



THE ARTISANAL LIVING

FY2017 Annual Results

21 September 2017

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NEW WORLD DEVELOPMENT COMPANY LIMITED

HK Stock code: 0017/ US ADR: NDVLY



HK property development



HK property investment



Hotel

Wholly-owned subsidiary

NEW WORLD CHINA LAND LIMITED
Mainland China property

61%

NWS HOLDINGS LIMITED (HK stock code: 659)
Infrastructure and service

72%

NEW WORLD DEPARTMENT STORE CHINA LIMITED (HK stock code: 825)
Mainland China department stores

* As at 30 Jun 2017

Hong Kong property development

- Robust execution in property sales: total HK\$15.6 bn contracted sales achieved, surpassed FY2017 HK\$10 bn target
- Unique and ample saleable resources: approximately 1,300 residential units

Hong Kong property investment

- Defensive portfolio with pioneered concepts delivers stable contribution: 4.2% growth in HK gross rental income
- Upcoming catalyst: 3 mn sq ft VICTORIA DOCKSIDE progress as scheduled, high tower completed and office tenants will move in

Mainland China property

- New management team to bring out its potentials: RMB 16.2 bn contracted sales achieved in FY2017 + Assets with hidden values to be unlocked
- Operation focus: projects in key cities and prime areas to capture the sustainable development momentum

Landbanking

- Proactive management to enhance portfolio in HK and Mainland China: 11 in HK (3 tenders, 7 acquisitions, 1 farmland conversion) + 2 in Shenzhen
- Various channels in place with proven track record in HK + Strong capabilities in Mainland China to create values

Financials

- Financial position: 34.8% net gearing, down 3.6 percentage points; HK\$67.1bn consolidated cash on hand & bank
- Dividend: FY2017 full-year dividend HK\$0.46 per share (implied yield 4.9 %*)

*Based on the average share price HK\$9.42 during 1 Jul 2016 to 30 Jun 2017



Results summary (HK\$ million)	FY2017	FY2016
Revenues	56,628.8	59,570.0
Profit attributable to shareholders	7,675.7	8,666.3
Financial position (HK\$ million)	As at 30 Jun 2017	As at 30 Jun 2016
Cash & bank balances	67,106.5	55,170.8
Net debt	76,870.2	77,048.8
Net gearing (%)	34.8	38.4
Dividend (HK\$)	FY2017	FY2016
Interim	0.13	0.13
Final	0.33	0.31
Total	0.46	0.44

* After stripping out the one-off disposal gain of five projects in Mainland China in FY2016

