



From top to bottom, left to right:

- Tsim Sha Tsui Map**
 A new face will emerge in Tsim Sha Tsui by 2004 with several large-scale tunnel projects underway to link up all New World properties with the MTR and KCR.
- New World Centre Shopping Mall**
 The newly renovated New World Centre Shopping Mall is a spacious, state-of-the-art shopping complex with a perfect blend of brands for everybody.
- Pedestrian Subway Entrances**
 Leads the way to our spectacular New World Centre.
- Main Entrances**
 New, sophisticated and stylish-experience the premier shopping destination.
- AV Satellite**
 Through this pre-eminent interactive channel, to ignite your senses and stir your imaginations.



New World Centre, the Group's major investment property, completed a HK\$300 million renovation programme for its shopping mall in April 2001. The spacious, state-of-the-art New World Centre shopping mall now enjoys an occupancy rate of around 90% with a well-balanced mix of brand name tenants and much more shopping traffic. Occupancy rates for office spaces and service apartments are close to 90% and 70% respectively. As a result, gross rentals of New World Centre are expected to rise in the coming years.

Furthermore, the Group is planning a new hotel development with a total GFA of one million sq.ft. in the New World Centre.

Rebranding and repositioning of the Palace Mall are also underway with the aim of attracting renowned retailers as anchor tenants in order to fill the shopping mall.

Underground walkways linking New World Centre and Palace Mall to the opposite side of Salisbury Road were completed during the year, drawing extra traffic to the Group's developments.

The new Kowloon Canton Railway East Rail terminus is currently under construction at a site opposite to New World Centre. The railway station will be linked to New World Centre by underground subways and when completed in 2004, the traffic flow to New World Centre is expected to grow substantially.

A New Face in Tsim Sha Tsui

Another of the Group's major developments in Tsim Sha Tsui is the Hanoi Road Redevelopment. The project comprises one million sq.ft. of GFA to be built as a multi-use complex. Completion is scheduled in between 2005 and 2006. The site is immediately adjacent to the planned new underground interchanges of MTR and KCR, allowing all the Group's properties in Tsim Sha Tsui to be interconnected.

Hong Kong Property

Property Development

During the year under review the Group received over HK\$4,800.0 million from the sale of property projects including the high block of Grand Millennium Plaza , Rhythm Garden at Choi Hung and Dragon Pride at Tin Hau. Due to the property market downturn, the Group made provisions on some property development projects such as Monte Carlton at Tai Po Road and Queen Street at Sheung Wan. As a result, contribution of the profit in this year is in the amount of HK\$183.0 million.

In the coming year, the Group plans to launch seven projects for sale with a total of approximately 5,000 residential flats.

The Group now has 36 major property development projects with a total attributable GFA of not less than 8.2 million sq.ft. The Group aims to complete 20 property projects with an attributable GFA of not less than 4.1 million sq.ft. in the next three years.

from left to right:

- **Tung Chung Crescent**
Conveniently located at Tung Chung MTR Terminal and the first residential development project in Tung Chung new town.
- **Villa Carlton**
Splendid panoramic views extend to the Victoria Harbour.
- **Sereno Verde**
A combination of nature and modern life.



Residential projects to be offered for sale in the next twelve months include:

Projects	Location	Total GFA (sq.ft.)	Interest (%)	Att. GFA (sq.ft.)
Villa Carlton	369 Tai Po Road, KLN	190,235	50	95,118
Monte Carlton	363 Tai Po Road, KLN	102,974	100	102,974
Sereno Verde Phase I	99 Tai Tong Road, Yuen Long, NT	467,739	56	261,934
Sky Tower	Kowloon City, KLN	1,265,878	20	253,176
Queen Street	Queen Street, Sheung Wan, HK	655,978	50	327,989
11-15 MacDonnell Rd	11-15 MacDonnell Rd, HK	52,954	33	17,650
King's Park	KIL 11118, King's Park, KLN	904,176	30	271,253
Total		3,639,934		1,330,094

During the year, the Group acquired the interest of two projects which were immediately adjacent to some of its existing property development projects. These include 440-442 Prince Edward Road West, 7-10 West End Terrace. The developments of these neighbouring projects will ensure a more efficient use of land.

During the year, the Group has also finalised the land premium payment for an attributable GFA of 196,860 sq.ft. 14 projects with total GFA of 4.5 million sq.ft. have obtained approval for land use conversion from agricultural land to residential and/or commercial use. Depending on market conditions, the Group is prepared to pay land premium for the approved projects to replenish its property portfolio.



The Group's attributable agricultural land bank amounts to 19.9 million sq.ft. and its breakdown is as follows:

Agricultural Land Bank	Total Land Area (sq.ft.)	Group's Share of Land Area (sq.ft.)
Yuen Long	14,729,000	13,231,500
Fanling	2,160,000	2,160,000
Shatin / Tai Po	3,530,000	2,642,000
Sai Kung	2,090,000	1,765,000
Tuen Mun	150,000	150,000
Total	22,659,000	19,948,500

Property Investment

With the exception of New World Centre Shopping Mall, which reported a substantial drop in rentals due to its renovation, occupancy and rental rates of the Group's major investment properties have improved over the previous year. Gross rental for New World Development's investment properties amounted to HK\$1,675.2 million.

from left to right:

- **Telford Plaza**
Regional mall in the East Kowloon area.
- **Discovery Park Shopping Mall**
Maintaining 97% occupancy rate as at June 2001, established its popularity in the Tsuen Wan District.
- **Grand Hyatt, Hong Kong**
The synonym to luxurious and excellent hospitality.

