

FY2014 Annual Results

(23 September 2014, 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 2014.

- Revenues increased by 39% year-on-year to HK\$22,380 million
- Profit attributable to equity holders of the Group increased by 0.5% year-on-year to HK\$4,639 million
- Core profit surged by 34% year-on-year to HK\$4,467 million
- Final dividend proposed of 3 HK cents per share. Dividend for the whole year will be 7 HK cents per share, together with interim dividend of 4 HK cents per share
- AOP from property sales operation increased by 32% to HK\$5,002 million
- The Group’s secured contracted sales reached RMB14,792 million with GFA of 1,019,200 sq m, down 11% and 20% respectively
- Overall property sales volume for the year amounted to 1,414,886 sq m with gross sales proceeds registered at approximately RMB18,676 million
- Overall gross profit margin rose from 41.8% achieved in the FY2013 by 2.5 percentage points to 44.3%
- Plan to complete 14 properties projects in FY2015 with a total GFA of 1,328,362 sq m, comprising 1,186,573 sq m of residential
- AOP from rental operations recorded HK\$543 million, up 5%
- Net gearing ratio was 36.0%, with total cash and bank deposits amounting to HK\$17,352 million

Business Review

During the year under review, the Group’s secured contracted sales reached RMB14,792 million with gross floor area (“GFA”) of 1,019,200 sq m, representing a year-on-year decrease of 11% and 20% in gross sales value and sales volume respectively. Included in the remaining contracted sales secured and to be recorded, approximately 226,263 sq m GFA with gross sales proceeds of approximately RMB4,219 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 FY2015.

For the year ended 30 June 2014, the Group's core profit before revaluation, exchange difference, amortisation and impairment of intangible assets and other non-recurring items for FY2014 reported at HK\$4,467.49 million, representing an increase of 34% from HK\$3,326.26 million recorded last year. The increase in core profit was largely contributable to overall increase in attributable operating profit ("AOP") from property sales resulted from the increase in completion and recorded sales by 4% and 15% respectively. However, the Group's profit attributable to shareholders increased marginally by 0.5% to HK\$4,638.69 million compared to that of FY2013, this was mainly due to the effect of decrease in exchange gain arising from depreciation in Renminbi by approximately 1.3%.

Property Sales

During the year under review, the Group's AOP from property sales operation rose 32% from an AOP of HK\$3,775.88 million achieved in FY2013 to HK\$5,002.26 million. The overall recorded property sale volume of the Group for the year under review surged by 15% to 1,414,886 sq m with gross sale proceeds registered at approximately RMB18,676.1 million. The increase in AOP from property sales operation was mainly due to the combined effect of increase in property projects completion and recorded sales volume by 4% and 15% respectively during the year under review.

Overall gross profit margin achieved during the year under review recorded a slight increase to 44.3% as compared to 41.8% achieved in FY2013. The slight increase in overall gross profit margin was mainly due to difference in recorded sale mix of both periods. Approximately 40% of recorded sale volume for the year under review contributed from sale of residential units from Shenyang New World Garden and Guangzhou Park Paradise which had achieved relatively higher gross profit margin compared to those project sold in FY2013, namely Wuhan Guanggu New World, Anshan New World Garden and Changsha La Ville New World. The Group's average achieved selling price of RMB13,685 per sq m for the year under review showed improvement with a 12% surge compared to FY2013 of RMB12,218 per sq m.

In FY2014, the Group has completed 15 property development projects for sale in Beijing, Shenyang, Tianjin, Jinan, Wuhan, Changsha, Guangzhou, Guiyang, Zhaoqing, Zhuhai, Haikou and Huiyang with a total GFA of 1,553,567 sq m, comprising 1,439,005 sq m of residential, 45,830 sq m of commercial, 37,090 sq m of office space and 31,642 sq m of resident car park space.

Rental Operation

During the year under review, the Group's rental operation recorded an AOP of HK\$543.10 million, representing a 5% increase compared to that of the corresponding period last year. The increase in AOP from rental operation was mainly attributable to increase in rental contributions from full operation of Shanghai Hong Kong New World Tower K11 Art Mall and increase in AOP from Wuhan New World International Trade Tower resulted from increase in average rental rate upon renewal of tenancy.

In addition, the Group completed 28,954 sq m commercial properties and 267,457 sq m resident car park space located in Beijing, Guangzhou, Guiyang, Jinan, Shenyang and Langfang.

Hotel Operation

During the year under review, the AOP from hotel operation recorded at a loss of HK\$238.33 million as opposed to a loss of HK\$156.75 million recorded in the corresponding period last year. The decrease in overall AOP from hotel operation was mainly due to the pre-operating expenses incurred for newly completed hotels, namely, New World Beijing Hotel and New World Guiyang Hotel which were completed in the current financial year. However, excluding the results of New World Beijing Hotel which has soft-opened in November 2013 and New World Guiyang Hotel which has yet to be opened for operation as at 30 June 2014, the overall gross operating profit of the Group's hotels portfolio increased by 42% as a result from improved occupancy and room rates during the year under review. The Central Government's anti-corruption initiatives introduced since the first half of 2013 posed continuing negative effects on the overall performance of 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 24.6 million sq m, covering over 20 first-, second and third-tier cities in Mainland China, of which approximately 80% 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 sound 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 and relatively rapid growth of economy 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 a creator of new urban lifestyle in Mainland China to create quality living environment for our customers and maximise 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 35 major development projects and the total gross floor area of property development and investment portfolio is 27.38 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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