



New World China Land Limited

新世界中國地產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00917)

INTERIM RESULTS ANNOUNCEMENT 2007/2008

RESULTS

The directors of New World China Land Limited (“the Company”) announce the unaudited interim results of the Company and its subsidiaries (“the Group”) for the six months ended 31st December 2007:

Consolidated Income Statement

		Unaudited	
		6 months ended 31st December	
		2007	2006
	Note	HK\$'000	HK\$'000
Revenue	2	1,261,423	1,065,183
Cost of sales		(783,512)	(692,682)
Gross profit		477,911	372,501
Other gains, net	3	1,035,133	223,233
Changes in fair value of investment properties		3,543	72,729
Selling expenses		(77,387)	(36,633)
Administrative expenses		(36,958)	(28,576)
Other operating expenses		(306,541)	(210,017)
Operating profit before finance costs	4	1,095,701	393,237
Finance costs		(166,925)	(98,373)
Share of results of			
Associated companies		65,421	44,381
Jointly controlled entities		21,346	210,257
Profit before taxation		1,015,543	549,502
Taxation charge	5	(135,683)	(155,220)
Profit for the period		879,860	394,282
Attributable to:			
Equity holders of the Company		919,588	406,473
Minority interests		(39,728)	(12,191)
		879,860	394,282
Interim dividend	6	153,342	76,577
Interim dividend per share	6	4.00 cents	2.00 cents
Earnings per share	7		
Basic		23.99 cents	10.62 cents
Diluted		22.90 cents	10.62 cents

Consolidated Balance Sheet

		Unaudited As at 31st December 2007 HK\$'000	Audited As at 30th June 2007 HK\$'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		949,827	919,864
Investment properties		6,788,373	5,871,951
Land use rights		465,336	332,521
Goodwill		113,538	48,095
Properties held for development		8,043,493	7,852,456
Associated companies		1,965,964	1,746,047
Jointly controlled entities		10,859,533	10,484,071
Available-for-sale financial assets		363,089	71,427
Cash and bank balances, restricted		38,298	-
		29,587,451	27,326,432
Current assets			
Hotel inventories, at cost		1,047	833
Debtors, deposits and other receivables	8	5,317,194	3,870,289
Amounts due from group companies		307,043	146,544
Properties under development		5,153,007	4,133,351
Completed properties held for sale		925,408	1,240,554
Cash and bank balances, restricted		605,399	464,303
Cash and bank balances, unrestricted		3,231,431	5,931,761
		15,540,529	15,787,635
Total assets		45,127,980	43,114,067
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		383,300	383,036
Reserves		27,025,013	25,616,877
Interim dividend		153,342	-
Proposed final dividend		-	229,975
		27,561,655	26,229,888
Minority interests		1,229,752	1,241,695
Total equity		28,791,407	27,471,583

Consolidated Balance Sheet (Continued)

		Unaudited As at 31st December 2007 HK\$'000	Audited As at 30th June 2007 HK\$'000
	Note		
LIABILITIES			
Non-current liabilities			
Long term borrowings		9,375,270	9,797,465
Deferred tax liabilities		532,578	502,076
		9,907,848	10,299,541
Current liabilities			
Creditors and accruals	9	2,157,254	1,630,188
Deposits received on sale of properties		1,702,409	1,052,050
Amounts due to group companies		281,118	483,117
Short term bank loans		422,340	486,735
Current portion of long term borrowings		1,165,890	980,615
Current portion of long term payable		-	132,898
Amounts due to minority shareholders		327,406	302,284
Taxes payable		372,308	275,056
		6,428,725	5,342,943
Total liabilities		16,336,573	15,642,484
Total equity and liabilities		45,127,980	43,114,067
Net current assets		9,111,804	10,444,692
Total assets less current liabilities		38,699,255	37,771,124

Notes:

1 Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The unaudited condensed interim financial statements should be read in conjunction with the 2007 annual financial statements.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the 2007 annual financial statements.

(a) The adoption of new or revised HKFRS

For the six months ended 31st December 2007, the Group has adopted the following new standard, amendment to standards and interpretations which are relevant to the Group's operations and are mandatory for the financial year ending 30th June 2008:

HKAS 1 Amendment	Presentation of Financial Statements: Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) - Int 10	Interim Financial Reporting and Impairment
HK(IFRIC) - Int 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these new standard, amendment and interpretations does not have any significant impact on the results and financial position or changes in the accounting policies of the Group. However, the adoption of HKAS 1 Amendment and HKFRS 7 requires additional disclosures in the annual financial statements.

