzhou Ring Road	**103.4 km**	Equity	95.0	1/2005	2029
R10	Beiliu City Roadways	**16.3 km**	WFOE	100.0	5/1998	2026
R11	Rongxian Roadways	**16.8 km**	WFOE	100.0	5/1998	2026
R12	Yulin – Shinan Roadway	**27.8 km**	CJV	65.0	5/1998	2026
R13	Yulin Shinan – Dajiangkou Roadway		CJV	60.0		
	Phase I	**8.7 km**			8/1997	2026
	Phase II	**30.0 km**			1/1999	2024
R14	Roadway No. 321 (Wuzhou Section)		CJV	52.0		2022
	Phase I	**8.7 km**			3/1997	
	Phase II	**4.3 km**			12/1998	
R15	Shanxi Taiyuan – Gujiao Roadway (Taiyuan Section)	**23.2 km**	CJV	60.0+	7/2000	2025
R16	Shanxi Taiyuan – Gujiao Roadway (Gujiao Section)	**36.0 km**	CJV	60.0+	4/1999	2025
R17	Roadway No. 309 (Changzhi Section)	**22.2 km**	CJV	60.0+	7/2000	2023
R18	Taiyuan to Changzhi Roadway (Changzhi Section)	**18.3 km**	CJV	60.0+	8/2000	2023
R19	Tangjin Expressway (Tianjin North Section)		CJV	60.0#		2028
	Section I	**43.5 km**			12/1998	
	Section II	**17.2 km**			12/2000	
R20	Tate's Cairn Tunnel	**4.0 km**	Equity	29.5	6/1991	2018
	Total Length	**720.3 km**				

\+ Cash sharing ratio of 90% for the first 12 years from the operation date and thereafter 60%

\# Cash sharing ratio of 90% for the first 15 years from the operation date and thereafter 60%

Project Summary – Infrastructure Projects (continued)

No.	Name of Projects	Installed Capacity/ Coal Pier Handling Capacity	NWSH's Form of Investment	NWSH's Attributable Interest (%)	Expected/ Actual Operation Date	Year of Expiry[1]
	Energy					
E1	Zhujiang Power Station – Phase I	**600.0 MW**	EJV	50.0	1/1994	2017
E2	Zhujiang Power Station – Phase II	**620.0 MW**	EJV	25.0	4/1996	2020
E3	Chengdu Jintang Power Plant	**1,200.0 MW**	Equity	35.0	6/2007	2040
E4	Guangzhou Fuel Company	**7 million tonnes/year**	EJV	35.0	1/2008	2033
	Power Plants Installed Capacity	**2,420.0 MW**				

No.	Name of Projects	Capacity	NWSH's Form of Investment	NWSH's Attributable Interest (%)	Expected/ Actual Operation Date	Year of Expiry[1]
	Water					
W1	Macau Water Plant	**330,000 m³/day**	Equity	42.5	7/1985	2030
W2	Zhongshan Tanzhou Water Plant		Equity	29.0		2027
	Phase I	**60,000 m³/day**			1/1994	
	Phase II	**90,000 m³/day**			5/2007	
W3	Zhongshan Dafeng Water Plant		Equity	25.0		2020
	Phase I	**200,000 m³/day**			4/1998	
	Phase II	**300,000 m³/day**			11/2008	
W4	Zhongshan Quanlu Water Plant	**500,000 m³/day**	Equity	25.0	4/1998	2020
W5	Siping Water Plant	**118,000 m³/day**	Equity	25.0	9/2000	2030
W6	Baoding Water Plant	**260,000 m³/day**	Equity	27.5	6/2000	2020
W7	Zhengzhou Water Plant	**360,000 m³/day**	Equity	25.0	8/2001	2031
W8	Panjin Water Plant	**110,000 m³/day**	Equity	30.0	4/2002	2032
W9	Changtu Water Plant	**50,000 m³/day**	Equity	35.0	12/2000	2029
W10	Dalian Changxing Island Environmental Services Company					
	Waste Water (O&M^)	**40,000 m³/day**	Equity	47.5	6/2010	2040
W11	Shanghai Spark Water Plant	**100,000 m³/day**	Equity	25.0	1/2002	2031
W12	Shanghai SCIP Water Treatment Plants		Equity	25.0		2052
	Waste Water	**50,000 m³/day**			4/2005	
	Industrial Water	**200,000 m³/day**			4/2005	
	Demineralized Water	**4,800 m³/day**			2/2008	
W13	Sino French Water Environmental Technology Consulting Company					
	Waste Water (O&M^)	**10,000 m³/day**	Equity	50.0	10/2009	2039
W14	Qingdao Water Plant		Equity	25.0		2027
	Phase I	**543,000 m³/day**			8/2002	
	Phase II	**183,000 m³/day**			9/2006	
W15	Qingdao Dongjiakou Waste Water Plant	**13,200 m³/day**	Equity	16.3	2nd half of 2015 (Estimate)	2042
W16	Sanya Water Plant		Equity	25.0		2033
	Phase I	**235,000 m³/day**			1/2004	
	Phase II	**75,000 m³/day**			2nd half of 2016 (Estimate)	
W17	Nanchang Water Plant		Equity	25.0		2023
	Phase I	**50,000 m³/day**			1/1996	
	Phase II	**50,000 m³/day**			9/2008	
W18	Chengdu Shuangliu Dayi Water Company		Equity	32.5		2043
	Waste Water	**19,800 m³/day**			2/2012	
	Waste Water (O&M^)	**15,350 m³/day**			1/2010	
W19	Chengdu Chongzhou Dayi Waste Water Plant	**40,000 m³/day**	Equity	32.5	4/2008	2039
W20	Sichuan Water Fund	**N/A**	Equity	11.1	11/2014	2019
W21	Chongqing Water Plant		Equity	27.9		2052
	Phase I	**380,000 m³/day**			11/2002	
	Phase II	**160,000 m³/day**			7/2006	
	Phase III	**200,000 m³/day**			7/2011	
W22	Chongqing Tangjiatuo Waste Water Plant	**300,000 m³/day**	Equity	28.4	1/2007	2036