Source of borrowings

■ Floating rate ■ Fixed rate



Maturity profile of borrowings

■ within 1 year ■ in 2nd year ■ in 3rd-5th year ■ after 5 years



Currency profile of borrowings

■ HKD ■ USD & others ■ RMB



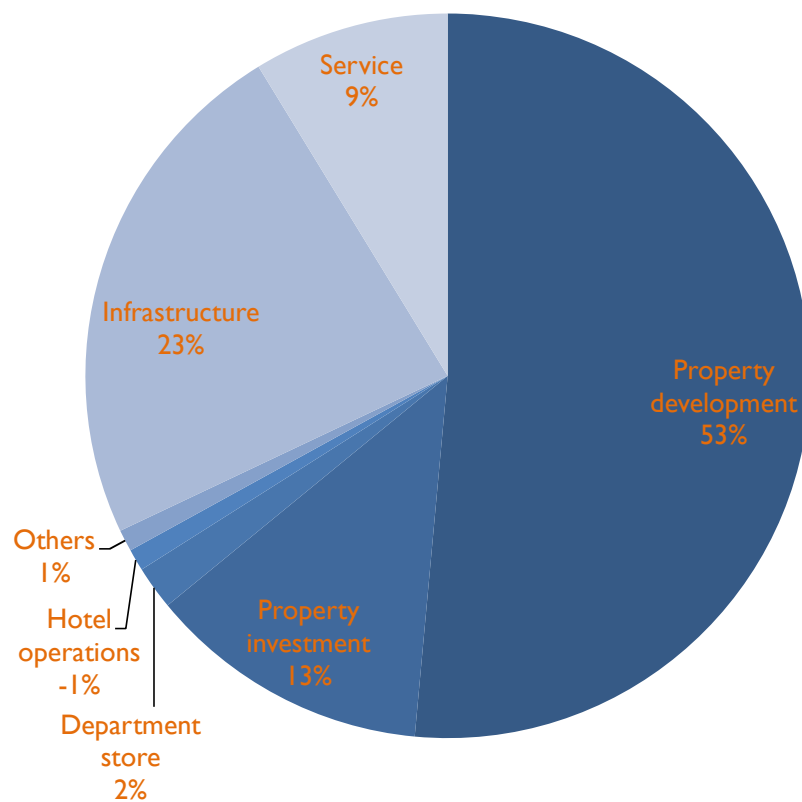
*Based on gross debt as at 30 Jun 2017

SEGMENT PERFORMANCE

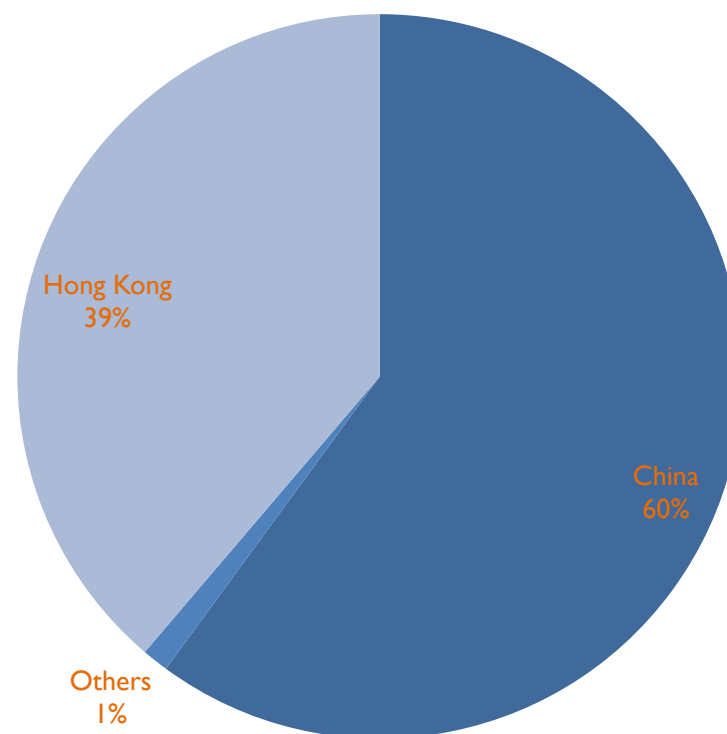
(HK\$ million)		FY2017		FY2016	
		Revenue	Segment results	Revenue	Segment results
(1) Property development					
	Hong Kong	8,538.1	2,277.1	12,941.9	2,978.6
	Mainland China	17,429.9	5,229.7	15,586.0	4,393.2
		25,968.0	7,506.8	28,527.9	7,371.8
(2) Property investment					
	Hong Kong	1,576.2	1,169.5	1,573.2	1,114.8
	Mainland China	834.7	601.1	919.1	723.9
		2,410.9	1,770.6	2,492.3	1,838.7
(3) Hotel operations					
	Hong Kong	573.9	87.6	559.1	86.1
	Mainland China	629.5	(254.8)	968.9	(388.5)
	South East Asia	218.8	87.8	234.3	99.1
		1,422.2	(79.4)	1,762.3	(203.3)
(4) Service		20,555.5	1,264.8	19,903.5	1,519.1
(5) Infrastructure		2,410.6	3,313.0	2,444.0	3,042.5
(6) Department stores		3,389.0	220.0	3,550.2	205.0
(7) Others		472.6	94.6	889.8	233.2
Total		56,628.8	14,090.4	59,570.0	14,007.0

SEGMENT PERFORMANCE - BREAKDOWN

Segment results by category



Property related segment results by geographic location



HONG KONG
PROPERTY SALES

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HONG KONG PROPERTY SALES

Key projects booked in FY2017

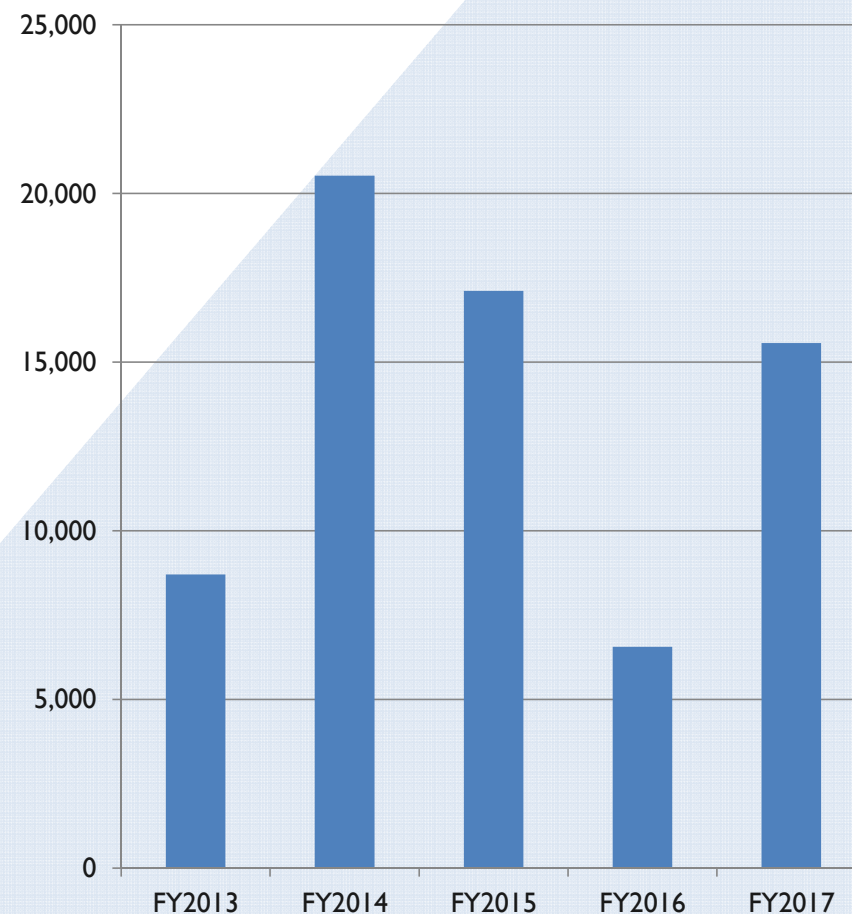
SKYPARK
BOHEMIAN HOUSE
THE PAVILIA HILL
DOUBLE COVE SUMMIT
THE MASTERPIECE
55 CONDUIT ROAD

HK attributable contracted sales	Attri. sales proceeds/ HK\$ bn
2016.07.01 – 2016.12.31	4.73
2017.01.01 – 2017.06.30	10.84
FY2017	15.57
2017.07.01 – 2017.09.17	1.67

Key projects contributed to FY2017 contracted sales

	% of total
THE PAVILIA BAY	48%
SKYPARK	12%
MOUNT PAVILIA	10%
DOUBLE COVE (PHI-5)	9%
THE MASTERPIECE	6%
BOHEMIAN HOUSE	3%
Others	12%

HK attributable contracted sales (HK\$ mn)



