



Property  
Infrastructure

# New World Development

Services  
Telecommunications

	6 months ended 31 December		
	2001 (HK\$m)	2000 (HK\$m)	Change
<b>Turnover</b>	<b>12,748.6</b>	15,901.5	-20%
<b>Operating Profit (before interest &amp; taxation)</b>	<b>1,992.9</b>	1,573.3	+27%
<b>Share of Results of Associated Companies &amp; Jointly Controlled Entities</b>	<b>175.1</b>	535.6	-67%
<b>Profit Attributable to Shareholders</b>	<b>1,035.1</b>	311.4	+232%
<b>Net Cash Inflow from Operating Activities</b>	<b>1,354.8</b>	4,040.1	-66%
<b>Total Assets</b>	<b>128,290.9</b>	130,479.1	-2%

The directors (the "Directors") of New World Development Company Limited (the "Company") announce the unaudited consolidated results of the Company and its subsidiary companies (the "Group") for the six months ended 31 December 2001 together with the comparative figures as follows:

## Condensed Consolidated Profit and Loss Account

For the six months ended 31 December 2001

	Note	<b>Unaudited six months ended 31 December 2001 HK\$m</b>	2000 HK\$m
Turnover	2	<b>12,748.6</b>	15,901.5
Cost of sales		<b>(7,798.7)</b>	(12,229.6)
Gross profit		<b>4,949.9</b>	3,671.9
Other revenues		<b>8.2</b>	5.5
Other (charge)/income	3	<b>(882.9)</b>	(45.7)
Selling and marketing expenses		<b>(194.4)</b>	(228.0)
Administrative expenses		<b>(467.2)</b>	(467.1)
Other operating expenses		<b>(1,420.7)</b>	(1,363.3)
Operating profit before financing costs and income	2	<b>1,992.9</b>	1,573.3
Financing costs		<b>(867.1)</b>	(1,338.0)
Financing income		<b>282.5</b>	442.2
Operating profit	4	<b>1,408.3</b>	677.5
Share of results of			
Associated companies		<b>112.6</b>	254.9
Jointly controlled entities		<b>62.5</b>	280.7
Profit before taxation		<b>1,583.4</b>	1,213.1
Taxation	5	<b>(262.6)</b>	(307.4)
Profit after taxation		<b>1,320.8</b>	905.7
Minority interests		<b>(285.7)</b>	(594.3)
Profit attributable to shareholders		<b>1,035.1</b>	311.4
Interim dividend		<b>214.9</b>	212.3
Earnings per share	6		
Basic		<b>HK\$0.49</b>	HK\$0.15
Fully diluted		<b>N/A</b>	N/A
Interim dividend per share		<b>HK\$0.10</b>	HK\$0.10

## Condensed Consolidated Balance Sheet

As at 31 December 2001

	Note	Unaudited 31 December 2001 HK\$m	Audited 30 June 2001 HK\$m
Fixed assets	7	<b>43,788.4</b>	46,082.9
Associated companies		<b>7,553.3</b>	7,086.3
Jointly controlled entities		<b>25,407.9</b>	25,524.9
Other investments		<b>7,585.2</b>	7,795.6
Long term receivables		<b>881.4</b>	539.4
<b>Total non-current assets</b>		<b>85,216.2</b>	87,029.1
Current assets			
Properties held for sale		<b>23,077.9</b>	22,409.0
Stocks		<b>1,403.4</b>	795.8
Current portion of long term receivables		<b>26.6</b>	467.5
Other loans receivable		<b>435.8</b>	373.1
Debtors and prepayments	8	<b>10,718.6</b>	9,595.0
Cash and bank balances			
Restricted		<b>1,704.7</b>	1,747.0
Unrestricted		<b>5,707.7</b>	8,062.6
		<b>43,074.7</b>	43,450.0
Current liabilities			
Creditors and accrued charges	9	<b>11,155.9</b>	10,392.9
Contracts in progress		<b>802.6</b>	882.8
Deposits received on sale of properties		<b>271.9</b>	535.7
Bank loans and overdrafts			
Secured		<b>1,493.2</b>	1,274.1
Unsecured		<b>871.4</b>	1,186.2
Other loans			
Unsecured		<b>47.1</b>	49.0
Current portion of long term liabilities		<b>10,387.9</b>	9,029.6
Taxation		<b>886.0</b>	915.2
		<b>25,916.0</b>	24,265.5
<b>Net current assets</b>		<b>17,158.7</b>	19,184.5
<b>Employment of funds</b>		<b>102,374.9</b>	106,213.6
Financed by			
Share capital	10	<b>2,134.0</b>	2,134.0
Reserves	11	<b>53,641.1</b>	55,300.6
Proposed interim dividend		<b>214.9</b>	–
Proposed final dividend		<b>213.4</b>	213.4
Shareholders' funds		<b>56,203.4</b>	57,648.0
Minority interests		<b>16,886.8</b>	17,407.7
Mandatorily convertible bonds		<b>1,162.2</b>	1,162.2
Long term liabilities	12	<b>28,092.5</b>	29,970.9
Deferred taxation		<b>30.0</b>	24.8
<b>Funds employed</b>		<b>102,374.9</b>	106,213.6

## Condensed Consolidated Cash Flow Statement

For the six months ended 31 December 2001

	<b>Unaudited Six months ended 31 December</b>	
	<b>2001 HK\$m</b>	2000 HK\$m
Net cash inflow from operating activities	<b>1,354.8</b>	4,040.1
Net cash outflow from returns on investments and servicing of finance	<b>(190.8)</b>	(401.8)
Cash outflow for taxation	<b>(206.5)</b>	(378.4)
Net cash outflow from investing activities	<b>(3,740.3)</b>	(5,492.8)
Net cash (outflow)/inflow from financing activities	<b>(568.0)</b>	1,235.8
Decrease in cash and cash equivalents	<b>(3,350.8)</b>	(997.1)
Cash and cash equivalents at beginning of the period	<b>6,986.8</b>	5,471.5
Effect of foreign exchange rate changes	<b>(14.7)</b>	50.9
Cash and cash equivalents at end of the period	<b>3,621.3</b>	4,525.3

## Condensed Consolidated Statement of Recognised Gains and Losses

For the six months ended 31 December 2001

	Unaudited Six months ended 31 December	
	2001 HK\$m	2000 HK\$m
Investment revaluation deficit	(103.0)	(800.2)
Exchange differences arising on translation of subsidiary companies, associated companies and jointly controlled entities	(31.4)	(25.5)
Net losses not recognised in the profit and loss account	(134.4)	(825.7)
Asset revaluation reserve released on disposal of hotel property	(2,501.6)	–
Investment deficit written back on disposal	28.7	–
Investment impairment loss charged to profit and loss account	3.9	–
Profit attributable to shareholders	1,035.1	311.4
Total recognised losses	(1,568.3)	(514.3)
Capital reserve on acquisition of		
A subsidiary company	–	80.5
Additional interests in subsidiary companies	–	62.1
Goodwill on acquisition of		
Subsidiary companies	–	(86.9)
Additional interests in a subsidiary company	–	(389.7)
Associated companies	–	(35.9)
Release of goodwill/(capital reserve)/upon		
Disposal of subsidiary companies	156.2	0.1
Partial disposal of an associated company	1.1	–
Disposal of an associated company	10.9	–
Disposal of an associated company	(44.5)	–
Share of reserve/(goodwill) of		
Associated companies	–	34.0
Jointly controlled entities	–	(0.1)
	(1,444.6)	(850.2)

## Notes to condensed interim accounts

### 1. Basis of preparation and accounting policies

These unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants.

