

	6 MONTHS ENDED 31ST DECEMBER		CHANGE
	(PROFORMA)		
	1999	1998	
	HK\$'000	HK\$'000	
Turnover	<u>356,156</u>	<u>272,407</u>	31%
Profit Attributable to Shareholders	<u>83,889</u>	<u>58,921</u>	42%
Earnings Per Share – Basic (HK cents)	<u>5.7</u>	<u>4.5</u>	27%
Dividend Per Share	<u>–</u>	<u>–</u>	N/A

Results

The unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 31st December, 1999 were as follows:

		(Pro forma)	
		(Note 5)	
		6 months ended	
		31st December	
		1999	1998
	Note	HK\$'000	HK\$'000
Turnover	1	<u>356,156</u>	<u>272,407</u>
Operating profit		232,599	229,908
Share of results of:			
Associated companies		4,912	(13,367)
Jointly controlled entities		<u>(155,112)</u>	<u>(152,476)</u>
Profit before taxation		82,399	64,065
Taxation	2	<u>4,880</u>	<u>10,191</u>
Profit after taxation		77,519	53,874
Minority interests		<u>6,370</u>	<u>5,047</u>
Profit attributable to shareholders		83,889	58,921
Dividend	3	<u>–</u>	<u>–</u>
Retained profit for the period		<u>83,889</u>	<u>58,921</u>
Earnings per share – basic (HK cents)	4	<u>5.7</u>	<u>4.5</u>

Notes:

1. Turnover

	6 months ended	
	31st December	
	1999	1998
	HK\$'000	HK\$'000
Return on Costs	129,636	–
Rental income	19,450	29,735
Management fee income	<u>20,142</u>	<u>27,868</u>
	169,228	57,603
Interest income less withholding tax	<u>186,928</u>	<u>214,804</u>
	<u>356,156</u>	<u>272,407</u>

2. Taxation

	6 months ended 31st December	
	1999	1998
	<i>HK\$'000</i>	<i>HK\$'000</i>
Company and subsidiaries		
Hong Kong profits tax	-	-
Jointly controlled entities		
PRC income tax	4,880	10,191
	4,880	10,191

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 (1998:nil).

The Group's jointly controlled entities established in the PRC are required under the Foreign Investment Enterprises and Foreign Enterprise Income Tax Law to pay income tax at the rate of 33% (1998:33%).

3. Dividend

No interim dividend has been proposed for the six months ended 31st December, 1999 (1998:nil).

4. Earnings per share

The calculation of basic earnings per share is based on profit attributable to shareholders of HK\$83,889,000 and the weighted average of 1,463,772,938 shares in issue for the six months ended 31st December, 1999. The calculation of basic earnings per share for the six months ended 31st December 1998 (the "1998 period") is based on proforma profit attributable to shareholders of HK\$58,921,000 and the proforma weighted average of 1,313,772,938 shares in issue during the 1998 period as if the Reorganisation mentioned in note 5 below had been effective throughout the 1998 period.

5. Basis of preparation – comparative figures

The Company was incorporated as an exempt company in the Cayman Islands on 28th August, 1996 under the name New World China Limited. By a special resolution passed on 31st March, 1999, the name of the Company was changed to its present name, New World China Land Limited ("NWCL"). On 3rd July, 1999, pursuant to a corporate reorganisation ("Reorganisation") in preparation of the listing of the Company's shares on The Stock Exchange of Hong Kong Limited, the Company became the holding company of the subsidiaries, associated companies and jointly controlled entities now comprising the Group.

Although the current group structure resulting from the Reorganisation did not legally exist as at 31st December, 1998, the profit and loss account for the six months ended 31st December, 1998 had been prepared on a proforma combined basis as if the current group structure and business activities had been in existence throughout that period. In addition, proforma adjustments have been made to the proforma combined results of that period to reflect an appropriate level of administrative and management expenses that would have been incurred by the Group during that period. All significant intra-group transactions have been eliminated on combination.

For the six months ended 31st December, 1999, the Group has completed three projects with a total gross floor area ("GFA") of 544,795 sq.m., providing a total of 5,755 residential units. Given their attractive pricing and well equipped facilities, strong demand was drawn from both end users and local bodies.

	Attributable Interest (%)	Usage	Total GFA (sqm.)	No. of units completed (unit)
Projects Completed in 1st half of FY2000				
Tianjin Huayuan Residential Area				
Development Sub Area 4	Note	R	121,494	1,354
Wuhan Changqing Garden	Note	R	236,305	2,670
Guangzhou Jixian Zhuang Low-cost Housing Development	Note	R	186,996	1,731
			<u>544,795</u>	<u>5,755</u>

R: Residential

Note: The Group is entitled to a fixed rate return which is predetermined in accordance with the provisions of the joint venture contracts in respect of development of low-cost community housing units

Ten projects with a total GFA of 908,048 sq.m. are under construction and will be completed in the second half of FY 2000.

