

FY2024 ANNUAL PRESENTATION MEDIA BRIEFING

26 September 2024

WE CREATE, WE ARE ARTISANS, WE ARE CSV



resilience.



reset.



reborn.

PREMIUM BRAND DELIVERS RESILIENT DP SALES

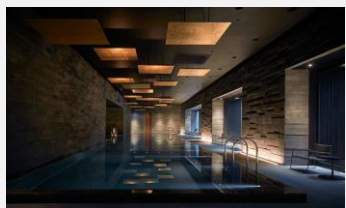
Pavilia Collection: Total Contracted Sales

~HKD100B

Pavilia Brand PAVILIA

Others

THE PAVILIA HILL
柏傲山



~HKD9.3B

Gross Contracted sales

- Tin Hau
- 358 units

2014

THE PAVILIA BAY
柏傲灣



~HKD10.1B

Gross Contracted sales

- Tsuen Wan
- 983 units

2017

MOUNT PAVILIA 傲灑



~HKD20.1B

Gross Contracted sales

- Clear Water Bay
- 680 units

2017

FLEUR PAVILIA
柏蔚山



~HKD16.0B

Gross Contracted sales

- North Point
- 611 units

2018

The Pavilia Farm
柏傲莊



~HKD37.3B

Gross Contracted sales*

- Tai Wai
- 3,090 units

2020

THE PAVILIA FOREST
柏蔚森



~HKD2.3B

Gross Contracted sales

- Kai Tak
- 1,305 units

2024

THE RIVERPARK
漆岸8號

PARKVILLA 柏巒

THE PARKHILL 柏濤

PARK SIGNATURE | 溱柏

SKYPARK
PICNIC IN AURORA DREAMS

BOHEMIAN HOUSE 臻璈

(Selected projects)

INNOVATIVE DESIGN AND THE POWERFUL NWD BRAND

Unique
NWD / Pavilia
brand

*Effective
sales strategy*

Innovative
10大發明

*Attracting customers
through practical
innovations*



MAGIC HANGER

BALCONY+

MAGIC BASKET

The Pavilia Farm

**Broke HK record in
subscription & unit price**



- ✓ 80x over-subscribed - **broke record for the 3rd time** since 97
- ✓ **Record unit price** in the New Territories

The Pavilia Forest

**Best-selling project newly-
launched in Kai Tak runway
area in past 3 years**



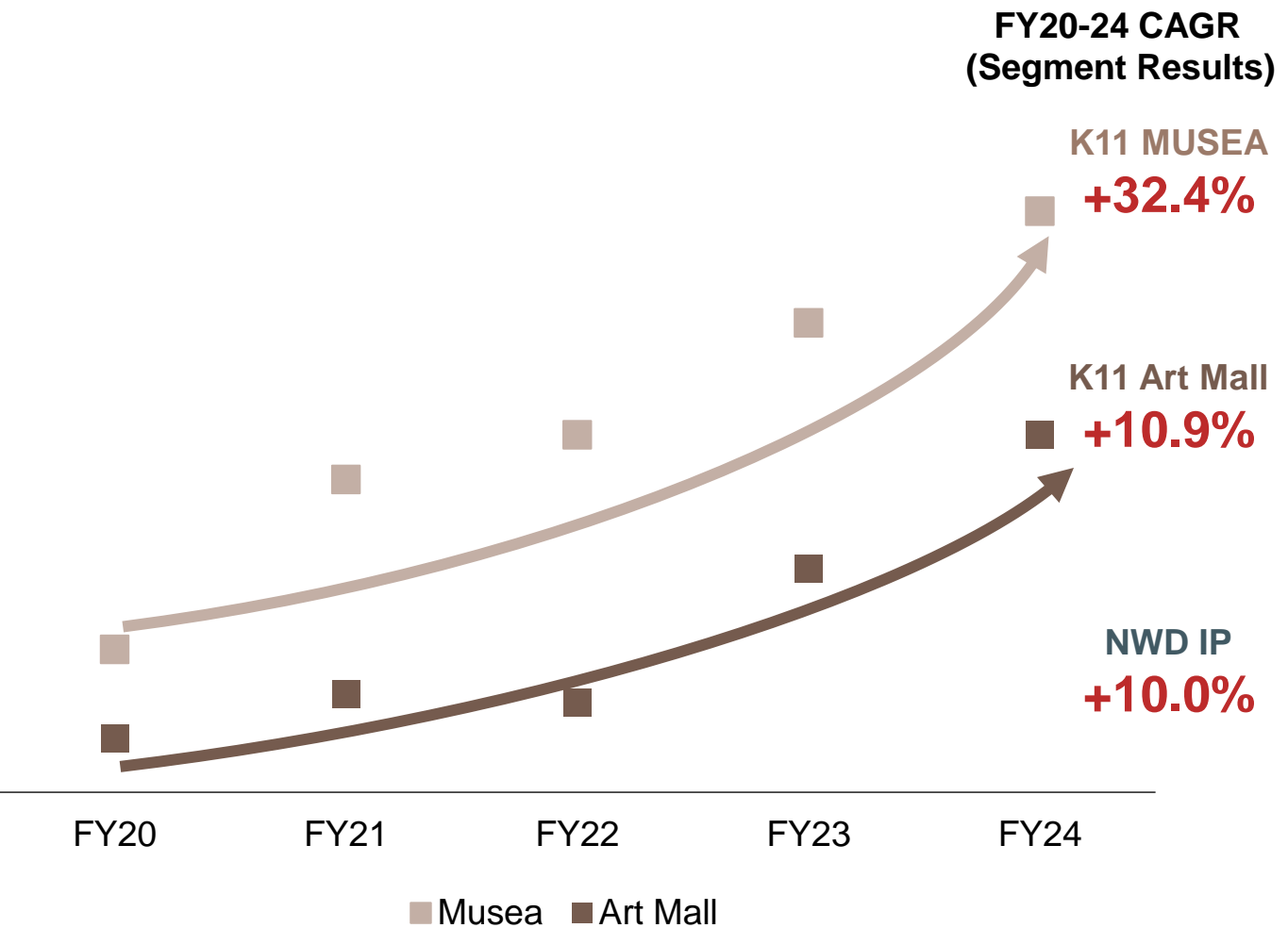
- ✓ 330 units sold in **2 months** | **72% sold***
- ✓ Gross contracted sales **~HKD2.3b**