These condensed interim accounts should be read in conjunction with the 2001 annual financial statements.

The accounting policies and methods of computation used in the preparation of these condensed interim accounts are consistent with those used in the annual accounts for the year ended 30 June 2001 except that the Group has changed certain of its accounting policies following its adoption of the following SSAPs issued by the Hong Kong Society of Accountants which are effective for accounting periods commencing on or after 1 January 2001:

SSAP 9 (revised): Events after the balance sheet date

SSAP 26: Segment reporting

SSAP 30: Business combinations

SSAP 31: Impairment of assets

The adoption of these new SSAPs had no material effect on the Group's results.

#### (a) SSAP 9 (revised) Events after the balance sheet date

In accordance with the revised SSAP 9, "Events after the balance sheet date", dividends proposed or declared after the balance sheet date are not recognised as a liability at the balance sheet date. The effect of this change has increased shareholders' funds at 31 December 2001 and 30 June 2001 by HK\$428.3 million and HK\$213.4 million respectively and the dividend was then recorded as a dividend paid in the next reporting period. Certain comparative figures have been reclassified to conform with the current period's presentation.

#### (b) SSAP 30 Business combinations

In accordance with the new SSAP 30 "Business combinations", goodwill on acquisitions occurring on or after 1 July 2001 is being reported in the balance sheet as a separate asset or, as applicable, included within investments in associated companies and joint ventures, and is amortised using the straight line method over its estimated useful life. This is a change in accounting policy as in previous years goodwill on acquisitions was written off directly to reserves in the year of acquisition. In accordance with a transitional provision under SSAP 30, no retrospective adjustment to the goodwill written off directly to reserves is required.

## 2. Segment information

Group turnover represents all revenues from rental, property sales, construction and engineering, hotel and restaurant operations, infrastructure operations, telecommunication services, department store operations, financial services, property management, security service, transportation and other services.

An analysis of the Group's revenue and results for the period by business and geographical segments is as follows:

	Turnover		Inter-segment sales		Six months ended	
	Six months ended		Six months ended		31 December	
	2001	2000	2001	2000	2001	2000
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
<b>a. Business segment</b>						
Rental income	<b>841.4</b>	978.9	<b>(81.3)</b>	(92.5)	<b>760.1</b>	886.4
Property sales	<b>3,719.9</b>	4,666.3	–	–	<b>3,719.9</b>	4,666.3
Construction and engineering	<b>3,912.8</b>	5,267.2	<b>(712.1)</b>	(105.9)	<b>3,200.7</b>	5,161.3
Hotel and restaurant operations	<b>798.3</b>	1,283.6	<b>(0.3)</b>	–	<b>798.0</b>	1,283.6
Infrastructure operations	<b>328.9</b>	394.7	–	–	<b>328.9</b>	394.7
Telecommunication services	<b>1,345.3</b>	1,492.6	<b>(3.6)</b>	–	<b>1,341.7</b>	1,492.6
Others	<b>2,652.4</b>	2,077.2	<b>(53.1)</b>	(60.6)	<b>2,599.3</b>	2,016.6
Consolidated turnover	<b>13,599.0</b>	16,160.5	<b>(850.4)</b>	(259.0)	<b>12,748.6</b>	15,901.5
Rental income					<b>446.8</b>	569.8
Property sales					<b>2,073.5</b>	452.5
Construction and engineering					<b>199.9</b>	306.2
Hotel and restaurant operations					<b>119.3</b>	335.4
Infrastructure operations					<b>23.8</b>	118.7
Telecommunication services					<b>(6.3)</b>	(106.8)
Others					<b>171.9</b>	74.9
Segment results					<b>3,028.9</b>	1,750.7
Other (charge)/income					<b>(882.9)</b>	(45.7)
Unallocated corporate expenses					<b>(153.1)</b>	(131.7)
Operating profit before financing costs and income					<b>1,992.9</b>	1,573.3
Financing costs					<b>(867.1)</b>	(1,338.0)
Financing income					<b>282.5</b>	442.2
Operating profit					<b>1,408.3</b>	677.5
Share of results of						
Associated companies					<b>112.6</b>	254.9
Jointly controlled entities					<b>62.5</b>	280.7
Profit before taxation					<b>1,583.4</b>	1,213.1



## 2. Segment information (con't)

	Six months ended 31 December	
	2001 HK\$m	2000 HK\$m
<b>a. Business segment (con't)</b>		
Associated companies		
Rental income	26.2	34.6
Property sales	(37.4)	2.6
Construction and engineering	18.6	20.1
Hotel and restaurant operations	(1.4)	(8.5)
Infrastructure operations	109.7	238.3
Telecommunication services	–	(41.5)
Others	(3.1)	9.3
Segment results	<b>112.6</b>	254.9
Jointly controlled entities		
Rental income	3.7	14.5
Property sales	(263.1)	(15.2)
Construction and engineering	8.7	4.5
Hotel and restaurant operations	11.6	(7.2)
Telecommunication services	336.6	331.7
Others	(35.0)	(47.6)
Segment results	<b>62.5</b>	280.7
<b>b. Geographical segment:</b>		
Hong Kong and Southeast Asia	<b>10,821.2</b>	14,029.0
Mainland China	<b>1,927.4</b>	1,872.5
Consolidated turnover	<b>12,748.6</b>	15,901.5
Hong Kong and Southeast Asia	<b>1,881.1</b>	1,334.0
Mainland China	<b>111.8</b>	239.3
Segment results	<b>1,992.9</b>	1,573.3

Sales are based on the country in which the customers is located.

The turnover and operating profit before financing costs and income derived from the Group's activities in Southeast Asia comprised less than 10% of the Group's turnover and operating profit before financing costs and income.

	Six Months ended 31 December	
	2001 HK\$m	2000 HK\$m
<b>3. Other (charge)/income</b>		
Dilution loss on disposal of a subsidiary company	(75.3)	–
Loss on partial disposal of interests in subsidiary companies	–	(3.7)
Loss on disposal of:		
Jointly controlled entities	(124.0)	–
Listed shares	(60.7)	–
Other investments	(13.7)	–
Fixed assets written off	(38.0)	–
Profit on disposal of:		
Associated companies	113.0	3.2
Jointly controlled entities	1.9	–
Other investments	–	52.8
Subsidiary companies	18.9	–
Profit on repurchase of convertible bonds	–	1.8
Provision for advances to joint ventures	(544.3)	–
Provision for diminution in value of properties held for sale	(58.0)	–
Provision for investment in:		
Listed shares	–	(99.8)
Unlisted shares	(128.2)	–
Write back provision for diminution in value of properties held for sale	25.5	–
	<b>(882.9)</b>	<b>(45.7)</b>
<b>4. Operating profit</b>		
Operating profit is stated after charging the following:		
Cost of inventories sold	1,775.2	5,155.4
Depreciation		
Leased fixed assets	22.5	19.4
Owned fixed assets	590.5	510.8
Fixed assets written off	38.0	–
Staff costs	1,755.1	1,700.2

## 5. Taxation

	Six months ended 31 December	
	2001 HK\$m	2000 HK\$m
Company and subsidiaries		
Hong Kong profits tax	<b>173.0</b>	169.3
Overseas taxation	<b>4.3</b>	25.0
Deferred taxation	<b>15.0</b>	3.1
Associated companies		
Hong Kong profits tax	<b>10.2</b>	39.6
Overseas taxation	<b>21.2</b>	26.8
Jointly controlled entities		
Hong Kong profits tax	<b>7.4</b>	13.5
Overseas taxation	<b>31.5</b>	30.1
	<b>262.6</b>	307.4

Hong Kong profits tax is provided at the rate of 16% (2000: 16%) on the estimated assessable profits for the period. Tax on overseas profits has been calculated on the estimated taxable profits for the period at the rate of taxation prevailing in the countries in which the Group operates.

