

Business Update

- Sold Over HK\$10B Non-core Assets in FY2020
- Obtained 5th OCR Project in GBA; Strong Contracted Sales and Resumed Construction in Mainland China
- K11 Launched K11 Go Platform
- Shanghai & Shenyang K11 Reported Double-Digit Sales Growth in Golden Week

Financing Activities

- NWD Issued US\$850M 5.25% Unsecured Senior Perpetual Bonds
- NWS Announced 1st Sustainability-Linked Loan of HK\$1B

Share Capital

- 4-to-1 Share Consolidation Passed by Majority Vote
- CEO Adrian Cheng Raised Stakes in NWD
- NWD Repurchased 72 Million Shares for HK\$613 Million

ESG

- Launched "Made in Hong Kong" Masks
- Appointed 2 Female Executive Directors
- Pledged Support for UN Global Compact & Task Force on Climate-related Financial Disclosures

Stock Performance

(Stock Code: 0017)

Closing Price:
(14 July 2020)
HK\$ 39.45

52-week Range:
HK\$ 29.84-50.16

Market Cap:
HK\$ 100.56B

Issued Capital: (Share)
2,549M

Average Daily Trading
Volume : (Share)
5.26M

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Business Update

Completed the Disposal of Over HK\$10 billion of Non-core Assets in FY 2020

The Group disposed its entire 45% interest in certain properties at Shun Tak Centre, Sheung Wan, together with EIGHT KWAI FONG, a serviced apartment located in Happy Valley, at the consideration of approximately HK\$2.36 billion and HK\$1.21 billion respectively. In FY 2020, New World Group successfully disposed of over HK\$10 billion non-core assets and it will target to dispose over HK\$15 billion in FY2021.

Old City Redevelopment Projects Continue to Make Good Progress: Obtained the 5th Project in GBA

With a strategic focus on the GBA, the Group actively engages in old city redevelopment. On 8 June, NWCL announced that it has officially become the intended cooperative enterprise for the redevelopment project of Xiajie Village, Licheng Street, Zengcheng District, Guangzhou. This is the Group's 5th redevelopment project in the GBA after Shenzhen Nanshan Xili, Guangzhou Liwan Shancun, Guangzhou Haizhu Nanji Village and Guangzhou Zengcheng Tagang Village. Upon completion, Xiajie Village project will have a total GFA of 1.32 million sq.m.

Strong Contracted Sales and Swift Resumption of Construction Work in Mainland China

Despite the COVID-19 outbreak, contracted sales through newly launched online property purchase platform have been brisk at BAYHOUSE in Prince Bay, Shenzhen with 100 units sold totalled RMB 3 billion. Meanwhile, with pandemic prevention and control measures in mind, NWCL held a groundbreaking ceremony for its complex in Hangzhou-Hong Kong High-end Service Industry Demonstration Zone on 25 March. This is the first Hong Kong-funded project to resume work and start construction in Hangzhou this year.

K11 Launched K11 Go Digital Membership Platform

K11 has quickly adapted to the new normal brought by the outbreak and launched K11 GO, a digital membership platform that seamlessly enables customers to enjoy the products and services offered by K11 tenant partners while also earning Klub membership reward points. Meanwhile, K11 GO has over 100 participating tenant partners across China, and our marketing teams have organized various live streaming events to support tenants to drive sales during this difficult time.

Shanghai K11 and Shenyang K11 Reported Double-Digit Sales Growth in Golden Week

Riding on strong momentum in China retail sales particularly in luxury market, Shanghai K11 and Shenyang K11 recorded double digit growth in sales during the Golden week in May. The recurring rental income in China will grow substantially with the opening of K11 malls and offices (with a total area of over 200,000 sq. m.) in Wuhan and Ningbo expected in 2020-21.



Financing Activities

NWD Issued US\$850 Million 5.25% Unsecured Senior Perpetual Bonds

In June 2020, NWD issued US\$850 million worth of senior perpetual unsecured bonds at 5.25%. The bonds can be redeemed starting from the sixth year (2026). The offering received overwhelming responses from 130 institutional investors with approximately 4.6 times oversubscription (only the portion of public issuance). The Group has completed the refinancing of all borrowings due in FY2020 and more than 70% of borrowings due in FY2021.

NWS announced its First Sustainability-linked Loan of HK\$1 Billion

On 29 June, NWS announced its first sustainability-linked loan with Crédit Agricole by converting existing facilities amounting HK\$1 billion into sustainability-linked loan, of which interest rates will be reduced according to improvement targets on its annual sustainability performance. The proceeds will be used for funding measures driving long-term sustainability targets as well as general corporate funding and refinancing purposes.

we create
we are artisans
we are csv.