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

The following new or revised standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1st January 2008 or later periods but which the Group has not early adopted:

Effective for the year ending 30th June 2009

HK(IFRIC) - Int 12	Service Concession Arrangements
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Effective for the year ending 30th June 2010

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments

The Group has already commenced an assessment of the impact of these new or revised standards and interpretations and expects that they will not have a significant impact on its results of operations and financial position.

2 Revenue and segment information

The Group is principally engaged in investment in and development of property projects in the People's Republic of China (the "PRC"). Revenue comprises turnover which includes gross proceeds from sale of properties, revenue from rental and hotel operation, property management services fee income and project management fee income.

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Sale of properties	902,306	780,704
Rental income	169,809	140,361
Income from hotel operation	135,805	114,918
Property management services fee income	27,187	28,911
Project management fee income	26,316	289
	<u>1,261,423</u>	<u>1,065,183</u>

The Group is organised into four main business segments, comprising property sales, rental operation, hotel operation and property management services. There is no other significant identifiable separate business segment. Segment assets consist primarily of property, plant and equipment, investment properties, land use rights, properties held for/under development, debtors, deposits and other receivables, and completed properties held for sale. They exclude cash and bank balances held at corporate office and prepayment for proposed development projects. Segment liabilities comprise mainly creditors and accruals, and other payable. They exclude bank and other borrowings, taxes payable, other creditors and accruals at corporate office.

No geographical segment analysis is presented as the majority of the assets and operations of the Group are located in the PRC, which is considered as one geographical location in an economic environment with similar risks and returns.

	Property	Rental	Hotel	Property	Other	Total
6 months ended 31st	sales	operation	operation	management	operations	
December 2007	HK\$'000	HK\$'000	HK\$'000	services	HK\$'000	HK\$'000
Segment revenue	928,622	170,444	135,805	26,552	-	1,261,423
Segment results	885,684	39,401	20,790	4,903	(40,526)	910,252
Bank and other interest income						45,296
Corporate expenses						(66,367)
Net foreign exchange gains						206,520
Operating profit before finance costs						1,095,701
Finance costs						(166,925)
Share of results of Associated companies	(1,964)	68,486	(721)	(380)	-	65,421
Jointly controlled entities	(121,964)	146,720	(3,636)	130	96	21,346
Profit before taxation						1,015,543
Taxation charge						(135,683)
Profit for the period						879,860
Capital expenditure	46,051	80,178	130,048	599	972	257,848
Depreciation and amortisation	15,636	19,924	36,013	412	1,130	73,115
As at 31st						
December 2007						
Segment assets	22,677,401	7,339,341	1,379,503	84,182	6,506	31,486,933
Associated companies and jointly controlled entities	5,643,178	6,822,752	317,540	(5,414)	47,441	12,825,497
Unallocated assets						815,550
Total assets						45,127,980
Segment liabilities	3,814,081	275,836	419,863	38,455	2,258	4,550,493
Unallocated liabilities						11,786,080
Total liabilities						16,336,573

	Property	Rental	Hotel	Property	Other	Total
6 months ended 31st December 2006	sales	operation	operation	management services	operations	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	781,175	152,701	115,197	16,110	-	1,065,183
Segment results	177,972	113,088	20,073	2,378	(8,257)	305,254
Bank and other interest income						22,858
Corporate expenses						(68,781)
Net foreign exchange gains						133,906
Operating profit before finance costs						393,237
Finance costs						(98,373)
Share of results of Associated companies	(497)	44,546	566	(234)	-	44,381
Jointly controlled entities	58,809	153,625	(975)	159	(1,361)	210,257
Profit before taxation						549,502
Taxation charge						(155,220)
Profit for the period						394,282
Capital expenditure	15,308	129,250	8,190	1,132	2,095	155,975
Depreciation and amortisation	14,487	18,415	33,886	338	760	67,886
Provision for/(write back of provision for) amounts due from jointly controlled entities	2,533	(1,411)	-	-	-	1,122
Impairment of goodwill	-	-	-	-	7,096	7,096
As at 30th June 2007						
Segment assets	19,229,817	6,794,820	925,356	72,092	12,913	27,034,998
Associated companies and jointly controlled entities	5,361,878	6,489,933	339,561	(6,374)	45,120	12,230,118
Unallocated assets						3,848,951
Total assets						43,114,067
Segment liabilities	3,132,430	259,550	171,431	31,188	9,767	3,604,366
Unallocated liabilities						12,038,118
Total liabilities						15,642,484