Projects to be completed in 2nd half of FY2000

	Usage	Type	Attributable Interest (%)	GFA (sq.m.)
Wuhan International Trade & Commerce Centre (武漢國貿大廈)	C	Con	95%	15,951
Wuhan Changqing Garden (武漢常青花園)	R	Mass-L	Note	96,616
Dongguan New World Garden (東莞新世界花園)	R	Mass-C	38%	382,565
Guangzhou New World Riverside Villa Zone 14 (廣州二沙島14區新世界花園別墅)	R	Con	60%	3,943
Guangzhou New World Casa California Zone 13 (廣州二沙島13區新世界棕櫚園)	R	Con	60%	4,389
Guangzhou Xintang New World Garden Phase One (廣州新塘新世界花園)	R,C	Mass-L	Note	60,262
Beijing NewWorld Centre Phase One (北京新世界中心第一期)	R,O,C	Con	63%	120,623

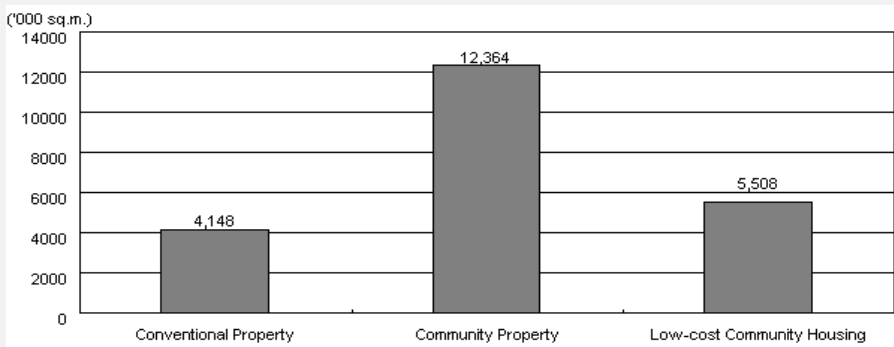
Projects to be completed in 2nd half of FY2000 (Cont'd)

	Usage	Type	Attributable Interest (%)	GFA (sq.m.)
Beijing New World Centre Phase Two (北京新世界中心第二期)	R,O,C	Con	70%	167,000
Beijing Yizhuang Development Phase One (北京亦莊發展項目)	R,C	Mass-C	70%	16,400
Tianjin Xin An Garden (天津新安花園)	R,O,C	Mass-C	51%	40,299
				908,048

R: Residential
 C: Commercial
 O: Office
 Con: Conventional Property Projects
 Mass-C: Mass Residential Community Housing Projects
 Mass-L: Low-cost Community Housing Projects

Note: The Group is entitled to a fixed rate return which is predetermined in accordance with the provisions of the joint venture contracts in respect of development of low-cost community housing units.

The Group's land bank currently stands at approximately 22 million sq.m. In addition, the Group also has two City Core Redevelopment Projects in Beijing and Tianjin and one Land Improvement Project in Wuhan.



The Group will continue to focus on community residential projects in those high growth regions such as Beijing, Tianjin, Shenyang, Shanghai, Wuhan, Guangzhou and the Pearl River Delta with its emphasis on planning and developing high-quality properties in order to capture opportunities presented by the accelerating housing reform in the PRC.

As a consequence, in February 2000, NWCL has entered into an agreement with New World CyberBase Limited, the technology flagship of the New World Group to form Cyber China Inc., a 50:50 joint venture company with the aim to develop the concept of CyberHome and related facilities among the Group's projects.

Among the first residential properties to implement CyberHome is New World Casa California Zone 13 and Eastern Garden in Guangzhou and Beijing NewWorld Centre Phase II.

Attributable Operating Profit ("AOP")

The Group's Attributable Operating Profit before head office items, increased by 19% to HK\$144 million from HK\$121 million of 1998.

	6 months ended 31st December		% Change
	1999 HK\$'000	1998 HK\$'000	
Conventional Property Projects	(28,325)	60,165	(147)
Community Housing Projects	172,628	60,809	184
Land Improvement Projects	(107)	1	(10,800)
Total	<u>144,196</u>	<u>120,975</u>	19

Conventional Property Projects

The AOP for Conventional Property Projects decreased by 147% to a loss of HK\$28 million from a profit of HK\$60 million in 1998. The rental properties portfolio in Beijing, Wuhan and Tianjin continued to maintain steady growth during the period. However the improvement in rental results has been mitigated by loss from sales of properties in Shanghai as a result of soft market in Shanghai during the interim period.

