



 **新世界發展有限公司**
New World Development Company Limited

FY2023
ANNUAL PRESENTATION
MEDIA SESSION

29 September 2023



SECTION I

BUSINESS AND FINANCIAL REVIEW



FY23 FINANCIAL SUMMARY

Revenue	Core Profit ⁽¹⁾	Profit for the Year
<p>HK\$95,214M</p> <p>+40% YoY</p>	<p>HK\$11,011M</p> <p>+21% YoY</p>	<p>HK\$4,081M</p> <p>-5% YoY</p> <p>Profit attributable to shareholder HK\$901M (-28% YoY)</p>
Capital Resources	Net Gearing Ratio	Dividend
<p>HK\$94B</p> <p>HK\$55b cash and bank balances HK\$39b undrawn lines</p>	<p>Reported: 48.7%</p> <p>Constant RMB: 47.1% ⁽²⁾ (Assume constant RMB as at Dec 2022)</p>	<p>Interim: HK\$0.46/share</p> <p>Final: HK\$0.30/share</p> <p>Special dividend (subject to deal closing): HK\$1.59/share</p>

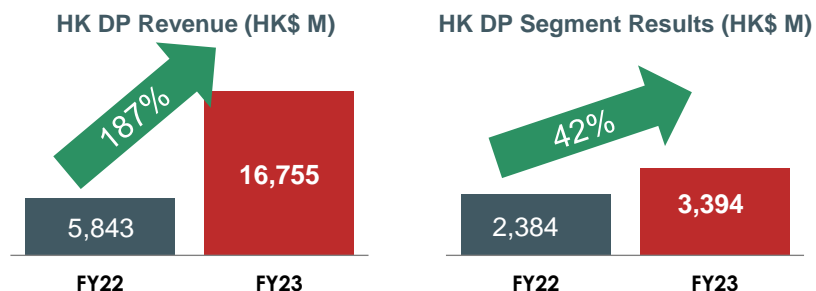
1. CORE PROFIT = Earning before Net Finance Costs, Tax, IP Fair Value Changes & Other Non Cash / Exceptional Items
2. Without taking into consideration of the NWS deal

SOLID DP AND K11 RESULTS AMIDST CHALLENGING ENVIRONMENT SUCCESSFULLY OPTIMIZED CAPEX

FY23 Financial Highlights

Development Properties

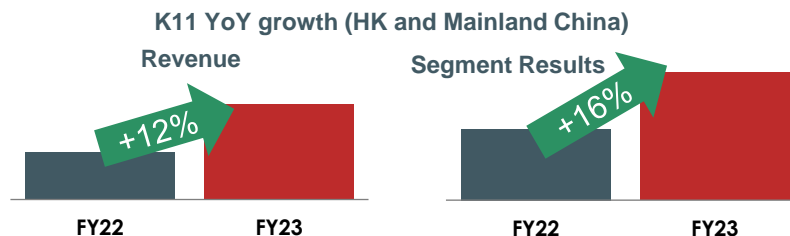
- **Strong HK DP performance** driven by **Pavilia Farm I & II booking**



- **Resilient Mainland China contracted sales**
 - ✓ Strong presence in 1st tier cities
 - ✓ Brand premium associated with high quality product

~100%
of full year target
(RMB 15 bn) achieved

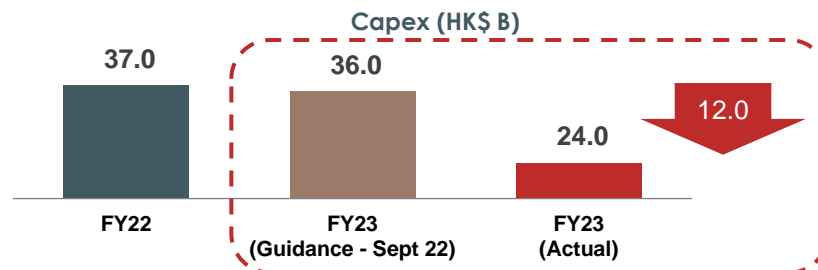
Investment Properties



- **Strong K11 performance** benefitting from proven **differentiated positioning**