3 Other gains, net

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Interest income from jointly controlled entities, net of withholding tax (note)	361,883	13,345
Tax indemnity from the ultimate holding company	254,259	64,357
Net foreign exchange gains	213,725	119,497
Bank interest income	87,196	32,359
Gain on disposal of subsidiaries	85,986	-
Excess of fair value of net assets acquired over cost of acquisition of additional interest in a subsidiary	19,584	1,893
Dividend income from unlisted investments	12,500	-
Provision for amounts due from jointly controlled entities	-	(1,122)
Impairment of goodwill	-	(7,096)
	1,035,133	223,233

Note:

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

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Share of interest expenses of jointly controlled entities	(264,385)	(9,876)

4 Operating profit before finance costs

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Operating profit before finance costs is arrived at after charging:		
Cost of properties sold	595,991	549,281
Depreciation of property, plant and equipment	66,227	62,253
Amortisation of land use rights	6,888	5,633

5 Taxation charge

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Current taxation		
PRC enterprise income tax	42,392	2,439
PRC land appreciation tax	53,980	71,113
Deferred taxation	39,311	81,668
	<u>135,683</u>	<u>155,220</u>

Share of taxation of associated companies and jointly controlled entities for the six months ended 31st December 2007 are HK\$6,825,000 (2006: HK\$17,754,000) and HK\$302,958,000 (2006: HK\$60,796,000) respectively and are included in the consolidated income statement as share of results of associated companies and jointly controlled entities.

No provision for Hong Kong profits tax has been made within the Group as the Group has no assessable profits in Hong Kong for the period (2006: Nil). PRC income tax has been provided on the estimated assessable profits of subsidiaries, associated companies and jointly controlled entities operating in the PRC at 33% (2006: 33%). PRC land appreciation tax is provided at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sale of properties less deductible expenditures including costs of land use rights and property development expenditures.

On 16th March 2007, the National People's Congress approved the Corporate Income Tax Law of the PRC, pursuant to which the corporate income tax rates for domestic and foreign enterprises are unified at 25% effective from 1st January 2008. As a result, the enterprise income tax rate of the subsidiaries, associated companies and jointly controlled entities operating in the PRC will be changed from 33% to 25% with effect from 1st January 2008. Deferred taxation for the six months ended 31 December 2007 and 2006 has been accounted for by applying the tax rates enacted or substantively enacted by the respective balance sheet dates.

6 Interim dividend

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Interim dividend of HK\$0.04 (2006: HK\$0.02) per share	153,342	76,577

The directors have declared an interim dividend of HK\$0.04 per share. It will be payable on 9th May 2008 to shareholders whose names appear on the Register of Members of the Company on 18th April 2008.

7 Earnings per share

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

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Profit attributable to equity holders of the Company		
used to determine basic earnings per share	919,588	406,473
Interest expense on convertible bonds	39,664	-
Profit used to determine diluted earnings per share	959,252	406,473
	Number of shares	
	6 months ended 31st December	
	2007	2006
Weighted average number of shares for calculating		
basic earnings per share	3,832,614,694	3,827,470,253
Effect of dilutive potential shares:		
Share options	2,212,297	1,480,872
Convertible bonds	353,458,093	-
Weighted average number of shares for calculating		
diluted earnings per share	4,188,285,084	3,828,951,125

8 Debtors, deposits and other receivables

Debtors, deposits and other receivables include trade debtors, utility and other deposits, interest and other receivables and prepayments for land cost and proposed development projects.

The ageing analysis of trade debtors is as follows:

	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000
0 to 30 days	142,090	185,800
31 to 60 days	24,706	77,494
61 to 90 days	3,147	4,423
Over 90 days	108,664	104,868
	<u>278,607</u>	<u>372,585</u>

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

9 Creditors and accruals

Creditors and accruals include trade creditors, retention payables of construction costs, other payables and various accruals. The ageing analysis of trade creditors is as follows:

	As at 31st December 2007 HK\$'000	As at 30th June 2007 HK\$'000
0 to 30 days	159,301	89,988
31 to 60 days	112	9,655
61 to 90 days	-	4,463
Over 90 days	1,088,301	826,165
	<u>1,247,714</u>	<u>930,271</u>

BUSINESS REVIEW

In the first half of FY2008, the Group has recorded a profit of HK\$919.6 million, an increase of 126% over the same period last year. The significant increase in profit for the period was attributable to improved performance achieved by all three major operations of the Group, namely property sale, rental operation and hotel operation. The attributable operating profit (“AOP”) before provisions and finance costs amounted to HK\$778.8 million, representing an increase of more than 163% over that of corresponding period last year.