## 6. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$1,035.1 million (2000: of HK\$311.4 million) and the 2,134.0 million shares (2000: weighted average number of 2,114.2 million shares) in issue during the period. No dilution effect was resulted on the earnings per share for the current period and the same period last year after taking into account the potential dilutive effect of the conversion of the outstanding bonds.

## 7. Fixed assets

	Investment properties HK\$m	Hotel properties HK\$m	Land and building HK\$m	Toll roads, bridges and port facilities HK\$m	Other assets HK\$m	Assets under construction HK\$m	Total HK\$m
Net book value as at 1 July 2001	16,927.3	9,954.0	3,247.9	5,974.4	4,697.0	5,282.3	46,082.9
Translation difference	–	–	12.6	–	2.1	–	14.7
Disposal of subsidiary companies	(5.1)	(2,653.0)	(34.4)	–	(61.1)	–	(2,753.6)
Additions	83.5	–	74.8	2.0	557.3	495.6	1,213.2
Disposals	–	–	–	(77.3)	(58.3)	(20.2)	(155.8)
Reclassification	–	–	–	200.5	14.3	(214.8)	–
Depreciation, amortisation, impairment and other movements	–	–	(35.3)	(172.7)	(405.0)	–	(613.0)
Net book value at 31 December 2001	17,005.7	7,301.0	3,265.6	5,926.9	4,746.3	5,542.9	43,788.4

## 8. Debtors and prepayments

Debtors and prepayments include trade debtors, amounts advanced to investee companies, deposits and prepayments. The Group has various credit policies for different business operations depending on the requirements of the markets and business in which the subsidiary companies operate. Sales proceeds receivables from sale of properties and retention money receivables in respect of construction and engineering services are settled in accordance with the terms of respective contracts. Ageing analysis of trade debtors is as follows:

	As at 31 December 2001 HK\$m	As at 30 June 2001 HK\$m
– Current to 30 days	2,922.5	2,296.6
– 31 to 60 days	277.8	354.4
– Over 60 days	2,881.3	2,214.5
	6,081.6	4,865.5

**9. Creditors and accrued charges**

Included in creditors and accrued charges are trade creditors with their ageing analysis as follows:

	<b>As at 31 December 2001 HK\$m</b>	As at 30 June 2001 HK\$m
– Current to 30 days	<b>4,081.3</b>	3,335.1
– 31 to 60 days	<b>218.9</b>	483.8
– Over 60 days	<b>2,463.1</b>	2,085.2
	<b>6,763.3</b>	5,904.1

**10. Share capital**

	<b>As at 31 December 2001 No. of shares (million)</b>	<b>As at 31 December 2001 HK\$m</b>	As at 30 June 2001 No. of shares (million)	As at 30 June 2001 HK\$m
Authorised: Shares of HK\$1.00 each Balance at beginning and end of the period	<b>2,500.0</b>	<b>2,500.0</b>	2,500.0	2,500.0
Issued and fully paid: Shares of HK\$1.00 each Balance at beginning of the period	<b>2,134.0</b>	<b>2,134.0</b>	2,114.1	2,114.1
Issued as scrip dividends	–	–	19.8	19.8
Conversion of bonds	–	–	0.1	0.1
Balance at end of the period	<b>2,134.0</b>	<b>2,134.0</b>	2,134.0	2,134.0

## 11. Reserves

	Capital redemption reserve HK\$m	Share premium HK\$m	Asset revaluation reserve HK\$m	Capital reserve HK\$m	General reserve HK\$m	Retained profits HK\$m	Total HK\$m
Balance as at 1.7.2000 as previously reported	37.7	18,860.6	20,516.0	814.9	206.0	15,658.8	56,094.0
Effect of adopting SSAP9 (revised)	-	-	-	-	-	213.4	213.4
Balance at 1.7.2000 as restated	37.7	18,860.6	20,516.0	814.9	206.0	15,872.2	56,307.4
Scrip dividends	-	184.7	-	-	-	-	184.7
Conversion of bonds	-	2.3	-	-	-	-	2.3
Share issue expenses	-	(0.2)	-	-	-	-	(0.2)
Investment and hotel properties revaluation surplus for the year	-	-	98.8	-	-	-	98.8
Share of revaluation (deficit)/surplus of associated companies	-	-	(85.8)	-	-	-	(85.8)
jointly controlled entities	-	-	114.0	-	-	-	114.0
Goodwill on acquisition of subsidiary companies	-	-	-	(87.4)	-	-	(87.4)
additional interests in jointly controlled entities	-	-	-	(11.9)	-	-	(11.9)
additional interests in subsidiary companies	-	-	-	(591.5)	-	-	(591.5)
an associated company	-	-	-	(37.0)	-	-	(37.0)
additional interests in associated companies	-	-	-	(16.7)	-	-	(16.7)
Capital reserve on acquisition of additional interests in subsidiary companies	-	-	-	120.1	-	-	120.1
additional interests in jointly controlled entities	-	-	-	4.7	-	-	4.7
associated companies	-	-	-	83.9	-	-	83.9
Release of capital reserve upon partial disposal of subsidiary companies	-	-	-	(20.6)	-	-	(20.6)
partial disposal of an associated company	-	-	-	(146.1)	-	-	(146.1)
liquidation of subsidiary companies	-	-	-	(5.0)	-	-	(5.0)
Release of goodwill upon disposal of subsidiary companies	-	-	-	11.7	-	-	11.7
disposal of associated companies	-	-	-	240.5	-	-	240.5
partial disposal of subsidiary companies	-	-	-	8.1	-	-	8.1
Share of capital reserve of associated companies	-	-	-	108.0	-	-	108.0
Investment revaluation deficit for the year	-	-	(1,139.4)	-	-	-	(1,139.4)
Investment revaluation deficit written back on disposal	-	-	376.6	-	-	-	376.6
Investment impairment loss charged to profit and loss account	-	-	208.4	-	-	-	208.4
Profit for the year	-	-	-	-	-	220.5	220.5
Transfer to general reserve	-	-	-	-	332.5	(332.5)	-
Translation difference	-	-	-	-	-	(8.4)	(8.4)
Dividends	-	-	-	-	-	(212.3)	(212.3)
Balance as at 30.6.2001, before proposed dividend	37.7	19,047.4	20,088.6	475.7	538.5	15,539.5	55,727.4
2001 Final dividend proposed	-	-	-	-	-	(213.4)	(213.4)
Balance as at 30.6.2001, after proposed dividend	37.7	19,047.4	20,088.6	475.7	538.5	15,326.1	55,514.0

