





# Enrich People's Living

## > Property

Our sizable property portfolio in Hong Kong and Mainland China embraces residential estates, office buildings, shopping centres, hotels and convention centres. Merging nature, design and technology, we enrich people's daily living, and turn their dreams into reality.

# > Property

## Hong Kong Property Development

In FY2008, the Group's effective share of property sales amounted to approximately \$3 billion, up 95% year-on-year. The contributions were mainly from the sales of Harbour Place (海濱南岸), Prince Ritz (太子滙) and other inventory. As at 30 June 2008, the Group has sold 1,472 out of 2,470 units in Harbour Place.

In the pipeline, the Group will launch four new projects that provide over 1,200 units to the market. They are 42-44 Belcher's Street project (卑路乍街42-44號) in Western District, the Hanoi Road Redevelopment Project (河內道重建項目) in Tsim Sha Tsui, Ma Tin Road project (馬田路項目) in Yuen Long and Block A of Wylie Court (衛理苑A座) in Homantin.

In July 2008, the Group paid approximately \$4 billion for the Group's share of land premium to the government for two property projects, namely Lung Tin Tsuen project (龍田村項目) in Yuen Long and Che Kung Temple project (車公廟站項目) in Shatin. Total gross floor area ("GFA") involved is around 2.1 million sq ft.

Currently, the Group has a landbank of 4.6 million sq ft total GFA for immediate development. The Group also has a total of over 22.5 million sq ft of agricultural land reserve pending conversion.



Landbank by location	Attributable GFA (sq ft)
Hong Kong Island	423,888
Kowloon	1,231,282
New Territories (excluding agricultural landbank)	2,938,063
<b>Total</b>	<b>4,593,233</b>

Agricultural landbank by location	Total land area (sq ft)	Attributable land area (sq ft)
Yuen Long	14,856,500	13,455,000
Sha Tin/Tai Po	3,394,000	2,508,000
Fanling	2,260,000	2,260,000
Sai Kung	1,905,000	1,668,000
Tuen Mun	120,000	120,000
<b>Total</b>	<b>22,535,500</b>	<b>20,011,000</b>

The Group is discussing with the government on conversion of 7.8 million sq ft agricultural land and is also seeking various sources to replenish its landbank, such as public auctions and tendering for development projects offered by Urban Renewal Authority and the MTRC.

## Hong Kong Property Investment

In FY2008, the Group's gross rental income in Hong Kong amounted to \$1,210.9 million, up 12% year-on-year. All the shopping malls under the Group's portfolio maintained satisfactory occupancy during the year under review. Furthermore, the rental rates of both our office and commercial portfolio were continuously benefited from rental reversions in FY2008.



The 1.1-million sq ft GFA Tsim Sha Tsui Hanoi Road Redevelopment Project, which is scheduled to be completed in 2009, encompasses a 340,000-sq ft shopping mall, K11 with direct access to the MTR Tsim Sha Tsui Station. K11 is the first Art Mall in Hong Kong. It integrates the idea of a shopping mall with a museum promoting local arts. K11 comprises of three parts, namely Flagship Gallery, Skylight Piazza and Gourmet Tower.

## Hotels

Overall visitor arrivals to Hong Kong in 2007 and the first six months of 2008 reached a record high of 28 million and 14 million, up 11.6% and 8.9% respectively. Our hotel operations were benefited from the rising number of travellers to Hong Kong. The Group's hotels in Hong Kong, namely Grand Hyatt Hong Kong, Renaissance Harbour View Hotel and Renaissance Kowloon Hotel, recorded an average occupancy of 80% and a 13% growth in the room rate achieved in FY2008. Meanwhile, our four hotels in Southeast Asia achieved a stable growth in the contribution during the year under review.

The Group's New World Hotel Wuhan was launched in April 2008, providing 327 rooms. Furthermore, our Penta Hotel Shanghai has just been launched on 1 October 2008 to provide 259 rooms.

Meanwhile, there are three new hotels in Hong Kong and Mainland China under construction to enhance our existing 8,080-room hotel portfolio. The three new hotels include the Hyatt Regency Hong Kong, Tsim Sha Tsui; a hotel project at the MTR University Station in Shatin, Hong Kong and the New World Hotel in Dalian, China.

