 New World Development Company Limited
FY2019 interim results - 27 Feb 2019

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HK stock code 17/ US ADR NDVLY
HK Hang Seng Constituent Stock/ Shanghai Shenzhen connect stock
Property development and investment in Hong Kong

New World China Land

Wholly owned subsidiary
Property development and investment in China

NWS Holdings

HK stock code 659/ Interest: 61%
Infrastructure and Service

New World Department Store China

HK stock code 825/ Interest: 75%
Department stores in China

(As at 31 Dec 2018)

FY2019 interim results catalysts

Strategically positioned in the Greater Bay Area; capture growth with a series of unique catalysts

Hong Kong property development

- . Ample saleable resources with approximately 4,700 residential units + commercial projects
- . Contracted sales for FY2019 booking have been majorly secured

Hong Kong investment property

- . Rental income with decent growth and portfolio will further enhance with good projects in pipeline
- . 3 mn sq ft Victoria Dockside progress as scheduled

China property development

- . Maintain a stable overall gross profit margin around 35-40% in property sales, with abundant saleable resources
- . Over 49% of core landbank are located in the Greater Bay Area

Financials

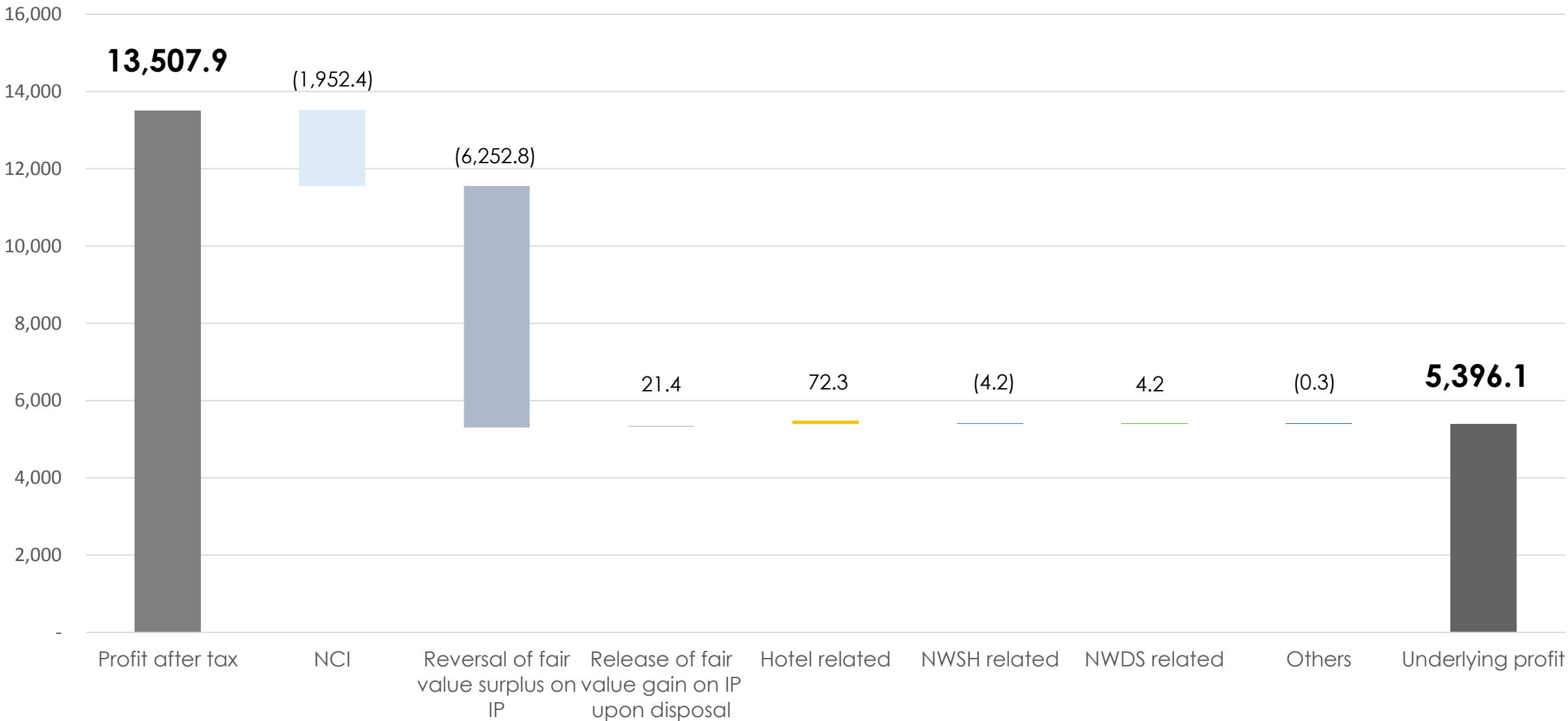
- . Financial position: 35.6% net gearing; HK\$52bn consolidated cash on hand & bank balances
- . Handsome DPS with good dividend yield and actively consider share buyback to enhance shareholders value