* Percentage of no. of units sold over total units launched

SOLID GROWTH SINCE 2008



STRONG K11 GROWTH



Resilience. Reset. Reborn.

SECTION ONE

BUSINESS RESET

The Artisanal Movement



**REVALUATION &
IMPAIRMENTS TO
FACILITATE
RESET**



**REDUCING DEBT &
INTEREST, ENSURING
LIQUIDITY & FINANCIAL
FLEXIBILITY**

*with diversified funding
sources*



**SOLID BUSINESS
FUNDAMENTALS & LONG-
TERM EARNINGS
GROWTH**

*as mega IPs completing and
robust DP pipeline
contributing*



**BEGINNING OF
RATE CUT CYCLE**

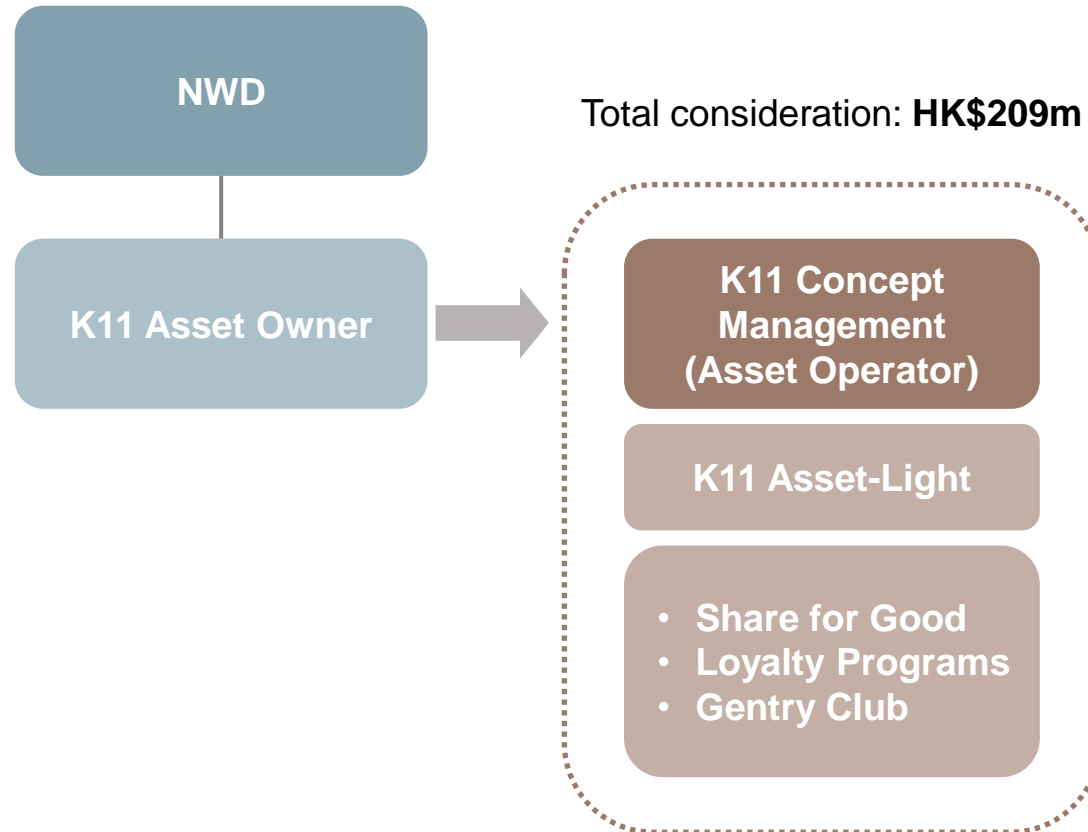


**Management
WILL NOT
consider rights issue**




SITUATION UPDATE

Significant corporate action to reposition NWD around its core businesses, and optimize cost structure to maximize value to shareholders

Illustrative Structure After the Transaction



Benefits of the Transaction

-  **1** Prioritize on NWD's core businesses
-  **2** Optimize cost structure and improve ROA
-  **3** Flexibility to adjust to evolving market conditions

Resilience. Reset. Reborn.

