

2014/2015 Interim Results

(26 February 2015, Hong Kong) New World China Land Limited (“New World China Land” or “the Group”) (Stock Code: 917.HK) today announced the unaudited interim consolidated results for the six months ended 31 December 2014.

- Revenues decreased by 27% year-on-year to HK\$8,699 million
- Profit attributable to equity holders of the Group decreased by 55% year-on-year to HK\$1,515 million
- Core profit dropped by 62% year-on-year to HK\$1,119 million
- AOP from property sales operation decreased by 58% to HK\$1,297 million
- The Group’s secured contracted sales reached RMB7,231 million with GFA of 501,425 sq m, down 22% and 23% in gross sales value and sales volume respectively
- Overall property sales volume for the period amounted to 498,471 sq m with gross sales proceeds registered at approximately RMB6,786 million
- Overall gross profit margin dropped from 50.9% achieved in the first half of FY2014 by 10.5 percentage points to 40.4%
- Planning to complete 11 properties projects in the second half of FY2015 with a total GFA of 834,337 sq m, comprising 695,922 sq m of residential
- AOP from rental operations recorded HK\$306 million, up 5%
- Net gearing ratio was 43%, with total cash and bank deposits amounting to HK\$20,467 million

Business Review

During the period under review, the Group’s secured contracted sales reached RMB7,231 million with gross floor area (“GFA”) of 501,425 sq m, representing a year-on-year decrease of 22.4% and 22.7% in gross sales value and sales volume respectively. Included in the remaining contracted sales secured and to be recorded, approximately 140,308 sq m GFA with gross sales proceeds of approximately RMB2,391 million are for those projects scheduled to be completed within the next 6 months and their corresponding sales revenues shall be recorded in the consolidated income statement of the second half of FY2015.

For the six months ended 31 December 2014, the Group's core profit before revaluation, exchange difference, amortisation and impairment of intangible assets was reported at HK\$1,119.45 million, representing a decrease of 61.6% from HK\$2,914.53 million recorded in the same period last year. The decrease in core profit was largely attributable to overall decrease in attributable operating profit ("AOP") from property sales resulted from cyclical effect of recording sales arising from decrease in completed projects by 45.3% and decrease in gross profit margin of property sales by approximately 10.5 percentage points compared to the corresponding period of last financial year. The Group's profit attributable to shareholders posted at HK\$1,515.23 million, representing a decrease of 55.4% compared to that of first half of FY2014 due to decrease in core profit and decrease in exchange gains recorded arising from variation in currency fluctuation of Renminbi between the two corresponding periods.

Property Sales

During the period under review, the Group's AOP from property sales recorded at HK\$1,297.35 million, representing a 58.0% decrease as compared to AOP from property sales achieved in first half of FY2014. The overall recorded property sale volume of the Group for the period under review decreased by 35.4% comparing to the corresponding period last year to 498,471 sq m with recorded gross sale proceeds of approximately RMB6,785.90 million. The decrease in AOP from property sales was mainly resulted from decrease in volume of completed projects by 45.3% from 955,166 sq m to 522,702 sq m completed during the period under review.

The Group's overall gross profit margin decreased by 10.5 percentage points from 50.9% of last corresponding period to 40.4% of the period under review. The decrease in overall gross profit margin was mainly due to difference in recorded sale mix of both periods. The recorded property sales for the period under review was mainly contributed from Tianjin Xin Hui Hua Ting, Foshan Canton First Estate and Langfang New World Centre, which have relatively lower gross profit margin than property projects sold in the corresponding period last year which mainly included Guangzhou Park Paradise and Shenyang New World Garden. However, the Group's average selling price achieved during the period under review increased by RMB1,797 per sq m to RMB14,870 per sq m, representing a 13.7% increase as compared to that of last corresponding period. The increase in average selling price was attributable to difference in recorded sale mix of both periods. Approximately 84% of property sales during the first half of FY2015 were from first- and second-tier cities with higher average selling price while property sales for the last corresponding period were mainly from second- and third-tier cities.