Analysis of Attributable operating profit (“AOP”)

	6 months ended 31st December	
	2007	2006
	HK\$'000	HK\$'000
Property sales	598,750	141,417
Rental operation	190,070	146,831
Hotel operation	13,732	9,016
Property management services	4,493	176
Others	(28,220)	(2,117)
AOP before provision and finance costs	778,825	295,323
Net increase in fair value of investment properties, net of deferred taxation	76,532	138,179
Provisions	-	(2,543)
Land appreciation tax	(267,359)	(65,041)
Tax indemnity from the ultimate holding company	254,259	64,357
Excess of fair value of net assets acquired over cost of acquisition of interests in a subsidiary	19,584	1,893
Gain on disposal of subsidiaries	85,301	-
Impairment of goodwill	-	(7,096)
Finance costs – project loans	(108,901)	(63,433)
AOP	838,241	361,639
Finance costs – corporate loans	(85,003)	(55,381)
Corporate items	(60,439)	(37,721)
Net foreign exchange gains	226,789	137,936
Profit attributable to equity holders of the Company	919,588	406,473

Property sales

During the period under review, property sale operation has achieved a marked increase in AOP to HK\$598.7 million or an increase of 323% over that of corresponding period last year. The substantial AOP increase from property sales was mainly attributable to improvement in overall gross profit margin resulting from robust growth in selling price of properties. The price surge was particularly prominent for the projects in Beijing and Wuhan. In the first half of FY2008, the Group has completed two property development projects in Guangzhou and Zhuhai with a total gross floor area (“GFA”) of 148,034 sq.m., of which over 90% were sold.

During the period under review, a total GFA of 283,098 sq.m. were sold to generate gross sale proceeds of over RMB2.6 billion and an average gross profit margin of 33.5%. As at 31st December 2007, the Group’s inventory of completed development property was reduced to a total GFA of 201,230 sq.m..

Development property projects completed in 1st half FY2008	Usage	Total GFA (sq. m.)	NWCL’s interest
Guangzhou Park Paradise Phase IID2 (廣州嶺南新世界二期 D2)	R	64,869	60%
Zhuhai New World Riviera Garden Phase III (珠海新世界海濱花園三期)	R, C	83,165	100%
Total		148,034	

R: Residential

C: Commercial

P: Carpark

H: Hotel

Rental Operation

The AOP from rental operation recorded HK\$190.1 million during the period under review, up 29% year-on-year. The Group’s investment property portfolio has increased by 76,334 sq.m., mainly from the completion of Nanjing New World Centre shopping arcade, Guangzhou Xintang New World Garden shopping mall and the commercial area and car parks at Guangzhou Park Paradise.

Benefited from the continuing improvement in the rentals of Beijing New World Centre shopping arcade, together with the expansion of the rental property portfolio, the Group has achieved a significant increase in AOP from rental operation. The contribution from rental operation was continuously improved with higher occupancy rates and increasing unit rental rate

upon renewal of tenancy. The effect was particularly prominent for Shanghai Hong Kong New World Tower, Wuhan New World Trade Tower I and Shanghai Belvedere Apartment.

Investment properties completed in 1st half FY2008	Usage	Total GFA (sq. m.)	NWCL's interest
Nanjing New World Centre Phase II (南京新世界中心二期)	C	41,206	92%
Guangzhou Park Paradise Phase IID2 (廣州嶺南新世界二期 D2)	C, P	20,206	60%
Guangzhou Xintang New World Garden Phase IV (廣州新塘新世界花園四期)	C	14,922	63%
Total		76,334	

Hotel operation

The Group's hotel portfolio currently comprises 4 hotels providing 1,790 guest rooms. During the period under review, hotel operation registered an AOP of HK\$13.7 million, on the back of improved average room rate and occupancy rate, particularly for New World Mayfair Hotel Shanghai.