## 11. Reserves (con't)

	Capital redemption reserve HK\$m	Share premium HK\$m	Asset revaluation reserve HK\$m	Capital reserve HK\$m	General reserve HK\$m	Retained profits HK\$m	Total HK\$m
Balance at 1.7.2001 as previously reported	37.7	19,047.4	20,088.6	475.7	538.5	15,112.7	55,300.6
Effect of adopting SSAP 9 (revised)	-	-	-	-	-	213.4	213.4
Balance at 1.7. 2001 as restated	37.7	19,047.4	20,088.6	475.7	538.5	15,326.1	55,514.0
Investment impairment loss charged to profit and loss account	-	-	3.9	-	-	-	3.9
Disposal of hotel property	-	-	(2,501.6)	-	-	-	(2,501.6)
Release of capital reserve upon - disposal of an associated company	-	-	-	(44.5)	-	-	(44.5)
Release of goodwill upon - disposal of subsidiary companies	-	-	-	156.2	-	-	156.2
- partial disposal of an associated company	-	-	-	1.1	-	-	1.1
- disposal of an associated company	-	-	-	10.9	-	-	10.9
Investment revaluation deficit for the period	-	-	(103.0)	-	-	-	(103.0)
Investment deficit written back on disposal	-	-	28.7	-	-	-	28.7
Retained profit for the period	-	-	-	-	-	1,035.1	1,035.1
Transfer to general reserve	-	-	-	-	19.5	(19.5)	-
Translation difference	-	-	-	-	-	(31.4)	(31.4)
Balance at 31.12.2001, before proposed dividends	37.7	19,047.4	17,516.6	599.4	558.0	16,310.3	54,069.4
2001 Final dividend proposed	-	-	-	-	-	(213.4)	(213.4)
2002 Interim dividend proposed	-	-	-	-	-	(214.9)	(214.9)
Balance as at 31.12.2001, after proposed dividends	37.7	19,047.4	17,516.6	599.4	558.0	15,882.0	53,641.1

## 12. Long term liabilities

	As at 31 December 2001 HK\$m	As at 30 June 2001 HK\$m
Bank loans		
Secured	8,181.8	8,595.4
Unsecured	20,392.6	19,766.7
Other secured loans wholly payable within five years	250.0	250.0
Other unsecured loans wholly payable within five years	609.4	619.5
Obligations under finance leases wholly payable within five years	106.6	37.4
	<b>29,540.4</b>	29,269.0
Convertible bonds	4,063.5	5,026.3
Debentures	333.3	337.1
Loans from minority shareholders	3,056.9	2,881.5
Deferred income	635.4	643.9
Long term accounts payable	850.9	842.7
	<b>38,480.4</b>	39,000.5
Amounts repayable within one year included in current liabilities	<b>(10,387.9)</b>	(9,029.6)
	<b>28,092.5</b>	29,970.9

	Obligations					Total HK\$m
	Secured bank loans HK\$m	Unsecured bank loans HK\$m	Other secured loans HK\$m	Other unsecured loans HK\$m	under finance leases HK\$m	
The maturity of long term borrowings at 31 December 2001 is as follows:						
Of less than one year	1,652.0	8,454.5	250.0	–	31.4	10,387.9
Of more than one year, but not exceeding two years	1,605.8	5,593.5	–	351.0	54.5	7,604.8
Of more than two years, but not exceeding five years	4,611.9	6,344.6	–	200.0	20.7	11,177.2
Of more than five years	312.1	–	–	58.4	–	370.5
	8,181.8	20,392.6	250.0	609.4	106.6	29,540.4
The maturity of long term borrowings at 30 June 2001 is as follows:						
Of less than one year	2,045.5	5,947.1	–	6.4	13.0	8,012.0
Of more than one year, but not exceeding two years	917.1	7,843.3	250.0	354.5	13.7	9,378.6
Of more than two years, but not exceeding five years	5,426.3	5,965.8	–	201.3	10.7	11,604.1
Of more than five years	206.5	10.5	–	57.3	–	274.3
	8,595.4	19,766.7	250.0	619.5	37.4	29,269.0



## 13. Commitments

	<b>As at 31 December 2001 HK\$m</b>	As at 30 June 2001 HK\$m
(a) Capital commitments		
(i) Contracted but not provided for		
Fixed assets	<b>666.4</b>	472.5
Jointly controlled entities	<b>439.2</b>	675.9
Other investments	<b>2.7</b>	15.6
	<b>1,108.3</b>	1,164.0
(ii) Authorised but not contracted for		
Fixed assets	<b>288.3</b>	440.1
Jointly controlled entities	<b>1,415.6</b>	1,615.7
	<b>1,703.9</b>	2,055.8
(b) The Group's share of capital commitments committed by the jointly controlled entities not included above are as follows:		
Contracted but not provided for	<b>186.0</b>	509.0
Authorised but not contracted for	<b>105.0</b>	130.0
	<b>291.0</b>	639.0

- (c) The Company has given an undertaking ("Buy-back Undertaking") to New World China Land Limited ("NWCL") in a spin-off agreement for the listing of NWCL's shares on the Stock Exchange of Hong Kong. Pursuant to the Buy-back Undertaking, if NWCL is unable to obtain a land use right certificate for those properties of which the land use rights certificates are either subject to transfer restrictions or have not been obtained, within two years from 16 July 1999 the Company will, at the request of NWCL, on or before the date falling six months after the two year period repurchase those properties from NWCL. The amount to be paid by the Company is equivalent to the net asset value of these properties as at 31 March 1999 plus the amount of any additional investment in those properties made by NWCL subsequent to that date. During the period, NWCL has exercised its rights under the Buy-back Undertaking and a wholly owned subsidiary of the Company has purchased three properties from NWCL for a total consolidation of approximately HK\$401.0 million. The Buy-back Undertaking expired on 16 January 2002 and no further property has been purchased by the Company up to the expiry date.

**13. Commitments (con't)**

(d) Commitments under operating leases payable

	<b>As at 31 December 2001 HK\$m</b>	As at 30 June 2001 HK\$m
Land and buildings		
In the first year	<b>202.2</b>	281.3
In the second to fifth year inclusive	<b>391.0</b>	441.6
After the fifth year	<b>161.4</b>	342.4
	<b>754.6</b>	1,065.3
Other equipment		
In the first year	<b>21.5</b>	20.0
In the second to fifth year inclusive	<b>29.8</b>	39.6
	<b>805.9</b>	1,124.9

(e) As at 31 December 2001, the Group had issued performance guarantees amounting to approximately HK\$177.8 million (30 June 2001: HK\$166.2 million), in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of property projects developed by a subsidiary and certain jointly controlled entities of the Group. Pursuant to the terms of the performance guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

(f) Certain subsidiary companies and jointly controlled entities are parties to agreements with third parties pursuant to the joint development of Container Terminal 9 in Hong Kong, the related berth swap arrangement and the funding therefor. The Group's attributable share of capital commitments as at 31 December 2001 has been disclosed in (a) above.

One of the jointly controlled entities has obtained banking facilities to finance 60% of its share of development cost at Container Terminal 9 and reduced the funds to be injected by the Group accordingly. The Group has given guarantee in respect of the banking facilities and is included in note 14.