*5 years average: HK\$13.7bn

HONG KONG PROPERTY SALES

Upcoming major new launches	No of units
MOUNT PAVILIA (remaining units)	521
THE PARKVILLE (pre-sales consent obtained)	100
ARTISAN HOUSE	250
TONG YAN SAN TSUEN PROJECT*	123
PARK REACH*	63
Subtotal A	1,057
NWD inventory (as at 17 Sep 2017)	99
JV inventory (as at 17 Sep 2017)	159
Subtotal B	258
Total (A+B)	1,315

* Pending for pre-sales consent approval

Key projects to be booked in FY2018
MOUNT PAVILIA
ARTISAN HOUSE



MOUNT PAVILIA

HONG KONG LANDBANK

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THE PAVILIA HILL

HONG KONG LANDBANK

HK attributable landbank as at mid-Aug 2017	sq ft	%
By usage/ category		
- Development Property – Residential	4,822,525	45%
- Development Property – Non residential	2,160,559	20%
Sub-total	6,983,084	
- Investment Property	3,701,372	35%
Total	10,684,456	100%
By area		
- HK Island	979,653	9%
- Kowloon	6,015,882	56%
- New Territories	3,688,921	35%
Total	10,684,456	100%

HK development property attributable landbank by acquisition channel	sq ft	%
From tender	5,044,413	72%
From old building redevelopment/ acquisition	1,019,141	15%
From farmland conversion	919,530	13%
Total	6,983,084	100%



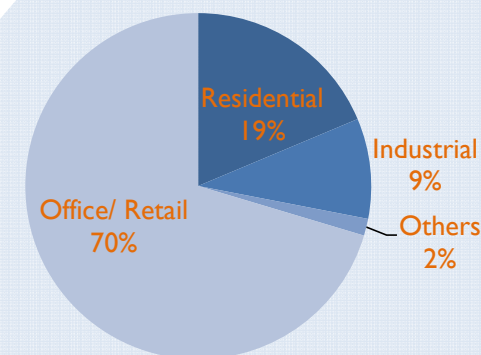
SKYPARK

HONG KONG LANDBANK – NEW ACQUISITIONS

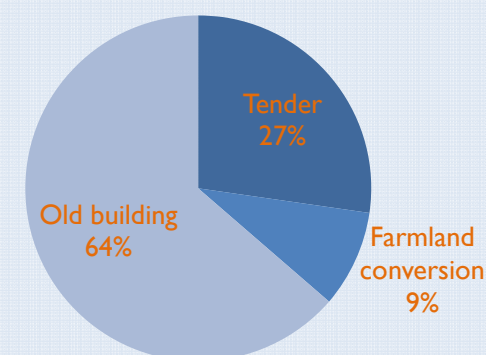
New projects acquired in FY2017	Area	Channels	Key usage	NWD%	Attri. GFA/ sq ft
Seymour Road project	Mid Levels	Old building	Residential	35%	165,265
Tonkin Street project	Cheung Sha Wan	Old building	Residential	100%	232,836
Waterloo Road project	Ho Man Tin	Old building	Residential	51%	48,436
King Lam Street project	Cheung Sha Wan	Tender	Office	100%	998,210
Cheung Shun Street project	Cheung Sha Wan	Tender	Office/ Others	100%	538,759
Tsun Yip Street project – site A	Kwun Tong	Old building	Industrial	100%	100,840
Tsun Yip Street project – site B	Kwun Tong	Old building	Industrial	100%	60,830
Luk Hop Street project – site A	San Po Kong	Old building	Industrial	100%	100,800
Luk Hop Street project – site B	San Po Kong	Old building	Office/ Retail	100%	65,787
				Total	2,311,763