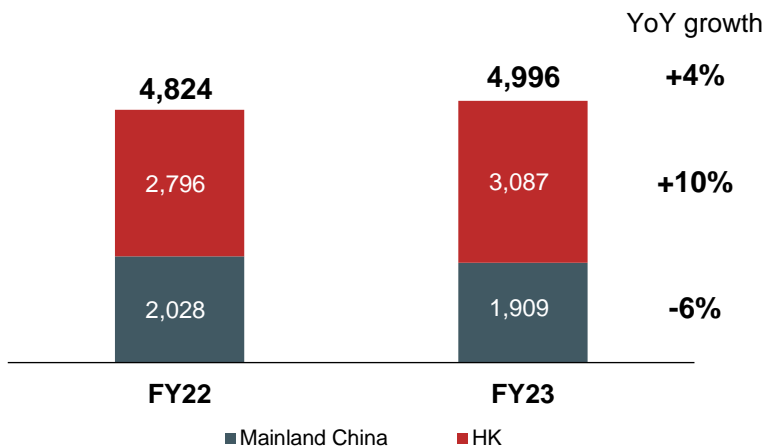
Capex Optimization



- More **disciplined** capex deployment
- Major IP projects reaching **end of investment cycle**

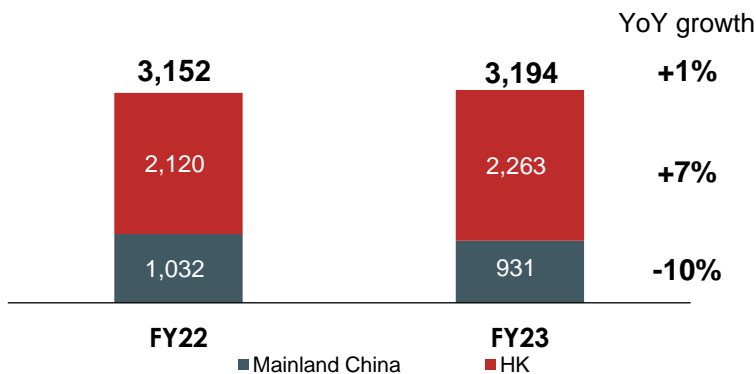
SOLID K11 RESULTS BENEFITTING FROM FULL BORDER REOPENING

IP Revenue by Region



K11
YoY growth
+12%
+16%
-2%

IP Segment Results by Region



K11
YoY growth
+16%
+21%
On Par

Note: (1) All chart figures in HK\$ M

Favorable HK policy



Massive Publicity Campaign

HONG KONG
WELCOMES ALL TALENTS TO
CREATE A BETTER FUTURE
香港潛力無限 聚人才 創未來



Top Talent Pass Scheme



SKYCITY: Transformation from a "city airport" to an "Airport City"



Domestic "Happy" scheme



Introduction of labour importation



Connection with Mainland

Stimulus PRC Policy

- NDRC issued **20 measures to boost domestic consumption**
- **Increased disposable income from reduced interest rate**

K11 RECORD-HIGH SALES PERFORMANCE

K11 MUSEA and K11 Art mall have recorded the highest footfall since their respective openings, with overall sales also hitting an all-time high

Management Alpha			
Brand value	Good tenant mix	Strong CRM	Differentiated customer experience

FY23 Occupancy

MUSEA **98%**

Art Mall **99%**

2HFY23 Mall Sales YoY

MUSEA **84%**

Art Mall **82%**

2HFY23 Footfall YoY

MUSEA **67%**

Art Mall **56%**

K11 MUSEA



Night Market by the Sea – Hong Kong's First Cultural Waterfront Market

NIGHT MARKET BY THE SEA – HONG KONG'S FIRST CULTURAL WATERFRONT MARKET

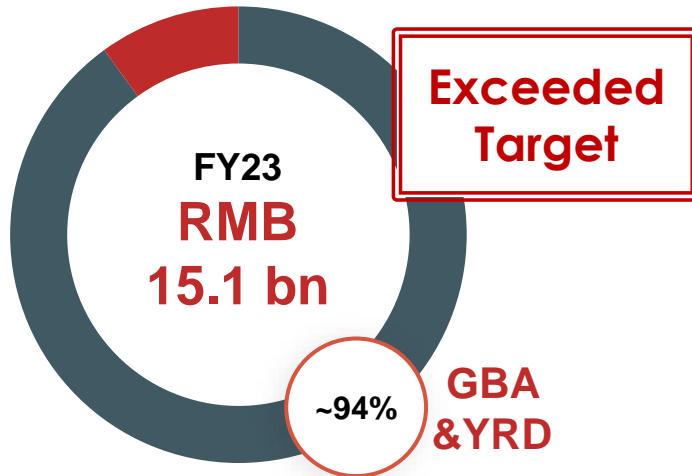
>15,000 Visitors on the First Weekend | Footfall +30% vs last weekend