In the event of default of any of the other shareholders of the jointly controlled entities, independent third parties, the relevant subsidiary companies and jointly controlled entities will be required to provide additional funds for the project. The Group has given guarantees in respect of these obligations of the subsidiary companies and jointly controlled entities to provide additional funds. If the Group is required to fulfil its obligations under the guarantees, the maximum amount of the additional commitment assumed, in addition to the Group's share of the capital commitments as disclosed above, will be HK\$1,482.0 million (30 June 2001: HK\$1,482.0 million). A counter-guarantee has been given by an associated company to the Group during the period in respect of these guarantees with a maximum amount of approximately HK\$876.0 million (30 June 2001: nil).

**14. Contingent liabilities**

	<b>As at 31 December 2001 HK\$m</b>	As at 30 June 2001 HK\$m
Guarantees for		
Performance bonds in respect of construction contracts undertaken by the Group	<b>1,355.1</b>	1,557.7
Other performance bonds	<b>445.9</b>	344.7
Guarantees for credit facilities granted to		
Associated companies	<b>195.5</b>	686.1
Investee companies included under other investments	<b>308.0</b>	9.4
Jointly controlled entities	<b>3,083.3</b>	4,202.9
Indemnity to non-wholly owned subsidiary companies for PRC tax liabilities	<b>2,298.7</b>	2,305.3
	<b>7,686.5</b>	9,106.1

**15. Related party transactions**

The following is a summary of significant related party transactions during the period carried out in the normal course of the Group's business:

	<b>Six months ended 31 December</b>	
	<b>2001 HK\$m</b>	2000 HK\$m
Transaction with affiliated companies		
Provision of contracting work service	<b>426.4</b>	956.2
Interest income	<b>138.1</b>	121.8
Management fee income	<b>18.7</b>	19.5
Transaction with other related parties		
Rental income	<b>15.4</b>	15.3

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

## 16. Practice note 19 of the listing rules – Supplementary information

In accordance with the requirements under part 3.3 of Practice Note 19 of the Listing Rules, the Directors of the Company reported below the details of advances to, and guarantees given for the benefit of, its associated companies and jointly controlled entities (collectively as “affiliated companies”) as at 31 December 2001.

In aggregate the Group had advanced an amount of HK\$19,709.7 million (30 June 2001: HK\$19,760.2 million) to affiliated companies, guaranteed bank loans and other credit facilities for the benefit of the affiliated companies in the amount of HK\$3,586.8 million (30 June 2001: HK\$4,889.0 million) and contracted to further provide an aggregated amount of HK\$2,143.0 million (30 June 2001: HK\$3,299.6 million) in capital and loans to affiliated companies. The advances are unsecured, repayable on demand and are interest free except for aggregate amount of HK\$3,404.3 million (30 June 2001: HK\$3,787.2 million) which bear interest at variable rates ranging from 1.25% above Hong Kong Interbank offered rate to 1.25% above the Hong Kong prime rate per annum, HK\$5,400.2 million (30 June 2001: HK\$4,996.3 million) which bear interest at fixed rates ranging from 4% to 15% per annum and HK\$19.0 million (30 June 2001: HK\$19.0 million) which bear interest at fixed rates per annum and was subordinated. Contracted capital and loan contributions to affiliated companies would be funded by proceeds from internal resources and bank and other borrowings of the Group.

The above financial assistance given to the affiliated companies, in aggregate, represented 45.3% (30 June 2001: 48.5%) of the consolidated net assets of the Group as at 31 December 2001. No single entity received financial assistance from the Group which exceeds 25% of the consolidated net assets of the Group.

In addition, in accordance with the requirements under paragraph 3.10 of Practice Note 19 of the Listing Rules, the Company is required to include in its interim report a proforma combined balance sheet of its affiliated companies which would include significant balance sheet classifications and state the attributable interest of the Company in the affiliated companies. The Company has numerous affiliated companies and the Directors are of the opinion that it is not practical nor meaningful to prepare a proforma combined balance sheet and such information may be misleading. The Company made an application to, and received a waiver from, the Stock Exchange to provide the following statement as an alternative.

As at 31 December 2001, the combined indebtedness, capital commitments and contingent liabilities as reported by such affiliated companies (including amounts owing to the Group) amounted to approximately HK\$57,774.5 million (30 June 2001: HK\$59,061.6 million), HK\$2,450.1 million (30 June 2001: HK\$2,282.2 million) and HK\$2,787.4. (30 June 2001: HK\$2,814.5 million) respectively.

## 17. Comparative figures

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

## Interim Dividend

The directors have declared an interim dividend for the financial year ending 30 June 2002 in scrip form equivalent to HK\$0.10 per share with a cash option to shareholders registered on 15 April 2002.

Subject to the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the new shares, each shareholder will be allotted fully paid shares having an aggregate market value equal to the total amount which such shareholders could elect to receive in cash and that they be given the option to elect to receive payment in cash of HK\$0.10 per share instead of the allotment of shares. Full details of the interim scrip dividend will be set out in a letter to be sent to shareholders together with a form of election for cash on or about 19 April 2002.

## Book Close Date

Book close dates (both days inclusive):	9 April 2002 to 15 April 2002
Latest time to lodge transfer with Share Registrar:	4:00 p.m. on 8 April 2002
Address of Share Registrar:	Central Registration Hong Kong Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

## Purchase, Sale or Redemption of Listed Securities

The Company has not redeemed any of its listed securities during the six months ended 31 December 2001. Neither the Company nor any of its subsidiary companies has purchased or sold any of the Company's listed securities during the six months ended 31 December 2001.

## Code of Best Practice

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the accounting period covered by this interim report, in compliance with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## Details of Charges on Group Assets

As at 31 December 2001, the Group's fixed assets and properties held for sale of HK\$11,726.2 million (30 June 2001: HK\$11,687.6 million), and HK\$948.6 million (30 June 2001: HK\$948.6 million) respectively have been pledged as securities for credit facilities granted to the Group.

The Group's interests in two jointly controlled entities have been pledged as part of the securities to secure syndicated loan facilities granted to the jointly controlled entities.

## Audit Committee

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited interim accounts for the six months ended 31 December 2001 with the directors.

## Property

### *Hong Kong Property Development*

During the period under review, the Group recorded sales proceeds over HK\$3,900 million from the sale of residential projects including Monte Carlton, Sereno Verde Phase I, and from the sale of the Regent Hotel and our share of the sale of the residential units in Villa Carlton, Tung Chung Crescent and The Belcher's.

The Group plans to launch for sale eight residential projects comprising 6,400 flats in 2002.

<b>Projects</b>	<b>Location</b>	<b>Total GFA (sq.ft.)</b>	<b>No. of Units</b>	<b>Interest (%)</b>
Sky Tower	Kowloon City	1,265,878	2,160	20
Queen Street	Sheung Wan	655,978	1,148	50
11-15 MacDonnell Road	Mid-level	52,954	28	33
2 Park Road	Mid-level	120,818	148	100
King's Park	Homantin	904,176	700	30
Sereno Verde Phase II	Yuen Long	370,318	528	56
Tung Chung Crescent Phase II	Tung Chung	1,169,293	1,536	16
157 Prince Edward Road West	Mong Kok	66,304	171	50
<b>Total</b>		<b>4,605,719</b>	<b>6,419</b>	

The Group now has 40 property development projects with a total attributable gross floor area ("GFA") of 11.2 million sq.ft.. Recently, the Group has acquired the interest of the following projects: 440-442 Prince Edward Road West; 7-10 West End Terrace, Mid-level; Piper's Hill NKIL6378; Fanling Sheung Shui Town Lot No. 182 & various lots no. in DD51 and MTR Tseung Kwan O Station Package 1, Area 55b. Upon completion, the total GFA of these projects will exceed 3 million sq.ft.. At present, the Group's attributable agricultural land bank amounts to 19.9 million sq.ft..