Insight in business development

- . On going streamline and efficiency enhancement with non-core asset disposal potentials
- . Enhance the contribution from recurrent income from investment property operations
- . New businesses to enhance the experiences offered by NWD ecosystem
- . Leverage on innovation and technology to deliver best customer experiences

Financials

(HK\$ million)	1HFY2019	1HFY2018	YoY change (%)
Revenues	49,267.1	27,935.4	76%
Segment results (including Asso/ JV)	12,338.6	8,114.5	52%
Changes in fair value of investment properties (including Asso/ JV)	6,404.6	7,471.3	-14%
Profit before taxation	17,592.2	15,728.2	12%
Profit attributable to the shareholders' of the company	11,284.4	11,269.9	-
Underlying profit	5,396.1	4,198.6	29%
Basic earnings per share (HK\$)	\$1.11	\$1.15	-3%
Underlying earnings per share (HK\$)	\$0.53	\$0.43	23%
Interim dividend (HK\$)	\$0.14	\$0.14	-
	As at 31 Dec 2018	As at 30 Jun 2018	
Net debt	92,177.2	74,859.0	23%
Net gearing ratio (%)	35.6%	29.3%	+6.3 percentage points



(HK\$ million)	1HFY2019		1HFY2018	
(1) Property development	Revenue	Segment results	Revenue	Segment results
Hong Kong	21,007.3	5,734.6	1,273.7	729.1
Mainland China	8,898.0	3,150.5	8,619.9	3,997.3
	29,905.3	8,885.1	9,893.6	4,726.4
(2) Property investment				
Hong Kong	940.4	705.4	834.1	640.1
Mainland China	845.7	451.9	510.2	304.5
	1,786.1	1,157.3	1,344.3	944.6
(3) Hotel operations				
Hong Kong	332.6	4.2	313.1	72.5
Mainland China	212.9	(69.2)	325.7	(73.5)
South East Asia	138.8	4.5	116.5	16.1
	684.3	(60.5)	755.3	15.1
(4) Service	13,510.8	251.9	12,653.9	378.8
(5) Infrastructure	1,453.8	2,052.0	1,352.6	1,936.6
(6) Department stores	1,733.6	149.9	1,772.8	116.3
(7) Others	193.2	(97.1)	162.9	(3.3)
Total	49,267.1	12,338.6	27,935.4	8,114.5

Source of borrowings (including IRS)