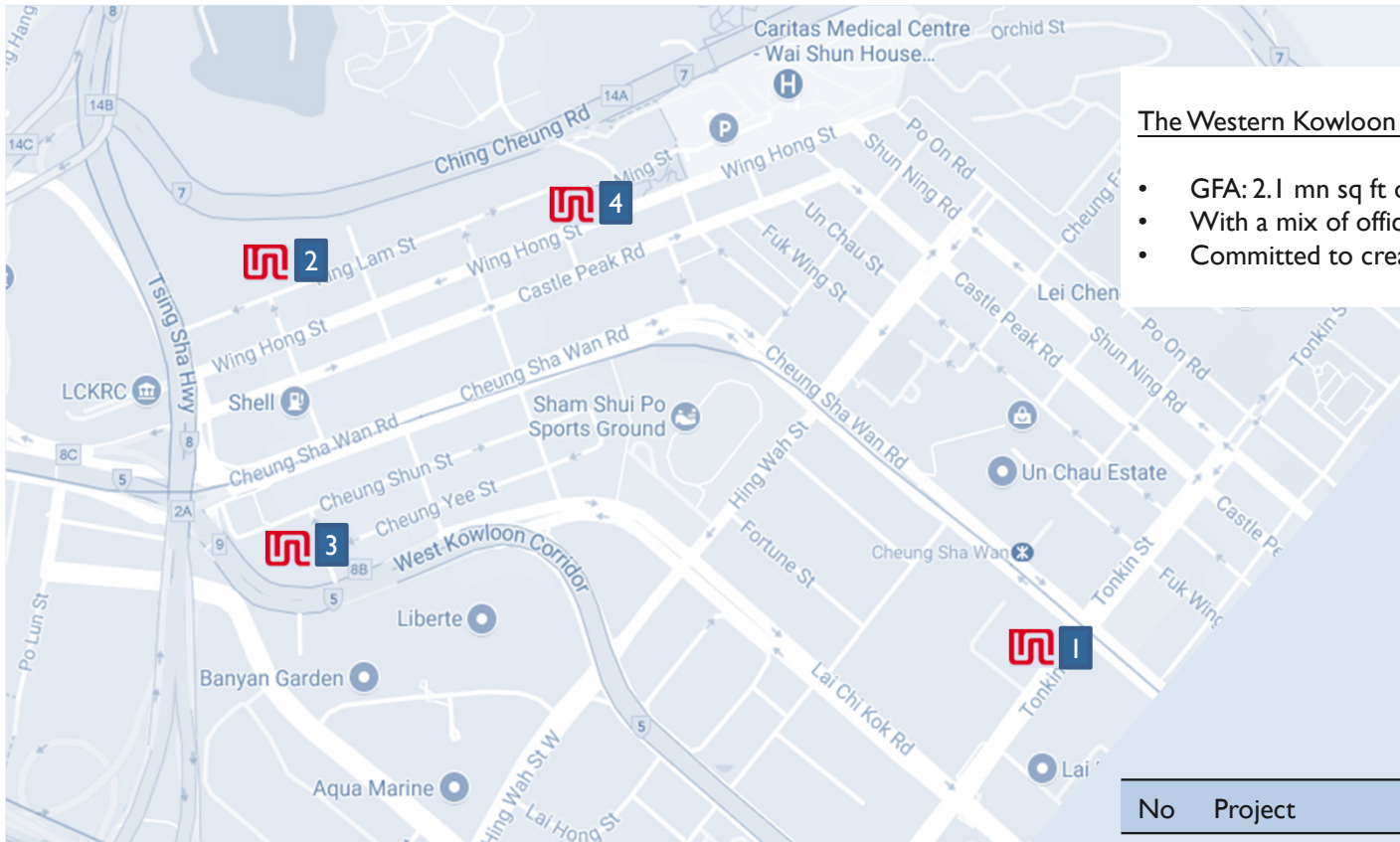
New projects acquired – Aug 2017	Area	Channels	Key usage	NWD %	Attri. GFA/ sq ft
Wing Hong Street project	Cheung Sha Wan	Tender	Office	100%	370,962
Lung Tin Tsuen Phase III	Yuen Long	Farmland	Residential	100%	121,149
				Total	492,111

New projects by key usage (GFA)



New projects by channel (no of projects)





The Western Kowloon Portfolio

- GFA: 2.1 mn sq ft of 4 projects
- With a mix of office, retail and residential
- Committed to creating a "New World Ecosystem for Emerging Industries"

No	Project	Key usage	NWD	GFA/ sq ft
1	Tonkin Street project	Residential	100%	232,836
2	King Lam Street project	Office	100%	998,210
3	Cheung Shun Street project	Office	100%	538,759
4	Wing Hong Street project	Office	100%	370,962
Total				2,140,767

HONG KONG LANDBANK – PROVEN TRACK RECORD IN FARMLAND CONVERSIONS

Farmland conversion project in the last decade	Area	Year of conversion	Total GFA/ sq ft	NWD %
Lung Tin Tsuen Phase III	Yuen Long	2017	121,149	100%
PARK REACH	Yuen Long	2016	21,453	21%
Tai Tong Road project II	Yuen Long	2016	171,265	21%
MOUNT PAVILIA	Sai Kung	2011	1,078,517	63%
THE WOODSIDE	Yuen Long	2010	79,664	100%
THE REACH	Yuen Long	2010	1,299,752	21%
DOUBLE COVE	Ma On Shan	2009	2,950,659	32%
PARK SIGNATURE	Yuen Long	2008	1,098,463	100%
Total			6,820,922	

Farmland landbank - attributable land area	sq ft/ million	%
By usage/ category		
- Yuen Long District & Tuen Mun District	12.0	69%
- North District	2.3	13%
- Sha Tin & Tai Po District	2.0	11%
- Sai Kung District	1.2	7%
Total	17.5	



THE WOODVILLE



BOHEMIAN HOUSE

Key old building redevelopment projects launched	Area	First launch	Total GFA/ sq ft	NWD %
BOHEMIAN HOUSE	Western District	May-16	105,701	80%
55 CONDUIT ROAD	Mid-levels	Dec-15	87,780	30%
EIGHT KWAI FONG	Happy Valley	Aug-15	65,150	89%
THE PAVILIA HILL	North Point	Oct-14	396,546	85%
EIGHT SOUTH LANE	Western District	Dec-13	43,860	100%
Total			699,037	

Upcoming old building redevelopment projects	Area	Key usage	Total GFA/ sq ft	NWD %
ARTISAN HOUSE	Western District	Residential	90,921	100%
THE PARKVILLE	Tuen Mun	Residential	84,046	100%
FLEUR PAVILIA	North Point	Residential	573,301	40%
Babington Path project	Mid-levels	Residential	66,470	10%
Kings Road project	North Point	Non-residential	487,500	100%
Seymour Road project	Mid-levels	Residential	472,186	35%
Tonkin Street project	Cheung Sha Wan	Residential	232,836	100%
Waterloo Road project	Ho Man Tin	Residential	94,972	51%
Kwun Tong Tsun Yip St – site A	Kwun Tong	Non-residential	100,840	100%
Kwun Tong Tsun Yip St – site B	Kwun Tong	Non-residential	60,830	100%
San Po Kong Luk Hop St – site A	San Po Kong	Non-residential	100,800	100%
San Po Kong Luk Hop St – site B	San Po Kong	Non-residential	65,787	100%
Total			2,430,489	