<b>Agricultural Land Bank</b>	<b>Total Land Area (sq.ft.)</b>	<b>Group's share of Land Area (sq.ft.)</b>
Yuen Long	14,729,000	13,231,500
Fanling	2,160,000	2,160,000
Shatin / Tai Po	3,530,000	2,642,000
Sai Kung	1,950,000	1,700,000
Tuen Mun	150,000	150,000
<b>Total</b>	<b>22,519,000</b>	<b>19,883,500</b>

The Group plans to finalise the land premium payment for the conversion of land use and/or land exchange applications for 13 projects with a total attributable GFA of over 5 million sq.ft.. The Group will also continue to expand its land bank in order to strengthen its property development activities in Hong Kong.

## Property (con't)

### *Hong Kong Property Investment*

The current economic slowdown has affected the rental rate of the Group's investment properties. Rental contribution decreased by 23.9% to HK\$387.1 million.

New World Centre, the Group's flagship investment property, completed a major refurbishment programme for its shopping mall in mid-2001. During the period, occupancy increased to 90% with a diversified mix of renowned retailers. Palace Mall with new leasing programmes underway, is poised to attract new tenants and increase its occupancy and rentals.

In view of the prevailing business downturn, the Group has been more flexible in offering rental package to customers so as to maintain high occupancy. New World Tower and Manning House achieved over 90% occupancy whilst the Methodist House was 80% leased. The Group's major shopping malls including Discovery Park Shopping Mall, Telford Plaza and Pearl City, attained virtually full occupancy. As part of its efforts to improve the value of its portfolio, the Group will continuously upgrade the facilities and enhance the image of its investment properties.

To increase its recurrent income, the Group is now developing a multi-purpose complex in Hanoi Road, Tsimshatsui with a total GFA of around 1 million sq.ft.. This project is adjacent to the planned underground interchanges of KCR and MTR. Upon completion, all properties of the Group in Tsimshatsui will be connected by subways.

### *Hotels & Restaurants*

Contributions from the Group's hotels amounted to HK\$119.3 million. The drop in profit was primarily a result of the sale of The Regent and the fall in business traveller arrivals after the September 11 events.

The Group now has three hotels in Hong Kong, namely Grand Hyatt, Renaissance Harbour View and New World Renaissance. The Group is developing a 600-room hotel in the Chinese University campus. Planning for the 1 million sq.ft. New World Centre Extension is also in progress.

The Group's hotels in China, benefiting from the country's steady economic growth and its accession to the World Trade Organization, recorded improvements in both operating profit and occupancy rate. Despite the challenging environment, the Group's four hotels in Southeast Asia also reported steady results.

### *China Property*

New World China Land ("NWCL"), the Group's 70%-owned and listed PRC property development arm, recorded a profit attributable to shareholders of HK\$100.6 million, a rise of 4.7% over the same period of last year.

For the 6-month period, NWCL has completed eight property development projects in six cities with a total GFA of 6.3 million sq.ft. Totally, 18 projects will be completed in FY02 in 12 cities with a total GFA of 13.9 million sq.ft. compared to a GFA of 3.6 million sq.ft. completed in FY01.



### Property (con't)

In the second half of the fiscal year, NWCL has an investment property scheduled for completion in Shanghai, namely Changning Ramada Square with a total GFA of 1.3 million sq.ft..

With the persistent strong demand for housing in China and its efforts to increase completion of property development and investment projects, NWCL expects to see a raise in contribution from both property sales and rental income in the coming years.

### Infrastructure

New World Infrastructure ("NWI"), the Group's 61%-owned and listed infrastructure arm, contributed a profit attributable to shareholders of HK\$100.1 million, a 72.5% decrease over the same period of last year. The drop was primarily due to the decreased contribution from the Roads and Bridge and Energy segments as well as the increase in financing costs.

NWI's business portfolio comprises 68 basic infrastructure projects covering ports, toll roads and bridges, power and water treatment plants, as well as telecommunications value added services (VAS)/ media/ technology projects and strategic investments in the PRC. NWI holds investments in a number of wireless communications, multimedia, broadband, Internet and technology related companies.

#### *Roads and Bridges*

NWI invested in 34 road projects and 4 bridge projects in the PRC and Hong Kong. While the traffic flow for most projects in this segment continued to be stable, profit from the road segment dropped 20% to HK\$121.7 million. Guangzhou City Northern Ring Road showed noticeable decrease in traffic flow due to diversion effect of Guanyuan East Road. Nonetheless, the negative effect from which is expected to fade out gradually when the toll-exemption period of Guanyuan East Road expires in early 2002.

The disposal of Guangzhou Three New Bridges in January 2001 also caused a drop in profit from the bridge segment from HK\$60.4 million to HK\$14.1 million.

#### *Energy & Water Treatment*

NWI has 6 energy projects and 13 water treatment plants in the PRC and Macau. Profit from the segment decreased 34% to HK\$192.1 million, mainly due to disposal of Beijing Datang Power Generation Co. Ltd..

#### *Cargo Handling*

Profit from cargo handling segment increased 13%, mainly due to the improved results of the Group's portfolio of Mainland China ports. Despite the global economic slowdown, the throughput volume in some China ports including Xiamen and Tianjin increased by 56% and 19% respectively whereas throughput volume of Kwai Chung's Container Terminal No. 3 in Hong Kong decreased 30%.

## Infrastructure (con't)

### *e-infrastructure/Technology*

This segment includes telecommunications VAS/ media/ technology projects and strategic investments in the PRC. This segment offers solid commercial applications that possess substantial revenue-generating potential and continue to consolidate and commercialise its operations.

## Services

New World Services (“NWS”), the Group’s 51%-owned services arm with a business portfolio covering Facilities, Contracting, Transport, Financial and Environmental Divisions, reported a 16% drop in net profit to HK\$418.3 million for these six months.

### *Contracting Division*

Due to the depressed construction market in Hong Kong, the Contracting Division, comprising both Construction and Electrical & Mechanical Engineering sub-divisions, reported a drop in profit contribution. As at 31 December 2001, contracts on hand for Hip Hing Construction amounted to HK\$17,849 million. In order to maximise synergy, NWS’s three engineering services companies were merged to form NWS Engineering Limited in December 2001. As at 31 December 2001, total contracts on hand amounted to HK\$5,544 million. This division has formed several strategic alliances with PRC partners to tap the local market.

### *Facilities Division*

The impact of the September 11 events led to a drop in occupancy for HKCEC. Profit margins of NWS’s property management and security and guarding business, were under pressure because of the raised competition in the market. The Facilities Division will focus on cost containment and tapping new business opportunities offered by increasing Government’s outsourcing activities. Meanwhile, the HKCEC is enhancing the marketing of its events with the aim of boosting occupancy.