^ O&M stands for operation and management consultancy services

Project Summary – Infrastructure Projects (continued)

No.	Name of Projects	Capacity	NWSH's Form of Investment	NWSH's Attributable Interest (%)	Expected/ Actual Operation Date	Year of Expiry(1)
	Water					
W23	Chongqing Construction Company		Equity	20.5		2038
	Waste Water	**100,000 m³/day**			2nd half of 2015 (Estimate)	
	Sludge Treatment	**240 tonnes/day**			2nd half of 2015 (Estimate)	
W24	Chongqing CCIP Water Treatment Plants		Equity	25.5		2055
	Waste Water	**40,000 m³/day**			3/2010	
	Industrial Water	**120,000 m³/day**			3/2010	
W25	Chongqing Environmental R&D Centre	**N/A**	Equity	15.9	11/2013	2043
W26	Wuhan Chemical Industry Park Water Treatment Plants		Equity	21.5		2041
	Waste Water	**10,000 m³/day**			12/2013	
	Industrial Water	**50,000 m³/day**			9/2013	
W27	Tianjin Jieyuan Water Plant	**500,000 m³/day**	Equity	50.0	8/2002	2022
W28	Tanggu Water Plant	**310,000 m³/day**	Equity	24.5	4/2005	2034
W29	Xinchang Water Plant	**100,000 m³/day**	Equity	25.0	3/2002	2032
W30	Changshu Water Plant		Equity	24.5		2036
	Phase I	**675,000 m³/day**			9/1984	
	Phase II	**200,000 m³/day**			11/2012	
W31	Changshu Waste Water Plant					
	Waste Water (O&M^)	**80,000 m³/day**	Equity	24.5	3/2015	2036
W32	Jiangsu Water Company		Equity	25.0		2037
	Water	**350,000 m³/day**			10/2007#	
	Waste Water	**300,000 m³/day**			10/2007#	
W33	Suzhou Industrial Park Sludge Treatment Plant		Equity	24.5		2039
	Phase I	**300 tonnes/day**			5/2011	
	Phase II	**300 tonnes/day**			2nd half of 2016 (Estimate)	
W34	Yangzhou Sludge Treatment Plant	**300 tonnes/day**	Equity	10.4	1st half of 2016 (Estimate)	2044
W35	Sino French Solutions Company		Equity	50.0	10/2013	
W36	Far East Landfill Technologies Limited	**35 million m³**	Equity	47.0	6/1995	2045
W37	Shanghai SCIP Waste Incineration Plant		Equity	10.0		2053
	Phase I	**60,000 tonnes/year**			8/2006	
	Phase II	**60,000 tonnes/year**			2nd half of 2016 (Estimate)	
W38	Chongqing Water Group Company Limited		Equity	6.7	1/2001#	
W39	Chongqing Silian Optoelectronics Science & Technology Co., Ltd.		EJV	20.0	7/2008	
	Water and industrial water treatment	**6,859,000 m³/day**				
	Demineralised water	**4,800 m³/day**				
	Waste water treatment	**1,018,350 m³/day**				
	Sludge treatment	**1,140 tonnes/day**				
	Waste management	**120,000 tonnes/year**				
	Landfill	**35 million m³**				

