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*

2013 Annual Results

(*25 September 2013, Hong Kong*) New World China Land Limited ("New World China Land" or "the Group") (Hong Kong stock code: 917) today announced the audited consolidated results for the year ended 30 June 2013.

- Revenues increased by 29% year-on-year to HK$16,154 million
- Profit attributable to equity holders of the Group increased by 50% year-on-year to HK$4,616 million
- Final dividend proposed of 4 HK cents per share. Dividend for the whole year will be 7 HK cents per share, together with interim dividend of 3 HK cents per share
- AOP from property sales operation increased by 65% to HK$3,776 million
- The Group's secured contracted sales reached RMB16,528 million with GFA of 1,274,851 sq m, up 69% and 63% respectively
- Overall property sales volume for the year amounted to 1,224,658 sq m with gross sales proceeds registered at approximately RMB14,804 million
- Overall gross profit margin dropped from 49.8% achieved in the FY2012 by 8 percentage points to 41.8%
- Plan to complete 17 properties projects in FY2014 with a total GFA of 1,627,242 sq m, comprising 1,577,270 sq m of residential
- AOP from rental operations recorded HK$516 million, up 41%
- Net gearing ratio was 30.6%, with total cash and bank deposits amounting to HK$19,337 million

Business Review

During the year under review, the Group's secured contracted sales reached RMB16,528 million with gross floor area ("GFA") of 1,274,851 sq m, representing a year-on-year increase of 69% and 63% in gross sales value and sales volume respectively. The increase in sales volume reflected positive signs of sentiment revival and gradual improvement in market condition since April 2012. Included in the remaining contracted sales secured and to be recorded, approximately 556,859 sq m GFA with gross sales proceeds of approximately RMB7,693 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 FY2014.

For the year ended 30 June 2013, the Group posted a profit attributable to shareholders of HK$4,616.31 million which represents a year-on-year increase of 50% from HK$3,080.93 million achieved in FY2012. The Group's core profit before revaluation, exchange difference and amortisation for FY2013 reported at HK$3,326.26 million, representing an increase of 64% from HK$2,031.77 million recorded last year. The increase was largely contributed from property sales resulting from increase in completion and recorded sales by 80% and 85% respectively. The increase in profit attributable to shareholders was attributable to the increase in core profit from aforementioned property sales and increase in net foreign exchange gains amounted to HK$522.81 million resulted from appreciation of Renminbi by 3.6% during the year.

Property Sales

During the year under review, the Group's attributable operating profit ("AOP") from property sales operation rose 65% from an AOP of HK$2,288.77 million achieved in FY2012 to HK$3,775.88 million. The overall recorded property sale volume of the Group for the year under review surged by 86% to 1,224,658 sq m with gross sale proceeds registered at approximately RMB14,804.2 million. The increase in AOP from property sales operation was mainly due to increase in property projects completion and recorded sales by over 80% during the year under review.

Overall gross profit margin achieved during the year under review dropped from 49.8% achieved in FY2012 to 41.8%. The decrease in overall gross profit margin was mainly due to difference in sale mix resulted for both financial years which in turn, resulted in decreased in average selling price by 12% to RMB12,218 per sq m. In FY2012, over 53% of the recorded sales were contributed from sale of property projects in Guangzhou, of which Guangzhou Central Park-view, a high-end residential benchmark project of the Group and Guangzhou Park Paradise which had achieved comparatively higher gross profit margin of up to 69%, boosted the overall gross profit margin of property sales in FY2012. In the current year under review, recorded sales from property projects in Guangzhou contributed only 42% of total recorded sales and approximately 40% of the recorded sales were contributed from property projects in second- and third-tier cities such as Anshan, Wuhan, Guiyang, Haikou, Changsha and Chengdu which had a relatively lower gross profit margin.

In FY2013, the Group has completed 15 property development projects for sale in Beijing, Shenyang, Anshan, Wuhan, Changsha, Guangzhou, Guiyang, Haikou and Huizhou with a total GFA of 1,487,807 sq m, 1,320,667 sq m of which being residential. Total GFA completed for the year under review increased by 80% compared to that of FY2012.