In FY2008, the Group had paid \$31 million termination fees to previous managers for buyouts of the existing management contracts of New World Hotel Shenyang and New World Hotel Xian. Both hotels were then managed by our New World Hotel Management Limited ("NWHML"). As at 30 June 2008, there were five New World Group's hotels managed by the NWHML, namely, New World Hotel, Beijing, New World Mayfair Hotel Shanghai, New World Hotel Shenyang, New World Hotel Wuhan and New World Hotel Xian.



## Mainland China Property



In FY2008, New World China Land Limited (“NWCL”) recorded a profit of \$2,019.9 million, an increase of 70% over that of FY2007. The significant increase in profit for the year was attributable to improved performance achieved by two major operations, namely property sale and rental operation.

For the year ended 30 June 2008, NWCL has completed a total GFA of 1,045,269 sq m, an increase of 25% over FY2007. All the projects were completed on schedule except that the completion of 44,000 sq m of Chengdu Riverside New World Phase I has been delayed owing to the impact from earthquake occurred in May 2008.

For the year ended 30 June 2008, a total GFA of 884,216 sq m, up 35% year-on-year, were sold by NWCL to generate gross sale proceeds of approximately RMB6.2 billion, up 19% year-



on-year. An average gross profit margin of 33% and an average selling price of RMB7,016 per sq m were achieved in FY2008. As at 30 June 2008, NWCL’s inventory of completed development property amounted to a total GFA of 389,814 sq m.

In FY2008, NWCL has completed 11 property development projects in Beijing, Jinan, Shenyang, Wuhan, Changsha, Guangzhou, Guiyang and Zhuhai with a total GFA of 920,735 sq m, an increase of 44% over FY2007.

Development property projects completed in FY2008	Usage	Total GFA (sq m)	NWCL’s interest
Beijing Xin Yi Garden Phase II (北京新怡家園二期)	R, C	50,443	70%
Beijing Xin Kang Garden Phase III (北京新康家園三期)	R	6,822	70%
Jinan Sunshine Garden Phase II (濟南陽光花園二期)	R, C, P	159,337	100%
Shenyang New World Garden Phase ID (瀋陽新世界花園一期D)	R	143,508	90%
Wuhan Changqing Garden Phase VIB (武漢常青花園六期B)	R	144,206	60%
Wuhan Changqing Garden Phase VII (武漢常青花園七期)	R, C	50,612	60%
Wuhan Xin Hua Garden Phase IV (武漢新華家園四期)	R, C	55,686	60%
Changsha La Ville New World Phase I (長沙新城新世界一期)	R, C	80,685	45%
Guangzhou Park Paradise Phase IID2 (廣州嶺南新世界二期D2)	R	64,869	60%
Guiyang Jinyang Sunny Town Phase I (貴陽金陽新世界一期)	R, P	81,402	50%
Zhuhai New World Riviera Garden Phase III (珠海新世界海濱花園三期)	R, C	83,165	100%
<b>Total</b>		<b>920,735</b>	

R: Residential  
C: Commercial  
P: Carpark  
H: Hotel



Benefited from the continuing improvement in the rentals of Beijing New World Centre shopping arcade and increase in occupancy of office premises, together with the expansion of the rental property portfolio, NWCL has achieved a significant increase in contributions from rental operation. The effect of occupancy improvement was particularly prominent for Wuhan New World Centre and Wuhan New World International Trade Towers.

In FY2008, NWCL has completed eight property investment projects in Beijing, Shenyang, Nanjing, Shanghai, Wuhan and Guangzhou with a total GFA of 124,534 sq m.

Investment properties completed in FY2008	Usage	Total GFA (sq m)	NWCL's interest
Beijing Xin Yi Garden Phase II (北京新怡家園二期)	C, P	5,683	70%
Beijing New View Garden Phase II (北京新景家園二期)	C	4,024	70%
Shenyang New World Garden Phase ID (瀋陽新世界花園一期D)	C, P	28,138	90%
Nanjing New World Centre Phase II (南京新世界中心二期)	C	41,206	92%
Shanghai Jiu Zhou Shopping Arcade (上海九州商場)	C	2,442	75%
Wuhan Xin Hua Garden Phase IV (武漢新華家園四期)	P	7,303	60%
Guangzhou Park Paradise Phase IID2 (廣州嶺南新世界二期D2)	C, P	24,808	60%
Guangzhou Xintang New World Garden Phase IV (廣州新塘新世界花園四期)	C	10,930	63%
<b>Total</b>		<b>124,534</b>	