Hotel portfolio	Number of rooms
Courtyard by Marriot Beijing (北京萬怡酒店)	293
New World Mayfair Hotel Shanghai (上海巴黎春天大酒店)	860
New World Hotel Shenyang (瀋陽新世界酒店)	261
Courtyard by Marriot Shunde (順德萬怡酒店)	376
Total	1,790

Two hotels in Wuhan and Dalian are under construction during the period under review. Upon completion, these hotels will further enhance the Group's hotel portfolio.

LIQUIDITY AND CAPITAL RESOURCES

As at 31st December 2007, the Group's cash and bank deposits amounted to HK\$3,875 million (30th June 2007: HK\$6,396 million). The decrease in cash and bank deposits was mainly due to repayment of bank loans due during the period. The Group's consolidated net debt (aggregate of borrowings, net of cash and bank balances) amounted to HK\$7,088 million (30th June 2007: HK\$4,869 million), translating into a gearing ratio of 24.6% (30th June 2007: 17.7%). The gearing ratio is calculated on the basis of net debts over total equity.

The Group's borrowings from banks and fellow subsidiaries and liabilities of convertible bonds

as at 31st December 2007 totaled HK\$9,962 million (30th June 2007: HK\$10,417 million) of which 18.2% were secured by way of charges over assets and 81.8% were unsecured.

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

	As at 31st December 2007 HK\$'million	As at 30th June 2007 HK\$'million
Repayable:		
Within one year	1,588	1,467
Between one and two years	3,068	2,763
Between two to five years	5,193	6,065
Over five years	113	122
	9,962	10,417

As at 31st December 2007, the Group's committed unutilised bank loan facilities amounted to HK\$4,689 million (30th June 2007: HK\$1,288 million).

Capital expenditure commitments

The capital expenditure commitments of the Group as at 31st December 2007 were HK\$150,678,000 (30th June 2007: HK\$149,591,000) of which HK\$42,678,000 (30th June 2007: HK\$41,591,000) were contracted but not provided for in the financial statements and HK\$108,000,000 (30th June 2007: HK\$108,000,000) were authorised but not contracted for. The Group did not have any share of capital commitments of jointly controlled entities (30th June 2007: Nil). The source of funding for capital commitments are internally generated resources and bank loan facilities.

Foreign currency exposure

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

CONTINGENT LIABILITIES

As at 31st December 2007, the Group has contingent liabilities of approximately HK\$2,590,326,000 (30th June 2007: HK\$2,535,903,000) relating to corporate guarantees given in respect of bank loan facilities extended to certain associated companies and jointly controlled entities. The slight increase in contingent liabilities was mainly due to increase in Hong Kong dollar equivalent balances of bank loans denominated in Renminbi as a result of appreciation of Renminbi as at 31st December 2007.

As at 31st December 2007, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group amounting to HK\$526,374,000 (30th June 2007: HK\$398,402,000).

DETAILS OF CHARGES ON GROUP'S ASSETS

As at 31st December 2007, the Group's property, plant and equipment, investment properties, land use rights, completed properties held for sale and bank deposits of HK\$510,981,000 (30th June 2007: HK\$510,541,000), HK\$1,933,620,000 (30th June 2007: HK\$1,853,135,000), HK\$278,325,000 (30th June 2007: HK\$146,646,000), HK\$123,567,000 (30th June 2007: HK\$112,228,000) and HK\$643,697,000 (30th June 2007: HK\$464,303,000) respectively have been pledged as securities for short term and long term loans. As at 30th June 2007, the Group's properties under development of HK\$117,802,000 had been pledged as security for a long term loan. The pledged property under development was completed during the period.

AUDIT COMMITTEE

Audit committee was established in accordance with requirements of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee consists of three independent non-executive directors of the Company. The audit committee has reviewed the unaudited interim financial statements and discussed the financial related matters with management. At the request of directors, the Group's external auditors have carried out a review of the interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code of Corporate Governance Practices contained in Appendix 14 to the Listing Rules during the six months ended 31st December 2007, except for the following derivations:

Code provision A.2.1

The code provision A.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. Cheng Kar-shun, Henry acts as the Chairman and Managing Director of the Company. He is responsible for effective running of the board and formulating business strategies. He also provides leadership for effective running of the Company's business and implementing the policies devised by the board. The board believes that Dr. Cheng Kar-shun, Henry, in his dual capacity as the Chairman and Managing Director of the Company, can provide strong and consistent leadership for the development of the Group.

Code provision A.5.4

The code provision A.5.4 provides that there should be written guidelines on no less exacting terms than the Model Code for Securities Transaction by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules for relevant employees in respect of their dealing in the securities of the issuer.