MAINLAND CHINA
PROPERTY SALES

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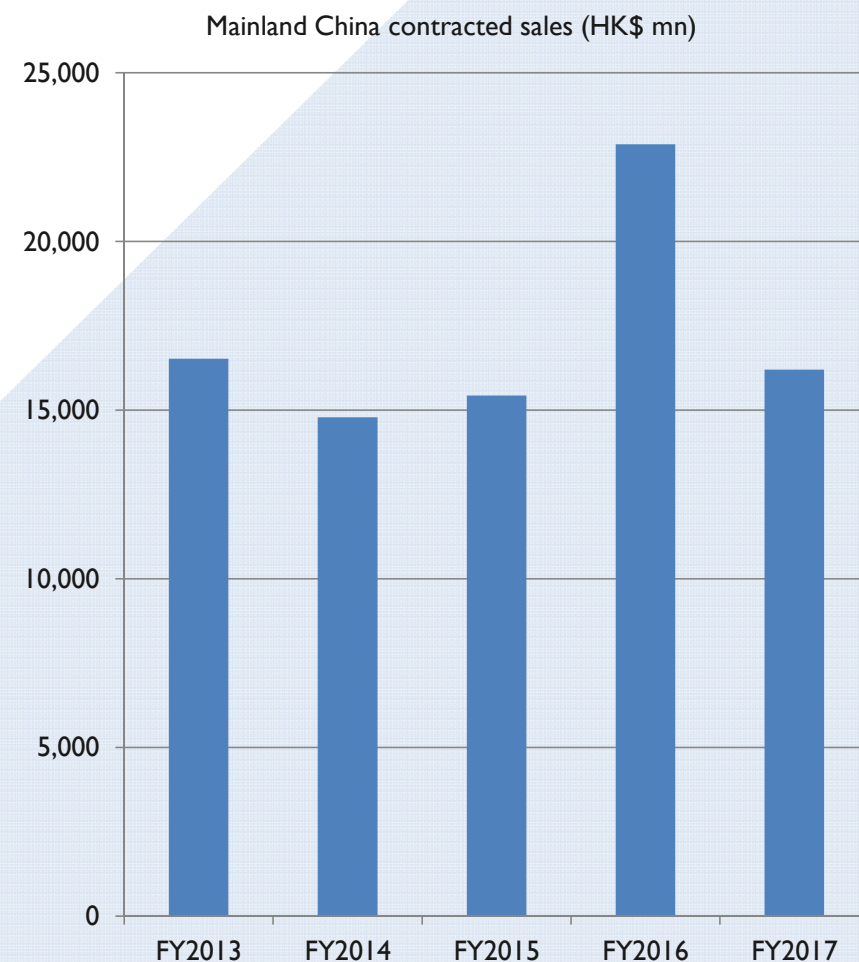


NINGBO NEW WORLD PLAZA

MAINLAND CHINA PROPERTY SALES

Key projects booked in FY2017	Gross margin
Guangzhou Central Park-view	77%
Shenzhen New World Yi Shan Garden	62%
Shenzhen New World Signature Hill	57%
Guangzhou New World Park Paradise	54%
Shenyang New World Garden	50%
Guangzhou Covent Garden	42%
Langfang New World Centre/ Garden	34%

Contracted sales	FY2017	FY2016
Sales proceeds/ RMB bn	16.2	22.9
Overall ASP/ RMB	18,070	17,960
Residential ASP/ RMB	18,741	17,442
Contracted sales by region (key cities)	Residential ASP/ sqm	% of sales proceeds
Southern (Guangzhou, Shenzhen, Foshan)	27,734	33%
Central (Wuhan, Changsha)	20,471	22%
Eastern (Ningbo)	42,046	5%
Northern (Beijing, Tianjin, Langfang)	18,964	18%
North-eastern (Shenyang)	11,037	22%



5 years average: HK\$17.2bn

MAINLAND CHINA PROPERTY SALES

Development property saleable resources (excl Carpark)	GFA sqm
Residential	741,097
Non residential	528,229
Total	1,269,326

Development property saleable resources (excl Carpark)	% of total
Southern	30%
Central	7%
Eastern	7%
Northern	41%
North-eastern	15%
Total	100%

* As at 30 Jun 2017



GUANGZHOU COVENT GARDEN

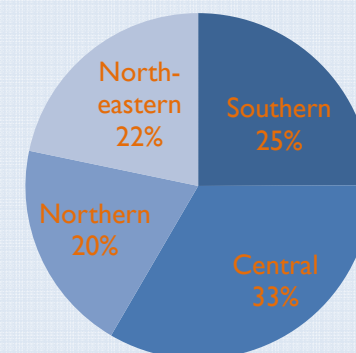
FASTER ASSET TURN – DEVELOPMENT AND INVESTMENT PROPERTY COMPLETION

Fiscal year	DP excl carpark sq m	% change	DP incl carpark sq m	% change	DP + IP sq m	% change
FY2016	595,686		728,935	-	865,143	-
FY2017	819,033	+37.5%	920,053	+26.2%	1,281,099	+48.1%
FY2018	1,185,785	+44.8%	1,384,316	+50.5%	1,653,022	+29.0%

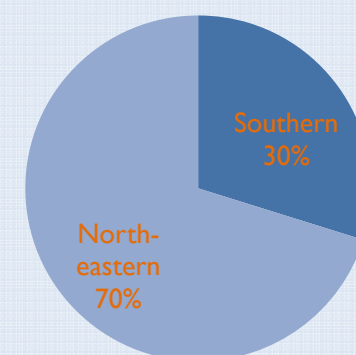
FY2018 DP completion sq m	Residential	Non residential	Total	Carpark
Guangzhou	192,266	-	192,266	-
Foshan	140,226	-	140,226	12,492
Wuhan	260,407	-	260,407	65,635
Langfang	75,718	48,221	123,939	69,946
Shenyang	300,771	-	300,771	-
Key projects total	969,388	48,221	1,017,609	148,073
Other projects total	49,208	118,968	168,176	50,458