MAINLAND CHINA ACHIEVED CONTRACTED SALES TARGET RMB15BN+ FOR FY23 AND RMB4.1BN FOR JUL AND AUG 2023

Robust performance despite challenging environment

Contracted sales



NWD'S EDGE

- Premium New World branding with quality products at **higher ASP**
- Best **1st tier locations** in GBA & YRD
- Targeting **upgraders** who benefit from recent favorable policies
- Strong track record with no prolonged construction suspension risk

Key projects launched in FY23



**GUANGZHOU
PARK PARADISE**

RMB1.7 BN

contracted sales

Note:
1. NWD has 100% equity interest



**SHANGHAI CITY
GATHER**

RMB5.3 BN

contracted sales

**1st and 2nd phase ALL SOLD OUT
(Apr and Aug)**

- 1st (Apr) of RMB3.8bn
- 2nd (Aug) of RMB1.5bn
- ASP >RMB100k/sqm

Note:
1. NWD has 20% equity interest

WITH HIGH-QUALITY PROJECTS AND STRONG PRESENCE IN PRIME LOCATIONS, NWD BENEFITS FROM FAVORABLE POLICIES STIMULATING **UPGRADING DEMAND**

Robust performance despite the market downtrend

Recent favorable policies

- ✓ Sept 20: **Relaxation** of home purchase restriction for some districts in Guangzhou (including **Panyu**)
- ✓ Sept 1: **認房不認貸** confirmed for all tier one cities
- ✓ Aug 31: Lowering down-payment ratio to 20% (first home) / 30% (second home)
 - ✓ **First nationwide demand side easing since 2015**

Contracted sales

RMB5.0 bn 
contracted sales for July to September

Latest key projects launched in Jul – Sept 23



Note:
1. NWD has 100% equity interest

SHENYANG PARK VILLE

~RMB1.0 bn

sales subscriptions since July

- **1,000+** prospective homebuyers visiting each month
- **100+** units sold each month
- Continues to top the Residential Property Sales List



Within one hour of initial market launch:

- **230 units were sold**
- **contracted sales of RMB1.5 bn+**

Note:
1. NWD has 65% equity interest

GUANGZHOU HANXI

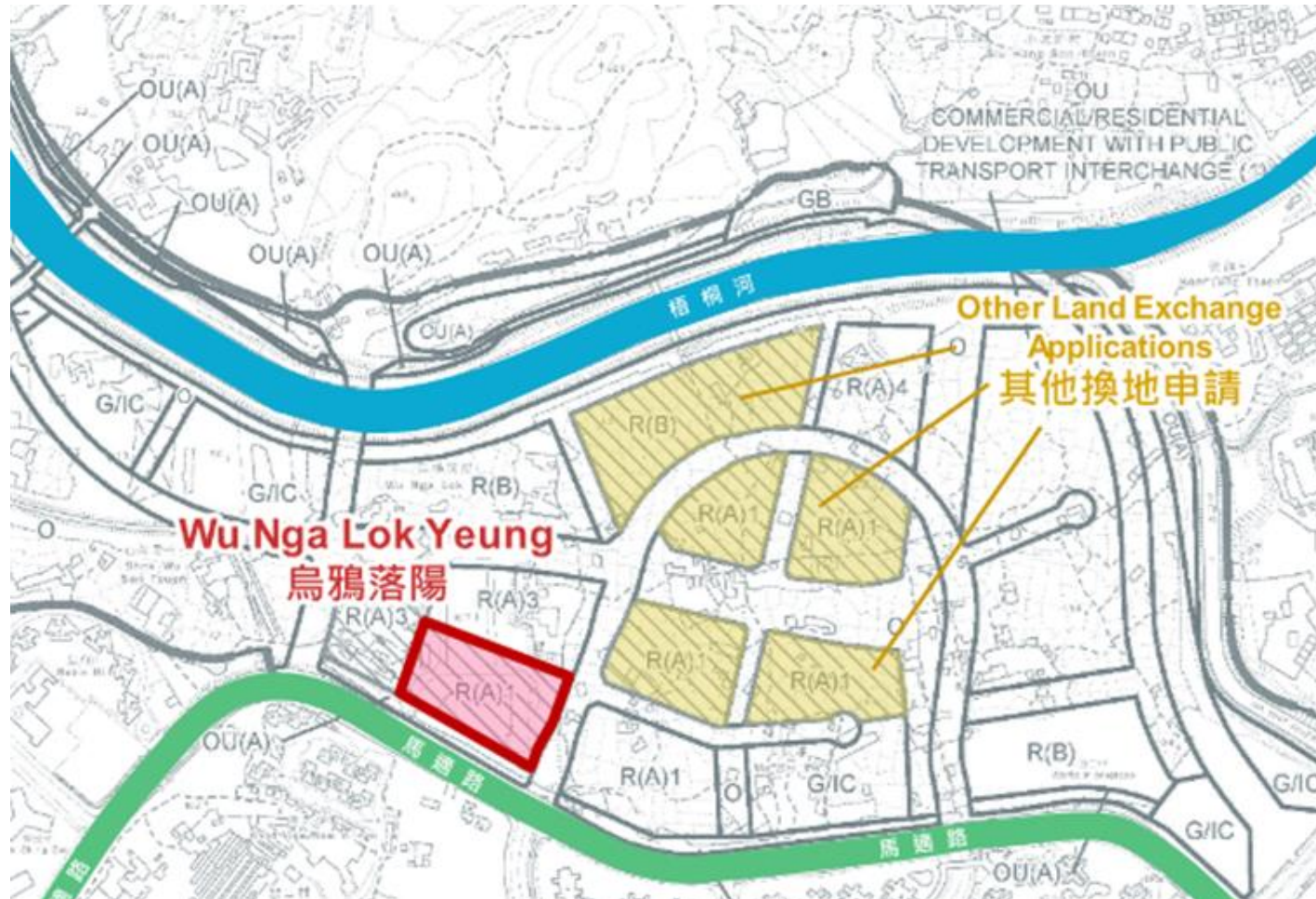
~RMB3.0 BN

sales subscriptions since March

- Home purchase restrictions lifted in Panyu District on Sept 20
- Homebuyer visits +241%
 - Many buyers with multiple units purchases

FANLING NORTH NEW DEVELOPMENT AREAS (WU NGA LOK YEUNG)

Northern Metropolis Strategy: To create more land resources for residential use and support the development of I&T and other industries



- Easy access to Ma Sik Road 馬適路
 - ✓ Road connections in place
- Previously loaned to govt for free to build temporary isolation/quarantine facilities



ENTERING A “HARVESTING PHASE” BEGINNING THE LONGER-TERM PROCESS OF REALIZING RETURNS ON PAST INVESTMENTS

11 SKIES: Newest tourism landmark at the heart of GBA will largely benefit from tourism rebound and flight capacity expansion

Unparalleled Geographical Advantage



Easy access to key transportation hubs

Direct footbridge	<ul style="list-style-type: none"> HK Airport Terminal 2 Asia World-Expo Airport Express Station
Airportcity Link (autonomous train)	<ul style="list-style-type: none"> HK-Zhuhai-Macao Bridge (with new parking facility being built)
Others key facilities nearby	<ul style="list-style-type: none"> SkyPier Terminal Three Five-Star hotels

One-Stop Largest Entertainment, Retail and Commerce Landmark

Total GFA **3.8M sqft** Over **800 shops**

HK's Biggest Indoor Entertainment Hub for All Ages

570,000 sqft



ARTE Museum



KidZania



Paddington Play Adventures



Timeless Flight Hong Kong

Highly Recognized Award



Cooperation with Disneyland – Transform Lantau into International Travel-tainment Hub