During the period under review, the Group has completed seven property development projects for sale in Langfang, Tianjin, Guangzhou, Zhaoqing and Shenzhen with a total GFA of 522,702 sq m, comprising 498,245 sq m of residential, 5,503 sq m of commercial properties and 18,954 sq m of resident car park space.

Rental Operation

During the period under review, the Group's rental operation recorded an AOP of HK\$305.67 million, representing a 4.6% increase compared to that of the corresponding period last year. The increase in AOP from rental operation was mainly attributable to increase in AOP contributions from Shanghai Hong Kong New World Tower K11 Art Mall resulted from increase in occupancy rate and Wuhan New World International Trade Tower as a result of increase in average rental rate upon renewal of tenancy contract.

During the period under review, the Group completed 56,860 sq m commercial properties located in Tianjin and Guiyang and 23,530 sq m resident car park space for property projects located in Guangzhou, Shenzhen, Langfang and Zhaoqing.

Hotel Operation

During the period under review, the AOP from hotel operation recorded at a loss of HK\$124.39 million as opposed to a loss of HK\$84.94 million recorded in the corresponding period last year. The decrease in overall AOP from hotel operation was mainly due to operation of two newly opened hotels, namely New World Beijing Hotel which opened in November 2013 and New World Guiyang Hotel which has opened in September 2014, are still at initial stage and incurred pre-operating expenses. Excluding the results of these two newly operating hotels, the occupancy rate of the other six hotels of the Group had improved during the period under review comparing to the same period last year. The Central Government's anti-corruption initiatives introduced since the first half of 2013 poses great challenge to the Group's hotel operation.

The Group's hotel portfolio currently comprises eight hotels with 2,855 rooms.

Outlook

Dr Cheng Kar-shun, Henry, Chairman and Managing Director of New World China Land, stated: "Currently, the Group has landbank of over 24.7 million sq m, covering over 20 first-, second- and third-tier cities in Mainland China, of which approximately 78% of residential floor area is located in first- and second-tier cities. The Group will continue to focus on developing its existing landbank and strike a healthy balance of regional business distribution among first-, second- and third-tier cities. The net gearing ratio and cash balance of the Group maintained at optimal levels. Meanwhile, the Group can respond to various market challenges with its strong financial position.

The Group will leverage its extensive market experiences, sound financial position and brand advantage to accelerate its asset turnover, deepen its regional centralised procurement systems and product standardisation processes as well as strengthen its cost control. Therefore it is expected that the overall gross profit margin can be maintained at a healthy level in the future. Looking ahead, under the steady economic growth in Mainland China and the promotion of the urbanisation development strategy, there are plenty of rooms for Mainland China's property market to develop. The Group will continue to take up the mission of being an architect of new urban lifestyle in Mainland China to create quality living environment for our customers and maximise the investment value for the shareholders of the Group."

- The end -

New World China Land Limited

New World China Land Limited ("NWCL"; Stock Code: 917.HK) is the flagship Mainland China property arm of the Hong Kong-listed New World Development Company Limited (Stock Code: 17.HK) and is one of the leading large-scale national developers in Mainland China with total assets of HK\$120.9 billion. NWCL has been listed in Hong Kong since July 1999, and it is a constituent stock of Morgan Stanley Capital International (MSCI) China Index. NWCL's well-diversified property portfolio comprises 34 major development projects and the total gross floor area of property development and investment portfolio is 27.50 million sq m. These projects are located in 24 cities or major transportation hubs and include residential communities, service apartments, villas, offices, shopping centres, mixed-use comprehensive buildings, hotels and resorts.

For further information, please contact:

New World China Land Limited

Mr Marco Lam

Tel: (852) 2131 6763

Email: marcolcc@nwcl.com.hk

Ms Sophia Wong

Tel: (852) 2131 6769

Email: sophiawhm@nwcl.com.hk