### *Transport Division*

With increasing passenger traffic and enhancing operational efficiency, results for both New World First Bus (“NWFB”) and New World First Ferry (“NWFF”) improved in the interim period. NWFB continued to seek network expansion. With the addition of three new routes serving Tseung Kwan O new town, NWFB operated a total of 97 routes as at December 2001. NWFF operated a total of 8 routes including outlying islands and inner harbour routes during the period. Four new high-speed vessels have commenced services since January 2001 to cater for the growth in passenger volume. The fleet of NWFF (Macau) will be significantly strengthened when three high-speed catamarans come into services in the end of 2002.

### *Financial Division and Environmental Division*

In the six-month period, both the Financial Division and Environmental Division recorded impressive growth in earnings. The Environmental Division offers a multitude of services covering landscape design and maintenance services and landfill technology services, whereas the Financial Division provides integrated financial services including share registration, secretarial and accounting services, insurance and brokerage services.

### Telecommunications

During the period, both New World Telephone (“NWT”) and New World Mobility (“NWM”) made marked progress towards profitability. Despite the challenging market environment, both operations managed to increase their revenue and achieve a higher EBITDA.

#### *New World Telephone*

NWT’s service portfolio encompasses local and international voice and broadband services, Frame Relay, Multi-Protocol Label Switching based-Internet Protocol/Virtual Private Network (MPLS based-IP/VPN) service, corporate internet access and end-to-end digital data services.

With an embedded base of over 1.1 million registered customers, NWT has built sustainable leadership in IDD market with 15% market share and 500 million minutes traffic volume per annum. Its local fixed line network currently provided coverage to over 4,000 buildings and upward of 600,000 home & office pass.

Riding on its established international network infrastructure, NWT has spearheaded its vision as a regional telecom service provider by establishing POP (Point of Presence) facilities and marketing networks with appropriate operating license in selected key Asian cities.

#### *New World Mobility*

During the period, NWM focused on cost control and network efficiency. The increased usage, coupled with the launch of more value-added services, resulted in a higher ARPU of HK\$261 per month. Subscriber base reached 671,000 as of 31 December 2001, taking a 14% market share. In order to further expand its market share, NWM will focus on innovative service development and customer relationship management to attract more high-usage customers.

### Strategic Businesses

#### *New World Department Store*

With the opening of Shanghai-Hong Kong New World Department Store and Wuhan Trendy Plaza in December 2001, the Group’s department store operations in Mainland China have been much strengthened. New World Department Stores currently has 10 stores in operation in the Mainland and one store in Hong Kong. To capture the ever-growing consumption power in the PRC, three more new stores, including the Shanghai Xinning Trendy Plaza, Dalian New World Department Store and Nanjing New World Department Store, are scheduled to open in 2002.

#### *New World China Enterprises Projects Limited*

Through New World China Enterprises Projects Limited (“NWCEP”) the Group has established a joint venture (New World Liberty China Ventures Limited) with Liberty Mutual Group and Asian Development Bank to invest in four high growth areas in PRC market : healthcare, consumer product, building materials and automobile services. By initiating good corporate governance and tight management controls, many of the investee companies have been able to deliver improved results. NWCEP intends to realise these investments by listing them on the stock market.

## Corporate Finance

As at 31 December 2001, the Group's consolidated net debt (after deducting cash and bank deposits of HK\$7,412 million) reached HK\$28,936 million with the profile as follows:

	<b>31 December 2001 HK\$m</b>	30 June 2001 HK\$m
Consolidated Net Debts	<b>28,936</b>	27,332
New World Infrastructure	<b>7,852</b>	6,583
New World China Land	<b>3,204</b>	2,524
Net Debts excluding listed subsidiaries	<b>17,880</b>	18,225

Due to successive rate cuts during the first half of the fiscal year, net financing costs were reduced by HK\$311.2 million.

## Employees

The Group had approximately 28,500 employees at 31 December 2001, compared to over 25,800 at 30 June 2001. Total staff cost for the 6 months under review was HK\$1,755 million.

## Outlook

The tragedy in last September exacerbated the slowdown of the United State and global economies. Hong Kong economy had also experienced a downward adjustment throughout the year 2001. The slowdown results in a weaker sentiment of consumer spending and prospective homebuyers. Despite the gloomy outlook, recent signs have shown that the US economy is recovering. When it does, Hong Kong's economy will follow its lead. Hong Kong has also been cushioned by the strength of China's economy. China's WTO accession offers promising business opportunities for those who are well-equipped to seize them. The Group will capitalize on its established businesses in Hong Kong and China to strengthen its profitability and business growth. The Group will continue its strategic direction in increasing property sales in both Hong Kong and China while maintaining a diversified recurrent income base from its rental properties and hotel operations, infrastructure projects, services businesses and telecommunications operations.

## Directors' Interests in Shares

As at 31 December 2001, interests of the Directors and their associates in the equity securities of the Company and its subsidiary companies which have been recorded in the register kept by the Company pursuant to Section 29 of the Securities (Disclosure of Interests) Ordinance are set out below.

	<b>Personal Interests</b>	<b>Family Interests</b>	<b>Corporate Interests<sup>(1)</sup></b>	<b>Other Interests</b>
New World Development Company Limited				
(Ordinary shares of HK\$1.00 each)				
Dr. Cheng Yu-Tung	–	–	–	–
Dr. Cheng Kar-Shun, Henry	–	–	–	–
The Honourable Lee Quo-Wei	–	–	3,484,183	253,321 <sup>(2)</sup>
Ld. Sandberg, Michael	–	–	–	–
Dr. Ho Tim	1,805,813	–	–	–
Dr. Sin Wai-Kin, David	3,343,363	33,642	–	–
Mr. Cheng Yue-Pui	–	–	–	–
Mr. Liang Chong-Hou, David	–	–	–	–
Mr. Yeung Ping-Leung, Howard	–	–	–	–
Mr. Cha Mou-Sing, Payson	–	–	–	–
Mr. Cheng Kar-Shing, Peter	–	–	–	–
Mr. Leung Chi-Kin, Stewart	23,253	–	–	–
Mr. Chan Kam-Ling	90,470	–	–	–
Mr. Chow Kwai-Cheung	20,818	–	–	–
HH Holdings Corporation				
(Ordinary share of HK\$1.00 each)				
Dr. Sin Wai-Kin, David	42,000	–	–	–
Mr. Chan Kam-Ling	15,000	–	–	–
Master Services Limited				
(Ordinary shares of US\$0.01 each)				
Mr. Leung Chi-Kin, Stewart	16,335	–	–	–
Mr. Chan Kam-Ling	16,335	–	–	–
Mr. Chow Kwai-Cheung	16,335	–	–	–