■ 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**

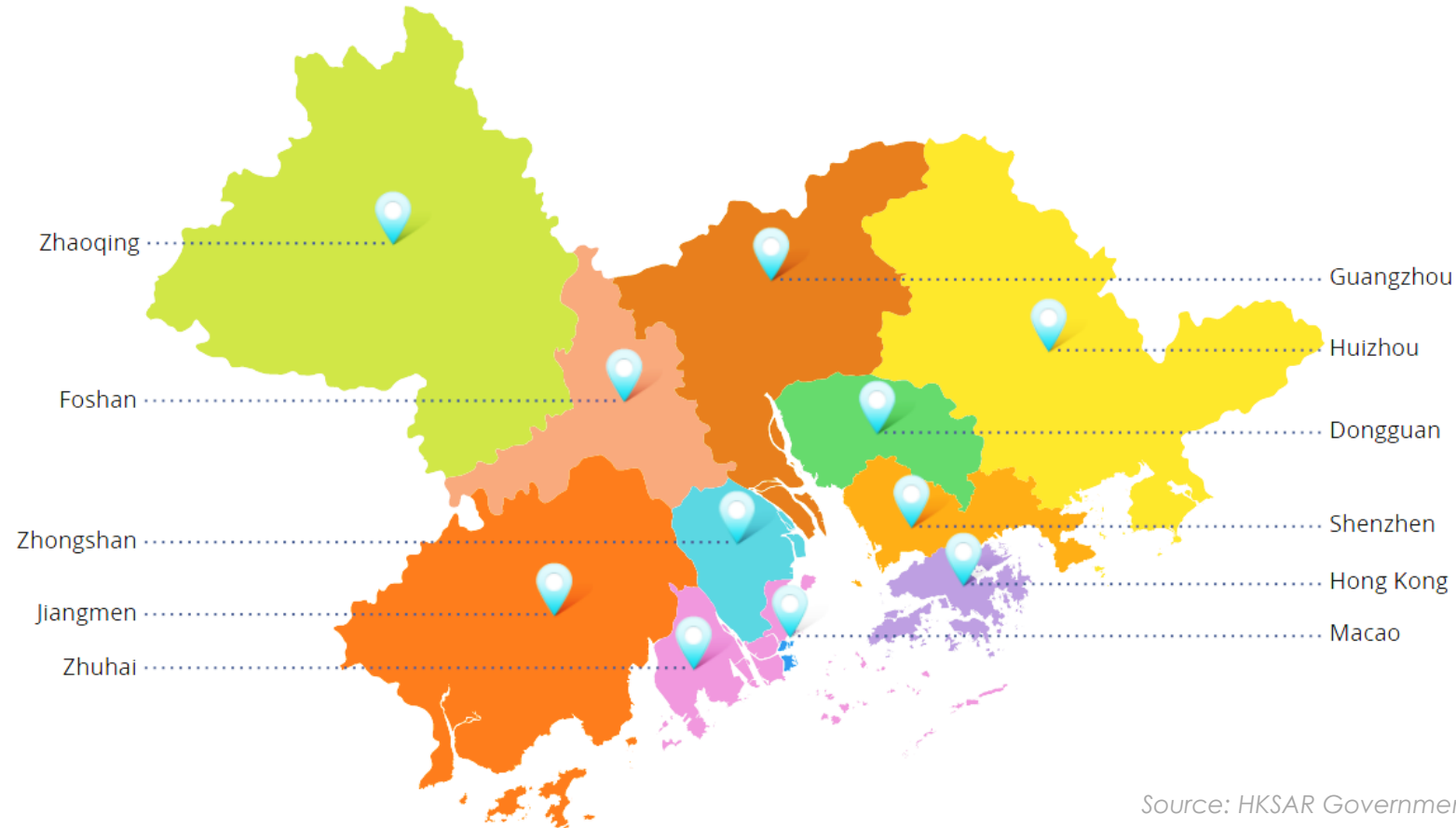
■ HKD ■ USD & others ■ RMB



(As at 31 Dec 2018)

Operations

The Greater Bay Area (“GBA”)



**The Group is well positioned
In the GBA
with our unique ecosystem**

NWD & NWC

Living community
Working community
Mall and retail clusters
Health care & wellness

NWSH

Insurance*
Road
Environmental
Facilities management & construction

*transaction to be completed

Key contributors in 1HFY2019 property development bookings

THE PAVILIA BAY

MOUNT PAVILIA

ARTISAN HOUSE

THE PARKVILLE

PARK VILLA

THE PAVILIA HILL

The Masterpiece

FLEUR PAVILIA

HK attributable contracted sales

HK\$ bn

2018.07.01-2018.12.31

3.4

2019.01.01-2019.02.17

0.7

FY2019 as at 2019.02.17
4.1


1st property purchase Blockchain platform in Hong Kong

All-in-one support digitalized platform for property sales
In collaboration with ASTRI and BOCHK

