

Business Update

- Won Shanghai Huangpu Prime Land Parcel for RMB41.11 billion
- “K11 Sleepless Shopping Festival” Campaign across 4 Cities Achieved Huge Success
- Landbank Addition upon Successful Compulsory Sale of State Theatre Building
- NWS Sold Entire Equity Interest in NWFB and Citybus for HK\$3.2 billion

ESG

- NWD “Made-in-HK” Masks are Now Available for Purchase
- NWS Steps forward in ESG

Investor Relations

- “GBA: 50 Years of New World Group” – Themed Investor Meetings

Business Update

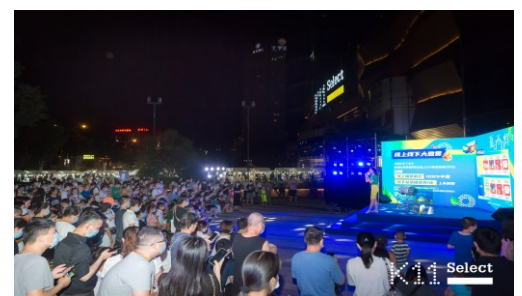
Won Shanghai Huangpu Prime Land Parcel for RMB41.11 billion

On 11 August, NWD won the bid for the Middle Huaihai land parcel in Huangpu Region for RMB41.11 billion. The land covers an area of about 17,170.8 sq.m. with a total developable area of 128,683.2 sq.m. It lies in the prime location of Middle Huaihai Road Commercial Circle, demonstrating an excellent advantage of convenient transportation. The project will be built into an upscale commercial complex with a combination of artistry and modernity and seek harmonious coexistence and common development with the surrounding commercial circles. This is the first plot released along the Huaihai Road over the past 20 years or so and boasts immeasurable artistic and economic development values. New World Group leaps into Shanghai again after its first encounter 25 years ago and brings a brand-new landmark positioning with architectural and artistic beauty, and further improving K11’s strategic layout in Yangtze River Delta Region and taking the initiative to adopt the aesthetic consumption model.



“K11 Sleepless Shopping Festival” Campaign across 4 Cities Achieved Huge Success

During the “88” Shopping Festival, K11 rolled out a three-day online-to-offline shopping campaign titled “K11 Sleepless Shopping Festival” in 4 cities, featuring creative concerts, marketplaces, art exhibitions, craft culture conferences, car shows and other themed events. Meanwhile, K11 Go WeChat platform offered consumers an unprecedented 14-hour online streaming experience that integrated offline scenes and streaming contents, allowing consumers to experience cultural and artistic activities at home and “view and make immediate purchase”. The campaign achieved a phenomenal success, driving total sales to rise by 4x y-o-y with an increase of 40% in the consumer traffic. The sales of KLUB 11 Black Card members also surged by 10x, effectively capitalizing on the consumption recovery in the post-pandemic period.



Stock Performance
(Stock Code: 17.HK)

Closing Price:
(3 September 2020)
HK\$ 40.2

52-week Range:
HK\$ 29.84-47.12

Market Cap:
HK\$ 102.47B

Issued Capital:
(Share)
2,549M

Average Daily
Trading Volume :
(Share)
350M

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**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

Business Update

Landbank Addition upon Successful Compulsory Sale of State Theatre Building

NWD currently has acquired over 90% ownership of the State Theatre, a first-class historical building has stood in North Point, Hong Kong for more than 60 years. The compulsory sale order was granted on 24 August, with a reserve price of HK\$4.7 billion. The project consists of residential, commercial and parts of the former State Theatre. The site area is approximately 36,000 square feet. The Group hopes to engage all stakeholders in the redevelopment plan of the State Theatre Building once it has acquired 100% ownership and conducted thorough inspection of its architectural structure. This marks another milestone in the Group's long-standing commitment to promoting art and culture and the realization of the New World 2030 Sustainable Development Vision (SV2030).



NWS Sold Entire Equity Interest in NWFB and Citybus for HK\$3.2 billion

On 21 August, NWS announced the sale of the entire equity interest of New World First Bus Services Limited and Citybus Limited for a total consideration of HK\$3.2 billion. The two companies have more than 5,000 employees in total, operating around 200 routes with a fleet of more than 1,700 buses and serving about 1 million passenger trips a day. New World Group's target of non-core asset disposal in FY2021 is HK\$15 billion. The transaction is in line with the Group's strategy of optimizing its business portfolio through disposal of non-core assets to achieve sustainable long-term growth, prudent risk management and value for all stakeholders.

Environmental, Social and Governance (ESG)

NWD "Made-in-HK" Masks are Now Available for Purchase

In response to the outbreak of COVID-19 in our community, driven by its corporate philosophies of "Sustainable Development" and "Creating Shared Value", New World Group has set up its own mask production line to help people in need. The Group has by far partnered with nearly 60 non-profit organizations to donate nearly 5 million New World-made adult and child masks to low-income families and disadvantaged groups to help the community combat the pandemic. New World's Made-in-HK ASTM Level 2 masks for adults and children are available in the market from 17 August. Through the #LoveWithoutBorders campaign, the Group will donate the same sales amount of masks to local charities to show continued support to low-income families and disadvantaged groups.



NWS Steps forward in ESG

NWS has been selected as a constituent member of the Hang Seng Corporate Sustainability Index and Hang Seng ESG 50 Index, which will be effective from 7 Sep. Since 2011, NWS has been included in the Hang Seng Corporate Sustainability Benchmark Index for ten consecutive years and its sustainability rating has been upgraded from "AA" to "AA+". Such index review results recognised NWS's persistent effort in ESG.

Investor Relations

"GBA: 50 Years of New World Group" – Themed Investor Meetings

On 27 August and 1 September, the Group held two investors meeting in conjunction with Huatai Securities and UBS on the theme of "GBA: 50 Years of New World Group" with over 100 investors attended the meetings. As this year is the 50th anniversary of NWD, senior management took the opportunity to emphasize the solid foundation the Group has built over the past 50 years and at the same time, present to investors the Group's strategy in China, especially in the GBA and in the core cities such as Hangzhou and Shanghai. UBS issued a report after the meeting emphasizing the Group has currently entered into cooperation agreements on 6 urban redevelopment projects in the GBA as well as the Group's edge in having low funding cost and accessing to a well-diversified land acquisition channel.

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