The Company has not established guideline for employees as required under the code provision, instead, the relevant provisions for insider dealing as set out in the Securities and Futures Ordinance have been included in the in-house "Human Resources & Administration Manual" so that the employees are reminded of their obligation under the Ordinance.

Code provision E.1.2

The code provision E.1.2 provides (among other things) that the chairman of the board should attend the annual general meeting.

Dr. Cheng Kar-shun, Henry, the Chairman of the Board, did not attend the annual general meeting of the Company held on 27th November 2007 (the "Meeting") as he had another business engagement. Mr. Cheng Chi-kong, Adrian, who took the chair of the Meeting, together with other members of the Board and the Audit and Remuneration Committees who attended the Meeting, were of sufficient calibre and number for answering questions at the Meeting.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) in Appendix 10 to the Listing Rules as the code of conduct regarding directors’ securities transactions. The Company has confirmed with the directors that they have complied with the standard set out in the Model Code during the period under review.

EMPLOYEES AND REMUNERATION POLICY

As at 31st December 2007, the Group has 3,732 full-time employees. Total staff related costs incurred during the period under review were HK\$109.6 million (2006: HK\$93.0 million), of which retirement benefits was included. Remuneration of employees is reviewed annually based on assessment of individual performance. Discretionary year-end bonus was paid to employees based on individual performance.

MAJOR ACQUISITION OR DISPOSAL

There was no major acquisition or disposal undertaken by the Group during the period under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

OUTLOOK

In 2007, China achieved an 11.4% GDP growth which was the fifth consecutive year enjoying double-digit growth. The resilient economic growth and stable increase of average income per capita have cradled the stable growth of real estate market in Mainland China.

The Group focuses on mid-size to large scale quality developments to capture the substantial housing demand from the emerging middle to high income households, and to capitalize on the strong economic growth of major Mainland cities. The Group believes that the middle to high end residential property market still has significant growth potential since demand for such properties will continue to increase as a result of rapid development of the Mainland economy,

the corresponding urbanization, income increase, and the improvement in living standard of the urban population.

The Group believes that its geographical diversification will alleviate the risks of having too much of its operation concentrated in one particular city or region in Mainland China. In 2008, the first phase of our projects located in Chengdu, Changsha and Guiyang will be completed and start contributing to the results of the Group. These three new projects are located in mid-Western China with the rapid development condition under the strong support from the Central Government.

Under the backdrop of strong economic growth, the Central Government is expected to continuously release control measures to regulate the market development, alleviate distorted supply-demand imbalance and curb illicit practices. New World China Land, as a long-term and committed developer, is glad to see the market having a healthy and stable development in the long run.

Properties to be completed in 2nd half FY2008	Usage	Total GFA (sq.m.)	NWCL's interest
Beijing Xin Kang Garden Phase III (北京新康家園三期)	R	6,822	70%
Beijing Xin Yi Garden Phase II (北京新怡家園二期)	R, C	50,442	70%
Jinan Sunshine Garden Phase II (濟南陽光花園二期)	R, C, P	158,901	100%
Shenyang New World Garden Phase ID (瀋陽新世界花園一期 D)	R, C, P	168,551	90%
Wuhan New World Hotel (武漢新世界酒店)	H	37,432	60%
Wuhan Changqing Garden Phase VIB (武漢常青花園六期 B)	R, C, P	169,340	60%
Wuhan Changqing Garden Phase VII (武漢常青花園七期)	R	49,573	60%
Wuhan Xin Hua Garden Phase IV (武漢新華家園四期)	R, C, P	63,843	60%
Chengdu New World Riverside Phase I (成都河畔新世界一期)	R	47,441	30%
Changsha La Ville New World Phase I (長沙新城新世界一期)	R, C	80,684	45%
Guiyang Sunny Town Phase I (貴陽金陽新世界一期)	R, C, P	161,264	50%
Total		994,293	

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, 16th April 2008 to Friday, 18th April 2008 (both days inclusive). In order to establish entitlements to the interim dividend, all transfers accomplished by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 15th April 2008.

Dr. Cheng Kar-shun, Henry

Chairman and Managing Director

Hong Kong, 18th March 2008

As at the date of this announcement, the board of directors of the Company comprises: (1) Dr. Cheng Kar-shun, Henry, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda as executive directors; (2) Mr. Fu Sze-shing as non-executive director and (3) Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John as independent non-executive directors.