In terms of its office portfolio, New World Tower and Manning House achieved an average occupancy rate of 94% during the year. The Group's major shopping malls including Discovery Park Shopping Mall, Telford Plaza, Pearl City and the shops in Hong Kong Convention and Exhibition Centre achieved close to full occupancy. The newly-renovated New World Centre Shopping Mall now enjoys



around 90% occupancy rate. Several properties are being upgraded to improve their overall image and quality in order to yield higher rentals in the coming year.

Hotels and Restaurants

Following the sale of the Regent hotel in August 2001, the Group now has three hotels in Hong Kong, namely Renaissance Harbour View, New World Renaissance and Grand Hyatt. All these reported increases in both occupancy and average room rates during the year. Sale of the Regent hotel was completed in August 2001 and the profit on disposal will be accounted for in the next financial year. The Group's hotel portfolio in Hong Kong is expected to increase to five when the two hotel projects at the New World Centre Extension and the Chinese University are completed.

Hotels located in Mainland China showed an improvement in occupancy and rates, given China's robust economic growth and the influx of business travellers preceding China's accession to the WTO by the end of the year. As the Asian Pacific economies are continuing on the path of steady development, our four hotels in Southeast Asia also reported stable results.

The September 11 terrorist attacks undermined confidence in the international investment and tourism industry, thereby affecting the Group's hotel performance.



The Group will take necessary measures to control costs and attract customers in order to maintain the profit levels.

Outlook

With the Government's suspension of Home Ownership Scheme flat sales and the interest rate cuts, the Group will launch its properties for sales in a cautious manner to capture the right timing for a favourable response.

China Property

New World China Land, the Group's 70% owned and listed PRC property development arm, recorded a profit attributable to shareholders of HK\$207.0 million, a 1.7% growth over the last year. NWCL's land bank now comprises 41 major projects with a total GFA of 204.5 million sq.ft. spanning the prime cities of Beijing, Shanghai, Guangzhou, Tianjin, Wuhan, Shenyang and other high growth cities.

from left to right:

- **Guangzhou New World Casa California**
New vision of elegance and lifestyle, experience the enhancement of landscaped beauty.
- **Huiyang Palm Island Golf Club & Resort**
Where a world of relaxation and recreation.

Property Development

Earning from property sales of NWCL decreased by 56.1% to HK\$118.8 million, mainly attributable to the decrease in completion of low-cost community



properties. During the year NWCL completed eight projects with a total GFA of 3.6 million sq.ft. All these projects achieved satisfactory sales.

For the coming year, 16 projects in 12 cities with a total GFA of 13.3 million sq.ft. are scheduled for completion. So far, ten projects with a total GFA of 4.0 million sq.ft. have already been launched for sale and over 33% have been pre-sold. These sales, in turn, are largely based on the New World Group's widely recognised brand name and its dedication to delivering superior quality developments to its customers.

With a substantial increase in completions for the coming year and an increase in demand for quality residential developments from the local population, NWCL expects to have an increase in contributions from property sales.

Property Investment

Due to the improved occupancy and rental rate of its existing projects and the completion of new projects, NWCL's earning from rental operations increased by 130.9% to HK\$257.9 million.

NWCL currently has ten major property investment projects with a total attributable GFA of 5.0 million sq.ft. and six investment properties under development of 7.9 million sq.ft.



The performance of NWCL's shopping malls in Beijing, Tianjin and Shunde showed marked improvement as a result of more dedicated marketing and promotion efforts. Its office towers in Beijing and Wuhan also showed an increase in contributions resulting from higher occupancy and rentals, which in turn are due to the recovery of the PRC economy. Meanwhile, hotels and service apartments performed steadily during the year.

Four additional investment properties will be completed in FY2002, contributing an extra 5.0 million to NWCL's investment property portfolio:

	Usage	Total GFA (sq.ft.)	Att. Interest of NWCL (%)
Beijing New View Garden Phase I	R, C	735,403	70.0
Shanghai Hong Kong New World Tower	C, O	1,475,465	44.1
Shanghai Changning Ramada Square	R, C, H	1,319,262	57.0
Nanjing New World Centre Commercial Portion	C, O, H	1,485,773	92.0
Total		5,015,903	

R: Residential C: Commercial O: Office H: Hotel

from left to right:

- **Beijing New World Centre**

The prominent, comprehensive development in Beijing.

- **Shanghai Hong Kong New World Tower**

Located in the hub of a promising future.



Outlook

There are several factors that will have a positive impact on the property market in China. These include the Chinese Government's plan to increase the per capita living space of the local population, China's entry into the World Trade Organization, the award to Beijing of the 2008 Olympic Games, the increasing development of the home mortgage market and continuing efforts by the Government to stimulate internal demand. In addition, the Central Government's Tenth Five-Year Plan provides an economic blueprint to double the country's GDP in ten years.

NWCL believes that it is in an advantageous position to benefit from the country's prospects and has prepared itself to capitalise on China's positive economic development in the years to come. NWCL's strategy plan going forward is to accelerate the development of its property projects for sale across major high growth cities in China and to continue to expand its rental portfolio in key locations in prime cities such as Beijing and Shanghai.