^ O&M stands for operation and management consultancy services
\# Date of incorporation

No.	Name of Projects	Handling Capacity	NWSH's Form of Investment	NWSH's Attributable Interest (%)	Expected/ Actual Operation Date	Year of Expiry[(1)]
	Ports					
P1	Xiamen Container Terminal Group Co., Ltd.	**9,100,000 TEUs p.a.**	EJV	13.8	12/2013	2063
P2	Tianjin Orient Container Terminals Co., Ltd.	**1,400,000 TEUs p.a.**	Equity	24.5	1/1999	2027
P3	Tianjin Five Continents International Container Terminal Co., Ltd.	**1,500,000 TEUs p.a.**	EJV	18.0	11/2005	2035
	Logistics					
L1	Beijing Capital International Airport Co., Ltd.	**3 runways and 3 terminals (total floor area: 1.41 million sq m)**	Equity	10.4	10/1999[#]	
L2	ATL Logistics Centre	**5,900,000 sq ft leasable area**	Equity	56.0	Phase I: 2/1987	2047
					Phase II: 3/1988	
					Phase III: 2/1992	
					Phase IV: 1/1994	
					Phase V: 11/1994	
L3	NWS Kwai Chung Logistics Centre	**920,000 sq ft leasable area**	Equity	100.0	12/2011	2058
L4	China United International Rail Containers Co., Limited	**Pivotal rail container terminal network**	EJV	30.0	Kunming: 1/2008	2057
					Chongqing: 12/2009	
					Chengdu: 3/2010	
					Zhengzhou: 4/2010	
					Dalian: 7/2010	
					Qingdao: 8/2010	
					Wuhan: 8/2010	
					Xian: 12/2010	
L5	Goshawk Aviation Limited	**No. of Aircraft: 40**	Equity	40.0	10/2013[#]	

[#] Date of incorporation

Notes:
(1) Project or JV expiry date
CJV = Co-operative Joint Venture (profit sharing percentage)
EJV = Equity Joint Venture (percentage of equity interest)
WFOE = Wholly Foreign Owned Enterprise

GLOSSARY OF TERMS

GENERAL TERMS

EUR or Euro	Euro, the official currency of the Euro-area
FY	Fiscal year, 1 July to 30 June
Group	NWD and its subsidiaries
HIBOR	Hong Kong Interbank Offered Rate
HK	Hong Kong
HK$	Hong Kong dollar(s), the lawful currency of Hong Kong
HK$ billion	billion of Hong Kong Dollars
HK$ million or HK$m	million of Hong Kong Dollars
HKEx or Stock Exchange	The Stock Exchange of Hong Kong Limited
Listing Rules	Rules Governing the Listing of Securities on the HKEx
Mainland China	The People's Republic of China excluding Hong Kong, Macau and Taiwan for the purposes of this annual report
MTR	Mass Transit Railway
N/A or n/a	not applicable
New World or NWD or New World Development or Company	New World Development Company Limited (新世界發展有限公司)
NWCL or New World China Land	New World China Land Limited
NWDS or New World Department Stores	New World Department Store China Limited
NWSH or NWS Holdings	NWS Holdings Limited
PRC	The People's Republic of China
RMB	Renminbi, the lawful currency of PRC
TBD	To be determined
US	The United States of America
US$ or USD	United States dollar(s), the lawful currency of US

FINANCIAL TERMS

EBITDA	Operating profit before depreciation and amortisation
Gearing Ratio	Net Debt divided by total equity
Net Debt	The aggregate of bank loans, other loans and fixed rate bonds and notes payable less cash and bank balances
Total Debt	Net Debt plus cash and bank balances

TECHNICAL TERMS

CJV	Co-operative joint venture
EJV	Equity joint venture
JV	Joint venture
WFOE	Wholly foreign owned enterprise

MEASUREMENTS

Km	kilometre(s)
m^3	cubic metre
MW	megawatt(s), equal to 1,000kW
sq ft	square feet
sq m	square metre
TEU or TEUs	Twenty-Foot Container Equivalent Unit

Chinese Version

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

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New World Development Company Limited takes every practicable measure to conserve resources and minimise waste.