**Directors' Interests in Shares (con't)**

	<b>Personal Interests</b>	<b>Family Interests</b>	<b>Corporate Interests<sup>(1)</sup></b>	<b>Other Interests</b>
New World Infrastructure Limited				
(Ordinary shares of HK\$1.00 each)				
Dr. Cheng Kar-Shun, Henry	–	1,000,000	–	–
Dr. Ho Tim	148	–	–	–
Dr. Sin Wai-Kin, David	5,594	53	–	–
Mr. Liang Chong-Hou, David	262	–	–	–
Mr. Chan Kam-Ling	6,800	–	–	–
New World Services Limited				
(Ordinary shares of HK\$0.10 each)				
Dr. Sin Wai-Kin, David	–	–	29,350,490	–
Mr. Cheng Kar-Shing, Peter	–	–	3,382,788	–
Mr. Leung Chi-Kin, Stewart	4,214,347	–	250,745	–
Mr. Chan Kam-Ling	–	–	10,602,565	–
Mr. Chow Kwai-Cheung	2,562,410	–	–	–
New World China Land Limited				
(Ordinary shares of HK\$0.10 each)				
Mr. Chan Kam Ling	100,000	–	–	–
Mr. Chow Kwai-Cheung	126	–	–	–
YE Holdings Corporation				
(Ordinary shares of HK\$1.00 each)				
Mr. Leung Chi-Kin, Stewart	37,500	–	–	–
Extensive Trading Company Limited				
(Non-voting deferred shares of HK\$1.00 each)				
Mr. Cheng Kar-Shing, Peter	–	–	380,000	–
Mr. Leung Chi-Kin, Stewart	160,000	–	–	–
Mr. Chan Kam-Ling	–	–	80,000	–
Mr. Chow Kwai-Cheung	80,000	–	–	–

**Directors' Interests in Shares (con't)**

	<b>Personal Interests</b>	<b>Family Interests</b>	<b>Corporate Interests<sup>(1)</sup></b>	<b>Other Interests</b>
Hip Hing Construction Company Limited				
(Non-voting deferred shares of HK\$100.00 each)				
Dr. Sin Wai-Kin, David	42,000	–	–	–
Mr. Chan Kam-Ling	15,000	–	–	–
International Property Management Limited				
(Non-voting deferred shares of HK\$10.00 each)				
Dr. Sin Wai-Kin, David	5,400	–	–	–
Mr. Chan Kam-Ling	1,350	–	–	–
Matsuden Company Limited				
(Non-voting deferred shares of HK\$1.00 each)				
Mr. Leung Chi-Kin, Stewart	44,000	–	–	–
Mr. Chan Kam-Ling	–	–	44,000	–
Mr. Chow Kwai-Cheung	44,000	–	–	–
Progreso Investment Limited				
(Non-voting deferred shares of HK\$1.00 each)				
Mr. Leung Chi-Kin, Stewart	–	–	119,000	–
Tai Yieh Construction & Engineering Company Limited				
(Non-voting deferred shares of HK\$1,000.00 each)				
Dr. Sin Wai-Kin, David	700	–	–	–
Mr. Chan Kam-Ling	250	–	–	–
Urban Property Management Limited				
(Non-voting deferred shares of HK\$1.00 each)				
Mr. Cheng Kar-Shing, Peter	–	–	750	–
Mr. Leung Chi-Kin, Stewart	750	–	–	–
Mr. Chow Kwai-Cheung	750	–	–	–

## Notes:

<sup>(1)</sup> These shares were beneficially owned by a company in which the relevant director is deemed to be entitled under the Securities (Disclosure of Interests) Ordinance to exercise or control the exercise of one third or more of the voting power at its general meeting.

<sup>(2)</sup> Interests held by a charitable foundation of which The Honourable Lee Quo-Wei and his spouse are members of its board of trustees.

## Directors' Rights to Acquire Shares or Debentures

Under the respective share option schemes of New World Infrastructure Limited ("NWI"), New World China Land Limited ("NWCL") and New World CyberBase Limited ("NWCB"), options may be granted to respective directors and employees of NWI, NWCL or NWCB to subscribe for shares. The following directors of the Company have personal interest in share options to subscribe for their respective shares in NWI, NWCL or NWCB as follows:

Name of Director	Date of Grant	Exercisable period	Number of share options		
			Balance at 1 July 2001	Exercised during the period	Balance at 31 December 2001
<b>New World Infrastructure Limited</b>					
a. (Exercise price of HK\$10.20 per share)					
Dr. Cheng Kar-Shun, Henry	2 December 1998	1 July 1999 to 1 June 2004	600,000	–	600,000
Mr. Cheng Kar-Shing, Peter	1 December 1998	1 July 1999 to 1 June 2004	120,000	–	120,000
Mr. Leung Chi-Kin, Stewart	8 December 1998	1 July 1999 to 1 June 2004	120,000	–	120,000
Mr. Chan Kam-Ling	9 December 1998	1 July 1999 to 1 June 2004	200,000	–	200,000
b. (Exercise price of HK\$12.00 per share)					
Dr. Cheng Kar-Shun, Henry	2 December 1998	1 July 2000 to 1 June 2004	2,400,000 <sup>(1)</sup>	–	2,400,000
Mr. Cheng Kar-Shing, Peter	1 December 1998	1 July 2000 to 1 June 2004	480,000 <sup>(1)</sup>	–	480,000
Mr. Leung Chi-Kin, Stewart	8 December 1998	1 July 2000 to 1 June 2004	480,000 <sup>(1)</sup>	–	480,000
Mr. Chan Kam-Ling	9 December 1998	1 July 2000 to 1 June 2004	800,000 <sup>(1)</sup>	–	800,000
<b>New World China Land Limited</b>					
(Exercise price of HK\$1.955 per share)					
Dr. Cheng Kar-Shun, Henry	7 February 2001	8 March 2001 to 7 March 2006	5,000,000	–	5,000,000 <sup>(2)</sup>
Mr. Cheng Kar-Shing, Peter	9 February 2001	10 March 2001 to 9 March 2006	2,500,000	–	2,500,000 <sup>(2)</sup>
Mr. Leung Chi-Kin, Stewart	7 February 2001	8 March 2001 to 7 March 2006	500,000	–	500,000 <sup>(2)</sup>
Mr. Chan Kam-Ling	9 February 2001	10 March 2001 to 9 March 2006	500,000	100,000 <sup>(3)</sup>	400,000 <sup>(2)</sup>
Mr. Chow Kwai Cheung	9 February 2001	10 March 2001 to 9 March 2006	500,000	–	500,000 <sup>(2)</sup>



## Directors' Rights to Acquire Shares or Debentures (con't)

Name of Director	Date of Grant	Exercisable period	Number of share options		
			Balance at 1 July 2001	Exercised during the period	Balance at 31 December 2001
<b>New World CyberBase Limited</b>					
(Exercise price of HK\$0.5664)					
Dr. Cheng Kar-Shun, Henry	17 August 1999	17 August 1999 to 16 August 2002	25,000,000	-	25,000,000

### Notes:

- (1) Divided into 3 tranches exercisable from 1 July 2000, 2001, and 2002 respectively to 1 June 2004.
- (2) The share options are exercisable during a period of five years commencing from the expiry of one month after the dates of grant when the offers of the share options were accepted, provided that the maximum number of share options that can be exercised during a year is 20% of the total number of the share options granted together with any unexercised share options carried forward from the previous year(s).
- (3) Exercise date was 26 October 2001. On 24 October 2001, being the trading date immediately before the share options were exercised, the weighted average closing price per share was HK\$2.328.
- (4) The cash consideration paid by each director for each grant of the share options in NWI and NWCL is HK\$10.

Except for the foregoing, at no time during the period was the Company or any of its subsidiary companies a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## Substantial Shareholder

As at 31 December 2001, Chow Tai Fook Enterprises Limited, together with its subsidiary companies, had interests in 808,177,539 shares in the Company.

Save for the above, no other shareholder is recorded in the register kept pursuant to Section 16(1) of the Securities (Disclosure of Interests) Ordinance as having an interest in 10% or more of the issued share capital of the Company as at 31 December 2001.