FY2018 IP completion sq m	Residential	Non residential	Total	Carpark
Guangzhou	-	6,067	6,067	74,030
Shenyang	-	9,167	9,167	179,442
Total	-	15,234	15,234	253,472

FY2018 DP completion by region



FY2018 IP completion by region



MAINLAND CHINA
LANDBANK

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BEIJING NEW WORLD – LI ZUN



CANTON FIRST ESTATE

Landbank as at 30 Jun 2017	Total GFA sq m (incl carpark)	Total GFA sq m (excl carpark)	%
Southern (Guangzhou, Foshan, Shenzhen)	3,204,925	2,609,949	40.0%
Central (Wuhan)	877,399	624,944	9.6%
Eastern (Ningbo)	792,269	521,419	8.0%
Northern (Beijing, Langfang)	1,114,461	653,872	10.0%
North-eastern (Shenyang)	2,734,385	2,122,287	32.4%
Key projects total	8,723,439	6,532,471	100.0%
Other projects total	2,229,015	1,704,794	
Total	10,952,454	8,237,265	



SHENZHEN PRINCE BAY - ARTIST RENDERING

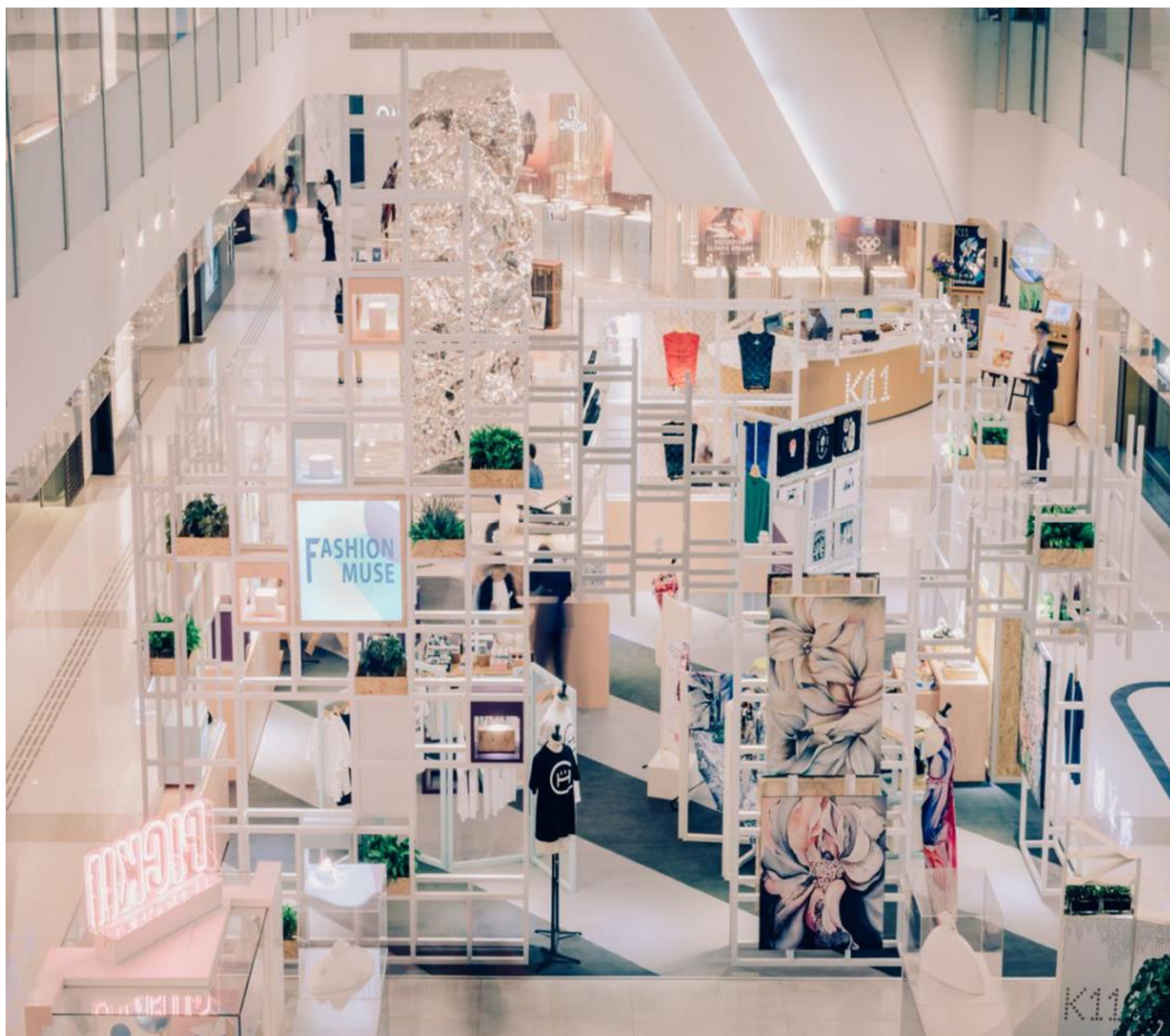
New projects acquired	Key usage	Total GFA/ sq m	NWD
Shenzhen Qianhai project	Office	176,300	30%
Shenzhen Prince Bay project – Parcel A	Commercial	207,556	51%
Shenzhen Prince Bay project – Parcel B	Commercial/ office/ serviced apartment	159,680	49%
Total		543,536	

HK INVESTMENT PROPERTY

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VICTORIA DOCKSIDE



HONG KONG K11

Office	Occupancy
New World Tower, Central	99%
Manning House, Central	97%
Mall	Occupancy
HK K11, TST	99%
D • PARK, Tsuen Wan	96%
Pearl City, Causeway Bay	100%
Telford Plaza, Kowloon Bay	100%
POPCORN II, Tseung Kwan O	100%