Rental Operation

During the year under review, the Group's rental operation recorded an AOP of HK$515.77 million, representing a 41% increase compared to the corresponding period last year. The significant increase in AOP from rental operation was mainly due to increase in rental contributions from Beijing New World Centre Shopping Mall of which the income was charged on turnover basis and Wuhan New World Centre, Wuhan New World International Trade Tower and Shunde New World Centre in which average rental rate had increased more than 25% during the year under review. The increase in occupancy rate at The Canton Residence and Dalian Galleria, and the re-opening of Shanghai Hong Kong New World Tower K11 Mall upon completion of renovation in January 2013 also contributed to the increase in AOP from rental operation for the year under review.

Hotel Operation

During the year under review, the AOP from hotel operation recorded at a loss of HK$156.75 million as opposed to a loss of HK$126.67 million recorded in the corresponding period last year. The decrease in overall AOP from hotel operation was mainly due to overall slow market and recent Central Government's anti-corruption initiatives which led to overall decrease in patronizing corporate customers and decreased AOP contribution from the Group's three hotels, namely New World Shanghai Hotel and pentahotel Beijing which were undergoing renovation during the year, and New World Shenyang Hotel which had ceased operation in November 2012. In addition, pre-operating expenses incurred for New World Beijing Hotel and New World Hotel Guiyang which are scheduled to be opened in first half of FY2014 had further reduced the AOP from hotel operation.

The Group's hotel portfolio currently comprises six hotels with 2,287 rooms.

Hotel Management Services

During the year under review, the AOP from hotel management services recorded at a profit of HK$19.91 million as compared to HK$21.87 million recorded in FY2012. Although the AOP from hotel management services recorded a slight decrease in FY2013, the hotel management fee income had increased mainly from Rosewood Hotels and Resorts Group and secured new hotel management contracts and technical service contracts obtained during the year under review.

Outlook

Dr Cheng Kar-shun, Henry, Chairman and Managing Director of New World China Land, stated: "Currently, the Group has entered into over 20 first-, second- and third-tier cities in Mainland China with a landbank of over 26 million sq m, of which approximately 80% of residential floor area is located in second- and third-tier cities. With China's intensified efforts in urbanisation and favourable policies for first-time home buyers, there is a huge development potential in the property markets of the second- and third-tier cities which enjoy a relatively rapid economic growth while the policy risk faced by these cities is comparatively low. In recent years, the ratio of the sales from second- and third-tier cities to the Group's total sales was gradually increasing, and the gross profit margin also maintained at a satisfactory level.

The Group will continue to focus on developing its existing landbank, shortening the project development cycles, optimising the product standardisation procedure and the centralised procurement system by regions, stringently controlling costs, closely monitoring changes in market environment, making timely and appropriate adjustment to the development plan in order to maintain satisfactory sales progress and achieve the objective of speeding up its asset turnover. Meanwhile, the Group will also continuously improve the quality of both products and services so as to provide the best living experience to its customers.

At present, the Group maintains a healthy level of net gearing ratio as well as sufficient standby credit facilities, and such solid financial position facilitates the Group to seize favourable market opportunities and respond to various challenges. Looking forward, the Group remains cautiously optimistic about the industry of property development as it will continue to be one of the most important industries in China, and the property market will still be boosted by the rapid progress of urbanisation. Furthermore, the Group will keep a close eye on the changes in the market and enhance its comprehensive competitiveness in order to create the highest value for its stakeholders."

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New World China Land Limited

New World China Land Limited (Hong Kong stock code: 917) is a subsidiary of the Hong Kong-listed New World Development Company Limited (Hong Kong stock code: 17) engaging mainly in property development in China and now has total assets exceeding HK$117.8 billion. NWCL has been listed in Hong Kong since July 1997. Its well-diversified property portfolio comprises of 38 major projects with a total gross floor area of over 28.95 million sq m. These projects are located in over 20 cities or major transportation hubs. There are different types of projects including residential estates, service apartments, villas, office, shopping centre, mixed-use buildings and hotels.

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