Procedures in property purchase

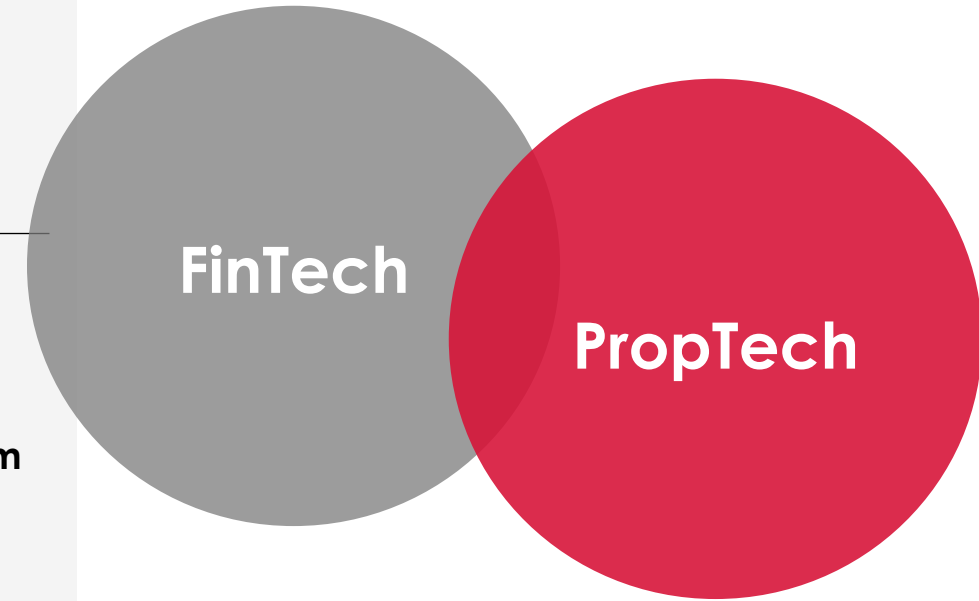
1. Confirm registration and arrange deposit
2. Ballot and unit selections

} Online registration system
was first created by the
Group

3. Sign provisional S&P
4. Sign formal S&P
5. Mortgage application
6. Complete transaction and unit handover

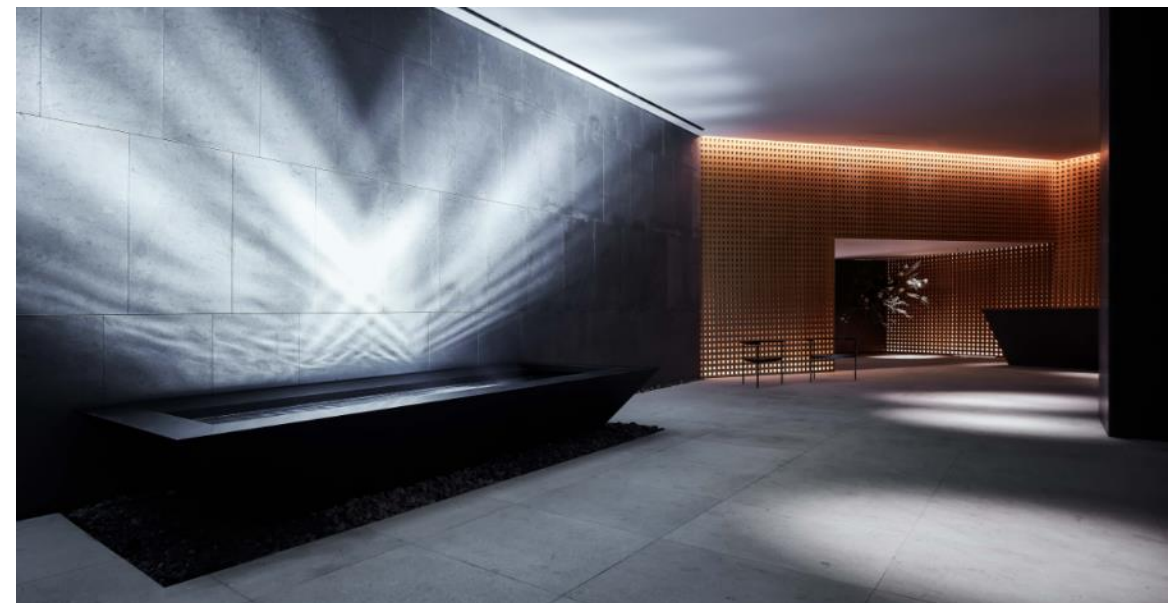
} HK 1st property-purchase
blockchain platform