HK gross rental income up 4.2% yoy

Office

- Positive rental reversion in our office towers in Central

Mall

- Strong performance in K11, TST
- Resilient performance in regional malls



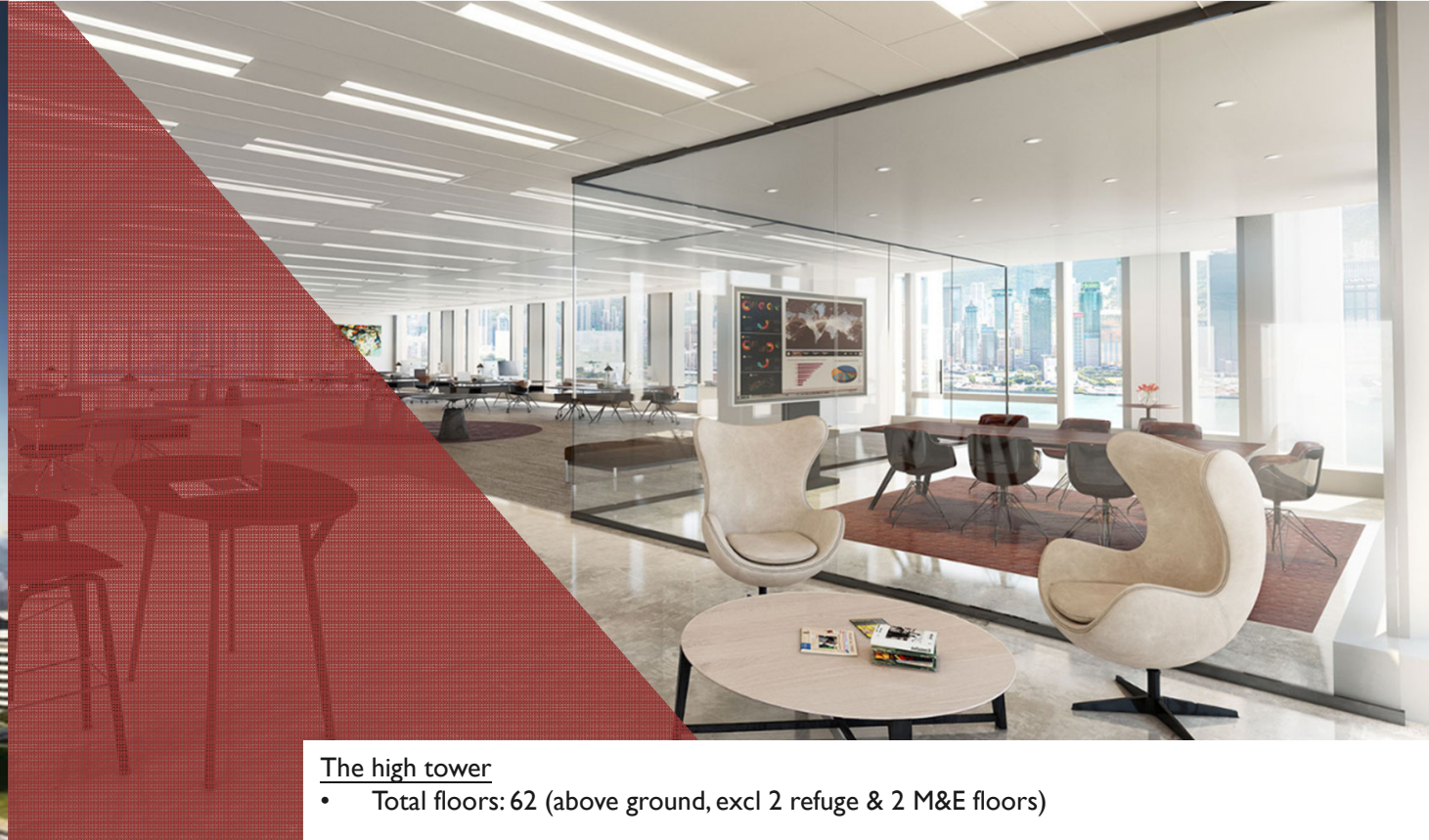
VICTORIA DOCKSIDE

- Total GFA: 3 mn sq ft
- Current status: Project progress as scheduled
- Focus: New landmark in Hong Kong



VICTORIA DOCKSIDE

- The mixed-use development will offer Grade A office, an ultra-luxury Rosewood Hotel, Rosewood Residences, and premier art, design and leisure experiences
- Set to fully open in 2019
- The high tower on the right hand side, completed in 3Q2017