Notes:

- (1) New World Development Company Limited (17.HK): NWD
- (2) NWS Holding Limited (659.HK): NWS
- (3) New World China Land Limited: NWCL
- (4) Guangdong-Hong Kong-Macao Greater Bay Area: GBA

Share Capital

4-to-1 Share Consolidation Passed by Majority Vote; Share Performance Outshines Peers

On 19 June, the Board's proposal that every 4 issued existing shares be consolidated into 1 consolidated share was passed by 99.9% affirmative votes at an extraordinary general meeting. The share consolidation aims to bring about upward adjustment in share price and reduce share price volatility, thereby making it more appealing to a wider range of institutional and professional investors and broadening the shareholder base. After the proposal was passed, NWD's shares closed at HK\$41.65 on 6 July, compared with HK\$9.22 before the proposal was passed (i.e. Post-consolidation HK\$9.22 x 4 = HK\$36.88), representing an increase of 13%, which outperformed its peers.

Group Executive Vice-Chairman & CEO Adrian Cheng Increased Shareholding in NWD

Adrian Cheng, Executive Vice-Chairman and Chief Executive Officer of the Group has full confidence in the prospects of Hong Kong and has exercised his share options twice at a total consideration of approximately HK\$55.53 million. Options as to 3.80 million shares were exercised at HK\$7.2 per share on 2 March and 3.74 million shares were exercised at HK\$7.54 per share on 1 June, increasing his shareholding by 7.54 million shares.

NWD repurchased 72 Million shares for HK\$612.7 Million in FY2020

NWD has actively bought back shares in recent years to demonstrate its confidence in the Group's prospects and to maximize shareholder value, and it reflects the Group's attractive valuation. In FY2020, NWD carried out share buyback 21 times in the name of the Company, with a total of 72 million shares and a total amount of HK\$612.7 million. The average price per share was HK\$8.79 before share consolidation (i.e. HK\$35.16 after share consolidation).

Environmental, Social and Governance (ESG)

NWD Officially Launches "Made in Hong Kong" Masks to Ease Anxiety of Hong Kong People

To fight against the COVID-19 pandemic together with the community and relieve anxiety of Hong Kong people, NWD has initiated the "#LoveWithoutBorders campaign". The Group launched its self-produced "Made in Hong Kong" masks, together with the "Mask To Go" dispensers, which is first service of its kind in Hong Kong starting from late May. This creative initiative has enabled 40,000 pre-registered beneficiaries to collect a free pack of 5 medical masks easily and conveniently over 10 consecutive weeks. The masks are available at 37 designated centres run by non-governmental organizations across all 18 Hong Kong's districts, easing recipients' anxiety about the shortage of masks. The Group will continue to distribute millions of masks to communities in need through its existing arrangements with non-profit and social welfare organizations.

Appointed Two Female Executive Directors to Continuously Empower Women's Leadership

On 24 April 2020, the Group announced the appointment of Ms. Echo Huang Shaomei and Ms. Jenny Chiu Wai-Han as executive directors with effect from 1 May 2020. With two new members joining the board at New World Development, female executives will now occupy 25% of seats, the highest proportion among major property developers in Hong Kong, exceeding the average for Hang Seng Index (HSI) and mainland boards, at 13.6% and 9.63% respectively. With their professional knowledge and extensive experience, the Group is confident that they will broaden the range of perspectives of the Board, and make significant contributions to our sustainable development.

NWD Pledges Support for UN Global Compact (UNGC) and the Task Force on Climate-related Financial Disclosures (TCFD)

New World Sustainability Vision 2030 references the UN Sustainable Development Goals (SDGs) to enhance our customer experience through green, wellness, smart and caring-oriented products and services. The Group has firm-wide ambitions such as reducing our carbon and energy intensity by 50% before 2030 based on 2015 levels and wellness propositions.

In June 2020, NWD joined the UNGC as a signatory to show our support for international collaborations to achieve the SDGs. We are one out of 12 diversified companies in Greater China to have signed the UNGC 10 Principles which cover human rights, labour, environment and anti-corruption. The Group has also pledged support for TCFD after attempting to disclose climate risks based on their recommendations in FY2019. Through our latest commitments to UNGC and TCFD, the Group hopes to strengthen our governance and transparency in ESG by communicating our overall performance and specifically climate-related risks to all stakeholders.

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