11 SKIES開店

ENTERING A “**HARVESTING PHASE**” BEGINNING THE LONGER-TERM PROCESS OF REALIZING RETURNS ON PAST INVESTMENTS

Kai Tak Sports Park



The **Largest** Sports Venue in Hong Kong

Opening by end of 2024

Host the 15th National Games in 2025

Main Stadium

50,000 seats

“Sportainment” retail experience

700k sq ft

K11 ECOAST in Shenzhen Prince Bay (深圳太子灣)



1



K11's **inaugural flagship** project in mainland China

Opening in phases from 2024

Total GFA

~228k sqm²

Geographical Advantage

- Spectacular coastal landscape
- Adjacent to Shekou Cruise Centre and Marine World

Note: (1) New World Development has 51% equity interest in the project

SECTION II

DELIVERING OUR COMMITMENTS



ACCESS TO ABUNDANT CAPITAL AT LOW FUNDING COSTS

Abundant liquidity as banks continue to show strong support

Offshore Borrowings – HKD/USD

- ✓ In 2HFY23, secured **HK\$30b** of low-interest loans from banks
 - Refinancing: c.HK\$22b
 - New money: HK\$8b
- ✓ Low-cost @ **HIBOR+1.1%**
- ✓ All refinancing of borrowings due in 2023 has been taken care of



Long-standing banking relationship with **~60** banks

All maintained the credit lines

Onshore Borrowings – RMB

Bank loans done with low interest rate @ **2.8% to 3.2%**

RMB CMBS

HK\$1.2bn @ **3.5%**

Panda Bond

HK\$1.6bn @ **3.9%**

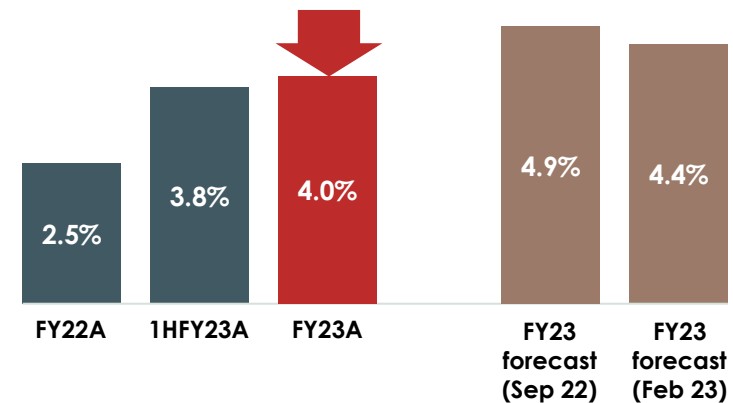
Capital Resources

HK\$94B

HK\$55b cash and bank balances
HK\$39b undrawn lines



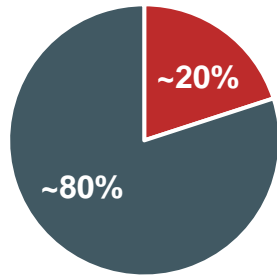
FY23 Average Interest Rate Remains Low



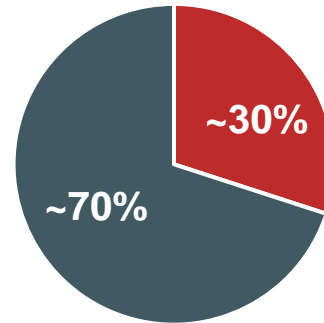
RECURRING BUSINESS TO CONTRIBUTE ~50% PROFIT BY 2026

Improved earnings stability as a result of strong rental income growth from investment properties pipeline