} Coming on stream in
2Q2019



Key projects to be launched	No of units
ARTISAN GARDEN	294
Waterloo Road project	240
Lung Tin Tsuen project	313
Tai Wai Station project*	3,090
Subtotal A	3,937
NWD inventory	232
JV inventory	525
Subtotal B	757**
Total (A+B)	4,694

(*To be launched in FY2020 by phases/ **As at 31 Dec 2018)



Ready landbank (Attributable GFA' 000 sq ft)	Development property	Investment property	Total	%
Hong Kong Island	165	488	653	7%
Kowloon	1,752	1,099	2,851	30%
New Territories	2,290	3,862	6,152	63%
Total	4,207	5,449	9,656	

- Key IP project:
HK SKYCITY, King Lam Street office project, K11 ATELIER King's Road project
- Key residential project:
Tai Wai Station project, Kai Tak project and Seymour Road project
- Key office project for sale:
2 Cheung Sha Wan projects

(As at 31 Dec 2018)

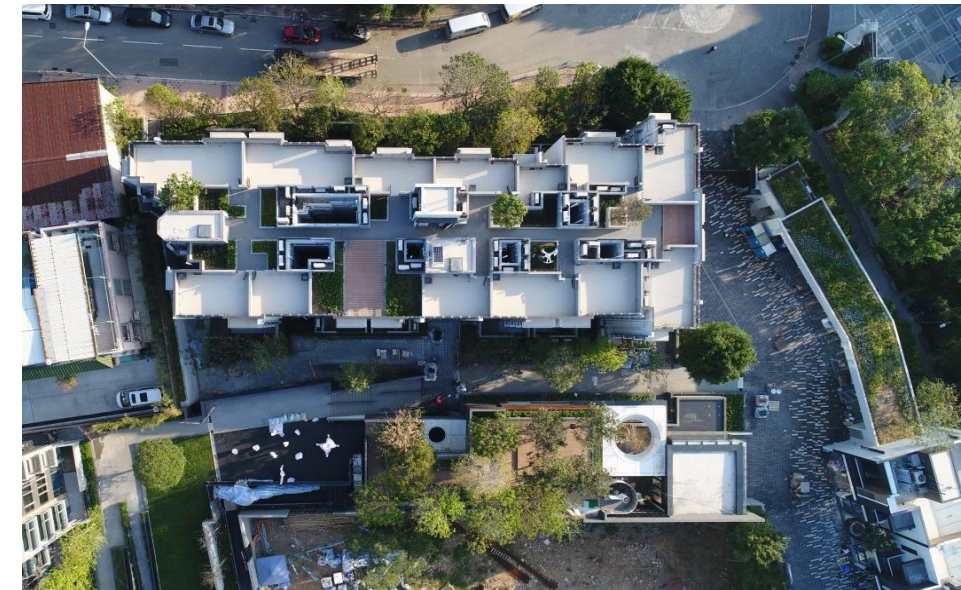


Farmland ('000 sq ft)	Attributable land area	%
Yuen Long and Tuen Mun District	11,600	69%
North District	2,246	13%
Shatin and Taiipo District	1,901	11%
Sai Kung District	1,118	7%
Total	16,865	

Farmland under active negotiation* (GFA mil sq ft)	Attributable GFA	%
Yuen Long District	1.0	67%
North District	0.6	33%
Total	1.6	

(*total 8 projects, mostly are located closely to the Group previous establishment)

(As at 31 Dec 2018)



Source: HKSAR Government



State Theatre Building redevelopment

- . Acquisition of over 80% ownership of State Theatre Building, a residential and commercial property located at No. 277 to 291 King's Road, North Point has been completed
- . The application for compulsory sale under the "Land (Compulsory Sale for Redevelopment) Ordinance" has been made to the court

