新世界中國地產有限公司
New World China Land Limited

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新聞資料 *Media Information*

FY2015 Annual Results

(*23 September 2015, Hong Kong*) New World China Land Limited ("New World China Land" or "the Group") (Hong Kong stock code: 917.HK) today announced the audited consolidated results for the year ended 30 June 2015.

- Revenues decreased by 20% year-on-year to HK$17,459 million
- Profit attributable to equity holders of the Group decreased by 29% year-on-year to HK$3,313 million
- Core profit dropped by 41% year-on-year to HK$2,625 million
- Final dividend proposed of 3 HK cents per share
- AOP from property sales operation decreased by 41% to HK$2,937 million
- The Group's secured contracted sales reached RMB15,426 million with GFA of 1,090,891 sq m, up 4% and 7% respectively
- Overall property sales volume for the year amounted to 855,414 sq m with gross sales proceeds registered at approximately RMB13,068 million
- Overall gross profit margin was lowered from 44.3% achieved in the FY2014 by 2.7 percentage points to 41.6%
- Plan to complete 12 properties projects in FY2016 with a total GFA of 1,254,982 sq m, comprising 1,047,432 sq m of residential
- AOP from rental operations recorded HK$559 million, up 3%
- Net gearing ratio was 45.5%, with total cash and bank deposits amounting to HK$15,774 million

Business Review

During the year under review, the Group achieved contracted sales of approximately RMB15,426 million with contracted GFA sold of 1,090,891 sq m, representing a year-on-year increase of 4.3% and 7% in gross sales value and sales volume respectively. Included in the remaining contracted sales secured and to be recorded, approximately 582,648 sq m GFA with gross sales proceeds of approximately RMB5,334 million are for those projects scheduled to be completed within the next

12 months and their corresponding sales revenues shall be recorded in the consolidated income statement of FY2016.

For the year ended 30 June 2015, the Group's core profit before revaluation, exchange difference, amortisation and impairment of intangible assets reported at HK$2,624.60 million, representing a decrease of 41.3% from HK$4,467.49 million recorded 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 completion of GFA by 30% and decrease in gross profit margin of property sales by approximately 2.7 percentage points compared to last financial year. The Group's profit attributable to shareholders posted at HK$3,313.13 million, representing a decrease of 28.6% compared to FY2014. The decrease in profit attributable to shareholders was mainly due to aforementioned decrease in core profit which effect was mitigated by an increase in changes in fair value of investment properties compared to last year.

Property Sales

During the year under review, the Group's AOP from property sales operation recorded at HK$2,936.53 million, representing a 41.3% decrease as compared to AOP from property sales of HK$5,002.26 million achieved in FY2014. The overall recorded property sales volume of the Group for the year under review decreased by 39.5% comparing to the corresponding period last year to 855,414 sq m with recorded gross sale proceeds of approximately RMB13,068.30 million. The decrease in AOP from property sales was mainly resulted from decrease in volume of completed projects by 30% from last year's completion of 1,553,567 sq m to 1,089,163 sq m completed during the year under review and planned deferral in launching the sale of high-end villas in Shenzhen New World Signature Hill and high-rise residential units in Shenzhen New World Yi Shan Garden until after completion instead of pre-selling at construction stage in order to maximise their returns and benefits from tapping the rising trend of property prices in the region and executing pricing strategy with more flexibility for sales of completed units.

The Group's overall gross profit margin of 41.6% was 2.7% lower than gross profit margin recorded in FY2014. The decrease in overall gross profit margin was mainly due to difference in recorded sales mix of both years. The recorded property sales for the year under review was mainly from Tianjin Glorious Palace, Foshan Canton First Estate, Langfang New World Centre and Dalian New World Tower, which had relatively lower gross profit margin than property projects sold in last year which mainly included Guangzhou Park Paradise, Shenyang New World Garden, Beijing Xin Yi Garden office units, Guangzhou New World Oriental Garden and Guangzhou Covent Garden. Despite the decrease in overall gross profit margin, the Group's average selling price during the year under review recorded an increase of RMB3,252 per sq m to RMB16,937 per sq m, representing a 23.8% increase as compared to the average selling price achieved in the last financial year. The increase in average selling price was attributable to different product mix in recorded sales mix of both years among which the recorded sales for the year under review comprised villas from Shenzhen New World Signature Hill and Beijing New World Yuzhuang and high-end residential units from Guangzhou Central Park-view and Guangzhou Park Paradise.

In FY2015, the Group has completed 14 property development projects for sale in Beijing, Langfang, Tangshan, Dalian, Tianjin, Chengdu, Changsha, Guangzhou, Foshan, Shenzhen, Zhaoqing and Haikou with a total GFA of 1,089,163 sq m, comprising 1,015,223 sq m of residential, 18,242 sq m of commercial properties, 25,609 sq m of office space and 30,089 sq m of resident car park space.

Rental Operation

During the year under review, the Group's AOP from rental operation recorded a moderate increase of 2.9% to HK$559.08 million as compared to the last financial 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 resulting 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 year under review, a total GFA of 155,221 sq m was added to the Group's investment properties portfolio with the completion of 67,111 sq m of commercial properties, 11,039 sq m of service apartment and 77,071 sq m of resident car park space from investment projects located in Tianjin, Guiyang, Foshan, Langfang, Guangzhou, Shenzhen and Zhaoqing.

Hotel Operation

During the year under review, the AOP from hotel operation recorded at a loss of HK$263.00 million as opposed to a loss of HK$238.33 million recorded in the corresponding period last year. The decrease in overall AOP from hotel operation was mainly due to the opening of New World Guiyang Hotel in September 2014 and which is still operating at initial stage and incurred pre-operating expenses, and decrease in AOP from New World Dalian Hotel resulting from decrease in occupancy rate and average room rate. The overall occupancy rate of the other six hotels of the Group had improved during the year under review comparing to the same period last year. The Central Government's continuing anti-corruption initiatives remained a 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 22.99 million sq m, covering over 20 first-, second- and third-tier cities in Mainland China, of which approximately 79% of residential floor area is located in first- and second-tier cities. Leveraging on the low-cost quality land bank and combining the Group's sound financial position and brand advantage, it is believed that the future gross profit margin will maintain at optimal levels.

Over the past few years, the Group has been actively focusing on a number of tasks. These include optimising its regional centralised procurement systems, product standardisation process, cost control as well as improving its asset turnover. A certain level of accomplishments has been made. In the future, the Group will continue to accelerate these kinds of work and actively address the "new norm" of the stable but fast economic growth in the mainland. Our direction will also be aligned with the constantly emerging new middle class of the mainland, offering them with excellent products, masterful designs and meticulously personalised services and bringing them the best lifestyle experience."

- 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$134.4 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 30 major development projects and the total gross floor area of property development and investment portfolio is 25.74 million sq m. These projects are located in 24 cities or major transportation hubs and include residential communities, service apartments, villas, office, shopping centres, mixed-use comprehensive buildings, hotels and resorts.

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