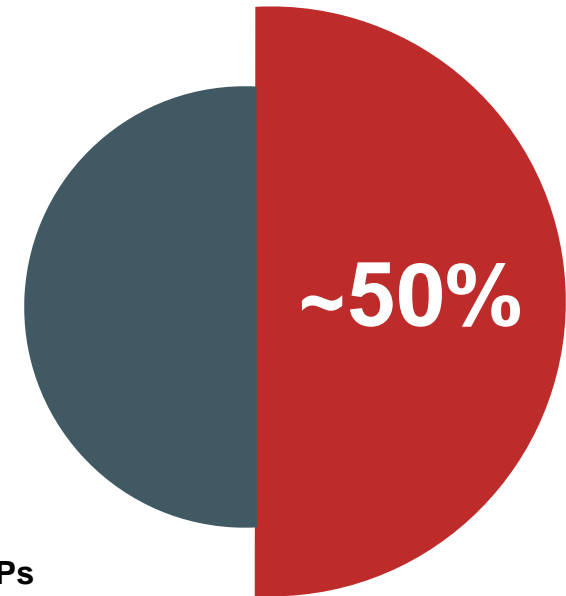
Before
2023



2023



2026



Ramp up in IP since 2019

- Recurring core profit
- Non-recurring core profit

Major IPs



Victoria Dockside

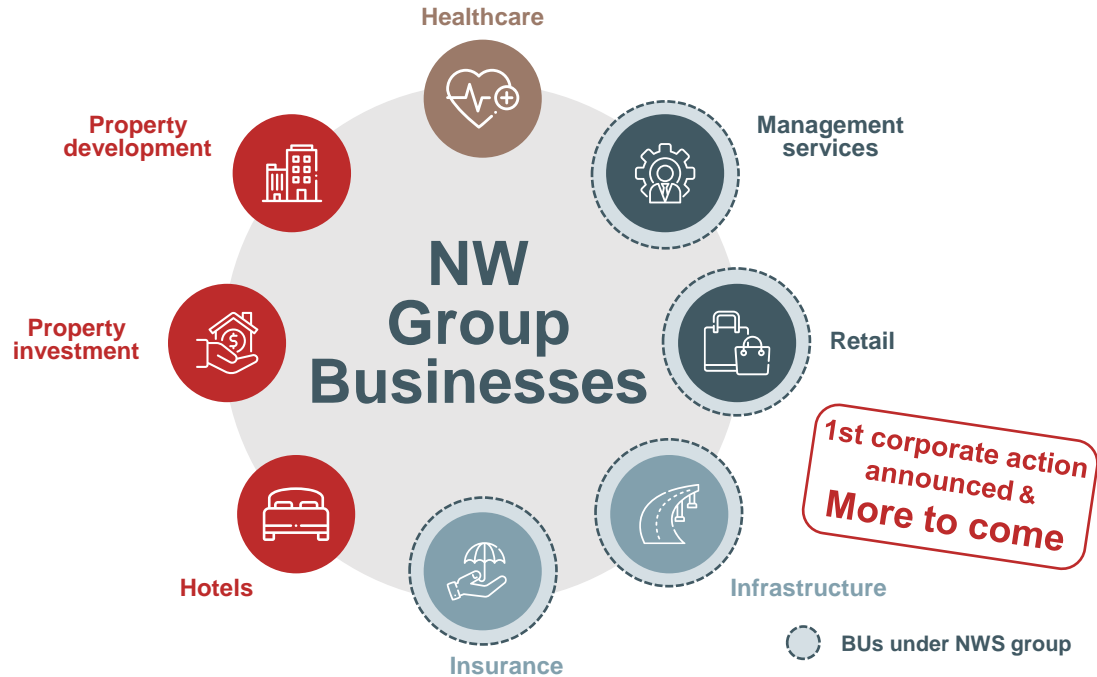


11 SKIES,
Skycity Project



Shenzhen K11
Ecoast

EXPLORE STRATEGIC OPTIONS FOR VARIOUS BUSINESSES TO UNLOCK VALUE AND MAXIMIZE SHAREHOLDER RETURN



Actively exploring strategic options for various businesses in order to:

- **Unlock value** of individual business units
- Sharpen respective **strategic focus** of our group companies
- **Narrow** holdco discount
- **Maximize return** for shareholders

2020 - Current Feb 2023 June 2023 Sept 2023 →

Non-core disposal to streamline businesses Announced exploring a SERIES of CORPORATE ACTIONS CTFE's VGO of NWS announced **More to come**

Q&A SESSION

A photograph of a modern building at dusk. The building features a prominent glass facade with a curved, cantilevered upper section. The ground floor is illuminated from within, showing a bright interior. A walkway with a railing runs along the side of the building. In the background, a cityscape and mountains are visible under a twilight sky. The text "Q&A SESSION" is overlaid in white, bold, sans-serif font in the center-left of the image.