Kai Tak residential project

- . In November 2018, the Group and its consortium won a successful bid for the first residential site located at the former runway of Kai Tak at a consideration of HK\$8.3 billion
- . The project with a total GFA of approximately 574,000 sq ft and the Group interest is 29.3%





Kai Tak Sports Park

- . Kai Tak Sports Park is Hong Kong's most important investment in sports infrastructure in decades
- . The Hong Kong Government will fully fund the construction cost
- . The contract for the Kai Tak Sports Park is for 25 years, including four to five years for design, construction and approximately 20 years of operation. Target completion in 2023

Main features

Main stadium	50,000 seats
Indoor sports centre	10,000 seats
Ancillary sports hall	500 seats
Public sports ground	5,000 seats
Commercial facilities	About 600,000 sq ft



Key projects booked in 1HFY2019

Guangzhou Covent Garden

Guangzhou Park Paradise

Guangzhou Foshan Canton First Estate

Wuhan New World · Times

Beijing New World · Li Zun

Shenyang New World Garden

Contracted sales	1HFY2019	1HFY2018
Sales proceeds/ RMB bn	9.3	8.6
Overall ASP/ RMB	29,800	19,507
Residential ASP/ RMB	32,700	20,352

Contracted sales by region in 1HFY2019 (key cities)	% of sales proceeds
Southern (Guangzhou, Shenzhen, Foshan)	58%
Central (Wuhan)	3%
Eastern (Ningbo)	13%
Northern (Beijing)	6%
North-eastern (Shenyang)	20%
Total	100%



Development property saleable resources (excl carpark)	GFA sq m ('000)
Residential	1,007
Non residential	632
Total	1,639

Development property saleable resources (excl carpark)	% of total
Southern (Guangzhou, Shenzhen, Foshan)	27%
Central (Wuhan)	19%
Eastern (Ningbo)	9%
Northern (Beijing, Langfang)	29%
North-eastern (Shenyang)	16%
Total	100%

(As at 31 Dec 2018)



Fiscal year/ sq m	1HFY2019	2HFY2019E*	FY2019E
DP excl. carpark	264,898	605,070	869,968
DP incl. carpark	344,102	687,703	1,031,805
IP excl. carpark	7,514	226,811	234,325
IP incl. carpark	10,461	481,728	492,189
DP + IP excl. carpark	272,412	831,881	1,104,293
DP + IP incl. carpark	354,563	1,169,431	1,523,994

1HFY2019 DP Completion sq m	Residential	Non-residential	Total	Carpark
Guangzhou	23,735		23,735	
Foshan	37,017		37,017	79,203
Yiyang	41,424	1,139	42,563	
Shenyang	161,583		161,583	
Total	263,759	1,139	264,898	79,203

*2HFY2019E DP completion are located in Guangzhou, Foshan, Ningbo, Langfang, Shenyang and Anshan



Region/ sq m '000	Total GFA (excl carpark)	%	Total GFA (incl carpark)
Southern region	2,844	40%	3,471
Central region	1,168	17%	1,642
Eastern region	525	8%	829
Northern region	708	10%	1,171
North-eastern region	1,791	25%	2,143
Total	7,036		9,256
Of which, core projects*	5,671		7,548

*including the projects located in the Greater Bay Area, Beijing-Tianjin-Hebei Area, Central China, Ningbo and North-eastern China





Guangzhou Hanxi project with Guangzhou Metro

. In November 2018, NWC engaged in joint development of a parcel of land at Hanxi Changlong in Guangzhou, by acquiring 65% of the equity interest from a subsidiary of Guangzhou Metro Group