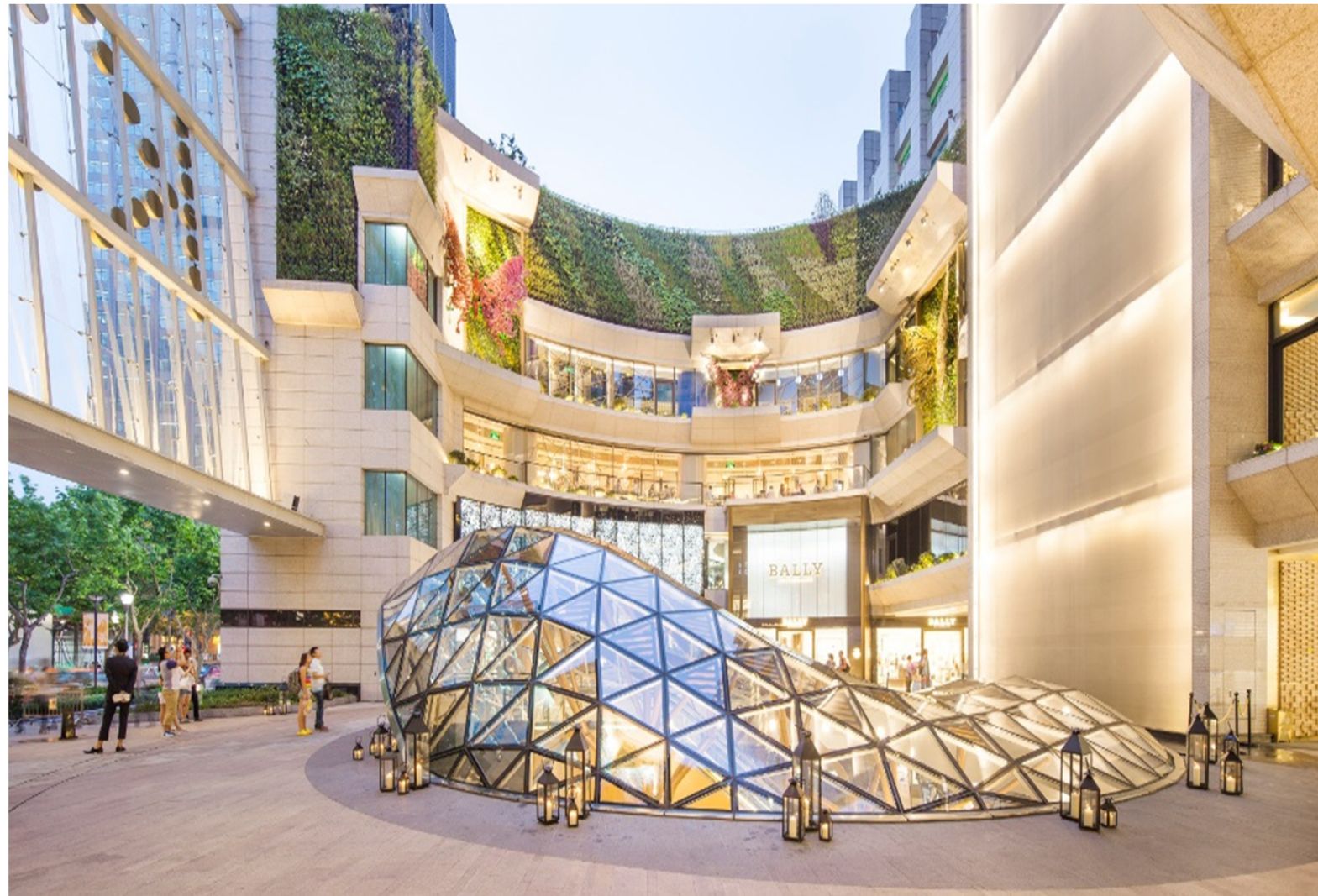


The high tower

- Total floors: 62 (above ground, excl 2 refuge & 2 M&E floors)
- Office portion: L7-21 (15 floors/ area: 384,132 sq ft)
 - Key tenants: Mizuho Group, Fubon Group
- Hotel guestroom: L24-40 (398 guestrooms)
 - Rosewood Hong Kong
- Luxury accommodations for long stays: L43-54 & L58-65 (199 units)
 - Rosewood Residences

MAINLAND CHINA
INVESTMENT PROPERTY

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SHANGHAI K11



SHANGHAI HONG KONG NEW WORLD TOWER

Project	Usage	Occupancy
Wuhan New World International Trade Tower	Office	81%
Shanghai Hong Kong New World Tower	Office	82%
Shanghai K11	Retail	98%
Beijing New World Centre	Retail	100%
Tianjin New World Plaza	Retail	85%
Guangzhou Central Park-view	Serviced apartment	96%

China gross rental income down 9.2% yoy

- Disposal of certain IP in Shanghai and Wuhan
- Tenancy renewal of Wuhan International Trade Towers
- Closure of Wuhan K11 Gourmet Tower for expansion



SHANGHAI KII – Exhibition of Claude Monet

Shanghai KII

- Sustainable “Art x Commerce” KII business model, creating a museum retail concepts, office and residences in Greater China
- **2017: Joins Forces with Hero Entertainment, Asia’s Leading Operator of Mobile Esports Competitions, to Build Largest 2D Esports Arenas in Mainland China**
- **2017:** Fantasy Access Code & Fantasy Creator - International Art Exhibition + China Contemporary Art Exhibition
- **2016:** One for fashion and photography lovers, BAGISM is an exhibition of over 300 handbags dating from 400 years ago to the present day
- **2015:** An exhibition partnership with Gala-Salvador Dalí Foundation, which had culminated in the first exhibition of the Spanish surrealist in China since 2001
- **2014:** The first ever exhibition of Claude Monet in China was held

HOTEL OPERATIONS

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RENAISSANCE HARBOURVIEW – Dynasty

HOTEL OPERATIONS



ROSEWOOD BEIJING

Location	No of hotels	No of rooms
Hong Kong	6	3,484
Mainland China	8	2,830
South East Asia	3	1,453
Total	17	7,767

Hotels/ FY2017	Location	Room	Occupancy	ADR
<u>Hong Kong</u>				(HK\$)
Grand Hyatt HK	Wanchai	545	76%	3,100
Renaissance Harbourview	Wanchai	861	84%	1,900
Hyatt Regency TST	TST	381	91%	1,900
Hyatt Regency Sha Tin	Sha Tin	562	87%	1,300
pentahotel Kowloon	Kln East	695	85%	600
<u>Mainland China</u>				(RMB)
Rosewood Beijing	Beijing	283	65%	2,100
New World Hotel Beijing	Beijing	309	70%	900
pentahotel Beijing	Beijing	307	85%	500
New World Hotel Shanghai	Shanghai	558	71%	700

The Artisanal Movement, branding personality of the New World Group, is a journey of expanding one's imagination, not only limited to design and aesthetics, but also amassing a modern living culture through our persistence in delivering bespoke craftsmanship manifested by originality.