Community Housing Projects

The AOP for Community Housing Projects increased by 184% and amounted to HK\$173 million. The increase was mainly attributable to completion of various phases of our low-cost community housing projects in Wuhan, Tianjin and Guangzhou and continued satisfactory performance of Dongguan New World Garden.

Corporate Finance

During the period under review, the Group's financing in Renminbi ("RMB") bank loans has increased by 162% to RMB 352 million. Such arrangement has fulfilled the Group's objective to make use of the low-interest-rate environment in the PRC to leverage its low gearing and hence improving returns to shareholders.

OUTLOOK

In recent months, the Chinese central government has unveiled a series of measures aimed at further stimulating the take-up of domestic commodity housing in China's larger urban centres such as lowering interest rates, lengthening mortgage payments and increasing the magnitude of Housing Provident Fund. With the welfare housing policy came to an end, individual family will now need to purchase their own flats

In view of the above policy changes, the Group is in a favorable position given its well-balanced residential development portfolio and more than a decade experience in doing business in various cities in the PRC.

DIRECTORS' INTERESTS IN SECURITIES OF THE COMPANY

The Company's shares were listed on the Stock Exchange on 16th July, 1999. Except for Mr. Chow Kwai-Cheung who is interested in 126 shares of the Company, none of the Directors and their associates has any beneficial or non-beneficial interests in the issued share capital of the Company from that date up to the date of this report.

DIRECTORS' INTERESTS IN SECURITIES OF THE ASSOCIATED CORPORATIONS OF THE COMPANY

As at 31st December, 1999, the interests of the Directors and their associates in the securities of the associated corporations within the meaning of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance") were as follows:-

	Personal Interests	Corporate Interests ⁽¹⁾
New World Infrastructure Limited		
(Ordinary shares of HK\$1.00 each)		
Mr. Chan Wing-Tak, Douglas	700,000	-
Mr. Chan Kam-Ling	6,800	-
New World Development Company Limited		
(Ordinary shares of HK\$1.00 each)		
Mr. Leung Chi-Kin, Stewart	23,253	-
Mr. Chan Kam-Ling	90,470	-
Mr. Chow Kwai-Cheung	20,818	-
Pacific Ports Company Limited		
(Share options at an exercise price		
of HK\$0.693 per share divided into 4 tranches		
exercisable from 5th November, 1999,		
5th May, 2001, 5th May, 2002, 5th May, 2003		
to 4th November, 2004 respectively)		
Mr. Chan Wing-Tak, Douglas	10,000,000	-

	Personal Interests	Corporate Interests ⁽¹⁾
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	–
Mr. Chow Yu-Chun, Alexander	80,000	–
Hip Hing Construction Company Limited (Non-voting deferred shares of HK\$100.00 each)		
Mr. Chan Kam-Ling	15,000	–
HH Holdings Corporation (Ordinary shares of HK\$1.00 each)		
Mr. Chan Kam-Ling	15,000	–
International Property Management Limited (Non-voting deferred shares of HK\$10.00 each)		
Mr. Chan Kam-Ling	1,350	–
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	–
Mr. Chow Yu-Chun, Alexander	16,335	–
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	–
Mr. Chow Yu-Chun, Alexander	44,000	–

Disclosure of Interests

	Personal Interests	Corporate Interests ⁽¹⁾
NewWorld Services Limited		
(Ordinary shares of HK\$0.10 each)		
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	–
Mr. Chow Yu-Chun, Alexander	2,562,410	–
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)		
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	–
Mr. Chow Yu-Chun, Alexander	750	–
YE Holdings Corporation		
(Ordinary shares of HK\$1.00 each)		
Mr. Leung Chi-Kin, Stewart	37,500	–

Note (1): These shares were beneficially owned by a company in which the relevant director is deemed to be entitled under the SDI Ordinance to exercise or control the exercise of one- third or more of the voting power at its general meeting.

Save as disclosed above, as at 31st December, 1999, none of the Directors, chief executive or any of their associates had any beneficial or non-beneficial interests in the securities of any of the associated corporations of the Company as defined in the SDI Ordinance.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Under a share option scheme of a fellow subsidiary, New World Infrastructure Limited ("NWI"), options may be granted to directors and employees of NWI or its subsidiaries to subscribe for shares in NWI. The following directors of the Company are also directors of NWI and have personal interests in share options to subscribe for shares in NWI which have been granted to them during the period as follows:

Name of directors	Date of grant	Number of share options outstanding at 31st December, 1999 with exercise price per share of	
		HK\$10.20 ⁽¹⁾	HK\$12.00 ⁽²⁾
Dr. Cheng Kar-Shun, Henry	2nd December, 1998	600,000	2,400,000
Mr. Cheng Kar-Shing, Peter	1st December, 1998	120,000	480,000
Mr. Doo Wai-Hoi, William	16th December, 1998	200,000	800,000
Mr. Leung Chi-Kin, Stewart	8th December, 1998	120,000	480,000
Mr. Chan Kam-Ling	9th December, 1998	200,000	800,000
Mr. Chan Wing-Tak, Douglas	26th November, 1998	320,000	1,280,000
Mr. So Ngok	26th November, 1998	200,000	800,000
Mr. Cheng Wai-Chee, Christopher	11th December, 1998	120,000	480,000
Mr. Fu Sze-Shing	23rd September, 1999	240,000 ⁽³⁾	960,000 ⁽⁴⁾

Notes:

- (1) Exercisable from 1st July, 1999 to 1st June, 2004, unless otherwise stated.
- (2) Divided into 3 tranches exercisable from 1st July, 2000, 2001 and 2002 to 1st June, 2004 respectively unless otherwise stated.
- (3) Exercisable from 1st July, 2000 to 1st June, 2005.
- (4) Divided into 3 tranches exercisable from 1st July, 2001, 2002 and 2003 to 1st June, 2005 respectively.

Save as disclosed above, at no time during the period was the Company or any of its subsidiary a party to any arrangements to enable the directors of the Company or chief executive 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31st December 1999, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance shows that the following parties had interests of 10% or more of the issued share capital of the Company:-

Name	Number of shares held
Chow Tai Fook Enterprises Limited	1,000,000,000 (Note 1)
New World Development Company Limited ("NWD")	1,000,000,000 (Note 2)

Notes:

- (1) Chow Tai Fook Enterprises Limited and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares deemed to be interested by NWD.
- (2) This interest represents the 960,945,490 shares directly held by NWD, 3 shares held by New World China Finance Limited ("NWCF"), 22,508,064 shares held by Great Worth Holdings Limited ("GWH") and 16,546,443 shares held by High Earnings Holdings Limited ("HEH"). NWCF is a wholly owned subsidiary of NWD, and GWH and HEH are 59% and 51.3% indirectly owned subsidiaries of NWD respectively. NWD is deemed to have interests in the shares held by NWCF, GWH and HEH.

Save as disclosed above, there is no other interest recorded in the register that is required to be kept under Section 16(1) of the SDI Ordinance as at 31st December, 1999.

PRACTICE NOTE 19 OF THE LISTING RULES – SUPPLEMENTARY INFORMATION

In accordance with the requirements under part 3.3 of Practice Note 19 (“PN 19”) of the Listing Rules, the Directors of the Company reported below the details of advances to, and guarantees given for the benefit of, their affiliated companies (as defined by PN 19) as at 31st December, 1999.

In aggregate the Company and its subsidiaries had advanced an amount of HK\$8,195,472,000 to affiliated companies, guaranteed bank loans and other borrowing facilities for the benefit of the affiliated companies in the amount of HK\$271,204,000 and contracted to further provide an aggregate amount of HK\$3,759,132,000 in capital and loans to affiliated companies. The advances are unsecured, have no fixed repayment terms and are interest free except for an aggregate amount of HK\$6,175,219,000 which bear interest ranging from 4% to 12% per annum. Contracted capital and loan contributions to affiliated companies would be funded by proceeds from the initial public offering, internal resources and bank borrowings of the Group.

As at 31st December, 1999, the Group’s total exposure on the combined indebtedness reported by such affiliated companies (including amounts owing to the Group) amounted to approximately HK\$14,727,099,000. Such affiliated companies reported no capital commitments and contingent liabilities as at 31st December, 1999.

YEAR 2000 ISSUE

The Group has completed all Year 2000 compliance activities by 30th September, 1999 and had a successful transition to the millennium. There have been no reported incidents on the issue and all systems and equipments are functioning as normal throughout the monitoring period up to and including 29th February, 2000. However, we will continue to stay alert and prepared for the upcoming “high risk” and sensitive dates generally identified with the Y2K issues.

The total cost incurred for the Y2K programme was within the original budget.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company’s shares were listed on The Stock Exchange of Hong Kong Limited on 16th July, 1999. The Company has not redeemed any of its listed shares for the period from 16th July, 1999 to 31st December, 1999 (the “period”). Neither the Company nor any of its subsidiary companies has purchased or sold any of the Company’s listed shares during the period.

CODE OF BEST PRACTICE

The Company has complied 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 (the "Listing Rules") from 16th July, 1999 (date of listing of the Company's shares) to the date of this report, except that the non-executive directors are not appointed for a specific term as they are subject to retirement by rotation at Annual General Meeting in accordance with Article 116 of the Company's Articles of Association.

Dr. Cheng Kar-Shun, Henry

Chairman and Managing Director

Hong Kong, 30th March, 2000