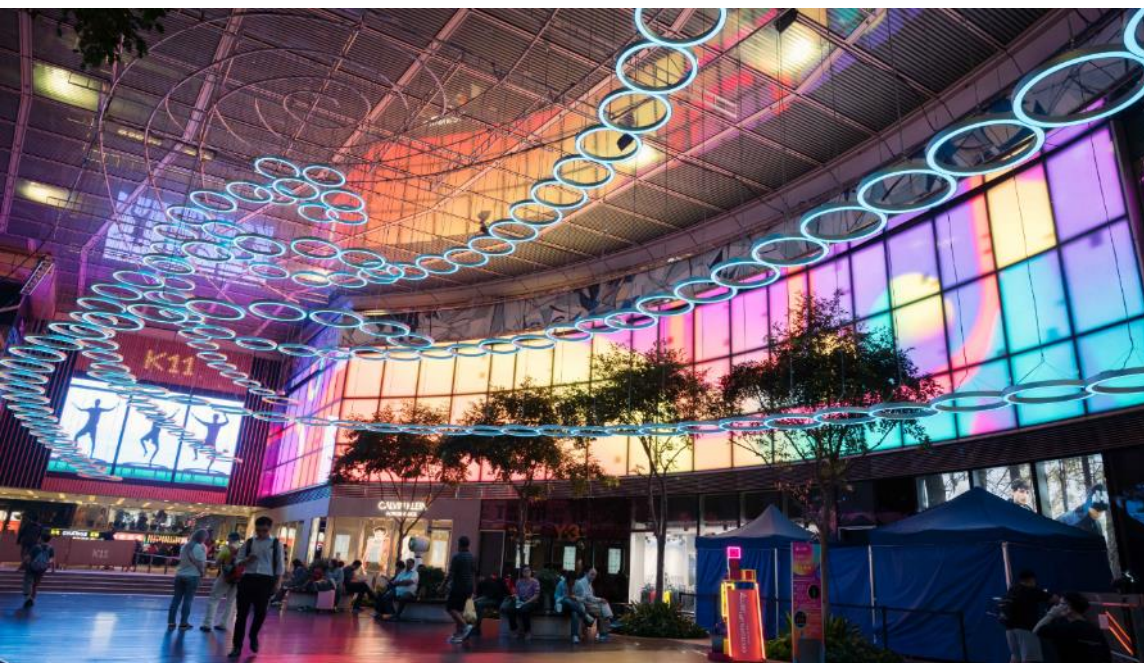
. The project comprises a total GFA of 290,000 sq m, to be developed into residential and commercial complex for sales and investment purpose. Target completion in 2022

Shancun old city redevelopment project in Guangzhou Liwan District

. NWC has become an intentional cooperative enterprise for the redevelopment of the old village of Shancun

. Shancun Old Village redevelopment project is located in a prime location which is adjacent to the four subway lines and the mature living cluster of Guangzhou Covent Garden





Key projects in HK	1HFY2019 occupancy
<u>Office</u>	
New World Tower	99%
Manning House	100%
K11 ATELIER	Over 80%
<u>Mall</u>	
HK K11 TST	97%
D·PARK	95%
THE FOREST	98%
Pearl City	89%

Key operations performance in 1HFY2019	
Gross rental income	Approx. HK\$0.9 billion
HK rental segment margin	71%
Footfall in HK K11 TST	1.5 million
Footfall in D·PARK	3.6 million



K11 MUSEA

- Offer world-class experience in retail, art, culture, entertainment and dining
- Extensive selection of international brands, many of which are pop-up stores and flagship stores that are setting their first presence in Hong Kong
- Current pre-leasing rate over 80%
- Will be unveiled in the third quarter of 2019

K11 ARTUS

- It is the first hospitality extension of K11
- Comprises 287 suites spanning across 14-storey
- Scheduled to open in summer 2019





AVENUE OF STARS 星光大道

Avenue of Stars ("AoS")

- . The Avenue of Stars, which connects Victoria Dockside, was reopened in January 2019
- . Mr. James Corner, a world renowned landscape architect and designer, together with a number of international and local designers, brings a number of innovative and interactive elements to the attraction
- . AoS will become the focus of millions of overseas and local visitors





Key projects

1HFY2019
occupancyOffice

Wuhan New World International Trade Towers

98%

Shanghai K11 – Office

94%

Retail

Beijing New World Centre

100%

Shanghai K11 – Art Mall

97%

Guangzhou Central Park-view

97%

Wuhan Guanggu K11 – Art Mall

84%

Serviced Apartment

Guangzhou Central Park-view

97%

Thank You