SECTION TWO

FINANCIAL HIGHLIGHTS

The Artisanal Movement

NAVIGATING THROUGH A CHALLENGING ENVIRONMENT

Core Operating Profit ^{(1) (2)}	Segment Results ⁽²⁾	Loss Attributable To Shareholders		
<p>HK\$6,898M</p> <p>-18% YoY</p>	<p>HK\$7,375M</p> <p>-23% YoY</p> <p>IP Segment Results</p> <p>+9% YoY</p>	<p>HK\$19.7B</p> <hr style="border-top: 1px dashed black;"/> <p>Non-cash losses</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; text-align: center;"> Revaluation / impairment HK\$9.2B </td> <td style="width: 50%; text-align: center;"> NWS disposal HK\$8.3B ⁽³⁾ </td> </tr> </table>	Revaluation / impairment HK\$9.2B	NWS disposal HK\$8.3B ⁽³⁾
Revaluation / impairment HK\$9.2B	NWS disposal HK\$8.3B ⁽³⁾			
OPEX ⁽²⁾	CAPEX ⁽²⁾	Gross Debt Reduction ⁽²⁾		
<p>HK\$4.2B</p> <p>-17% YoY</p>	<p>HK\$14.8B</p> <p>-23% YoY</p>	<p>HK\$12.4B</p> <p>-8% YoY</p>		

1. Core Operating Profit is defined as profit from continuing operations excluding (a) changes in fair value of investment properties, (b) taxation, (c) financing income and costs, (d) remeasurement of cost of disposal, (e) gain or loss on disposal of non-core assets and (f) impairment loss on or write back of loss allowance on development properties, property, plant and equipment, rights-of-use assets and non-current assets classified as assets held for sale
2. From continuing operations
3. As disclosed in 1H24 results

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SECTION THREE

BUSINESS REVIEW

The Artisanal Movement

RESILIENT HK DP SALES IN CHALLENGING MARKETS

RESIDENTIAL: RESILIENT DEMAND ON THE BACK OF PREMIUM NWD BRANDS

The Pavilia Forest
Gross contracted sales
~HKD2.3b

Launched in July 2024
 (456 out of 1,305 units)

Best-selling project newly-launched on Kai Tak runway in past 3 years
 ✓ 330 units sold in 2 months
 ✓ 25-48x over-subscribed*

Note: * At launch

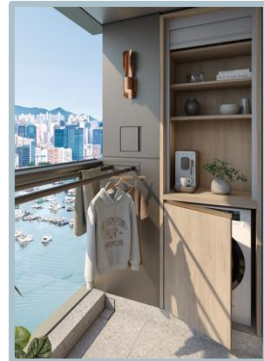
Premium NWD/ Pavilia brand



Effective sales strategy



Practical innovations
 十大發明



~72% sold¹

Note: 1. Percentage of no. of units sold over total units launched

BEGINNING OF RATE-CUT CYCLE CONTINUE TO DRIVE SALES MOMENTUM



WCH Phase 5

- ✓ **Meticulous** design features
- ✓ **Premium view** atop MTR station

To be launched in 2025
 • Gross area: ~558k ft²
 • No. of units: ~825



State Theatre Project

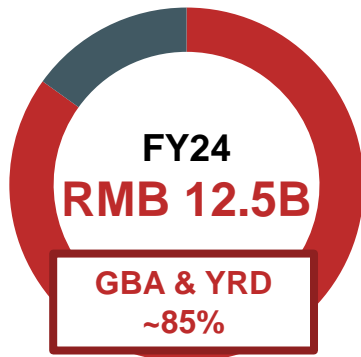
- ✓ **Unique heritage residence**
- ✓ **Rare new development** in North Point

To be launched in 2025
 • Gross area: ~178k ft²
 • No. of units: ~400 (Phase I)

RESILIENT PRC DP SALES IN CHALLENGING MARKETS

OUTPERFORM MARKET WITH IMPROVED RANKING

Contracted Sales



■ GBA & YRD ■ Others



National sales ranking*

#77 (Jan-Jul 2024)

#125 (2020)

* Source: 亿翰智库

Premium
New
World
brand

Best
1st tier
locations

Strong
track
record

- Higher ASP
- Resilient demand
- Outperform market

KEY PROJECTS (FY24-25)

GUANGZHOU HANXI



FY24 Contracted Sales
~RMB3.6B

- **Top 1** in Guangzhou Panyu district
- GFA of the sold units: **56,930 m²**
- Average Selling Price: **~RMB62.9k**

SHENYANG NEW WORLD



FY24 Contracted Sales
~RMB1.5B

- **Top 1** in Shenyang

GUANGZHOU THE SILLAGE

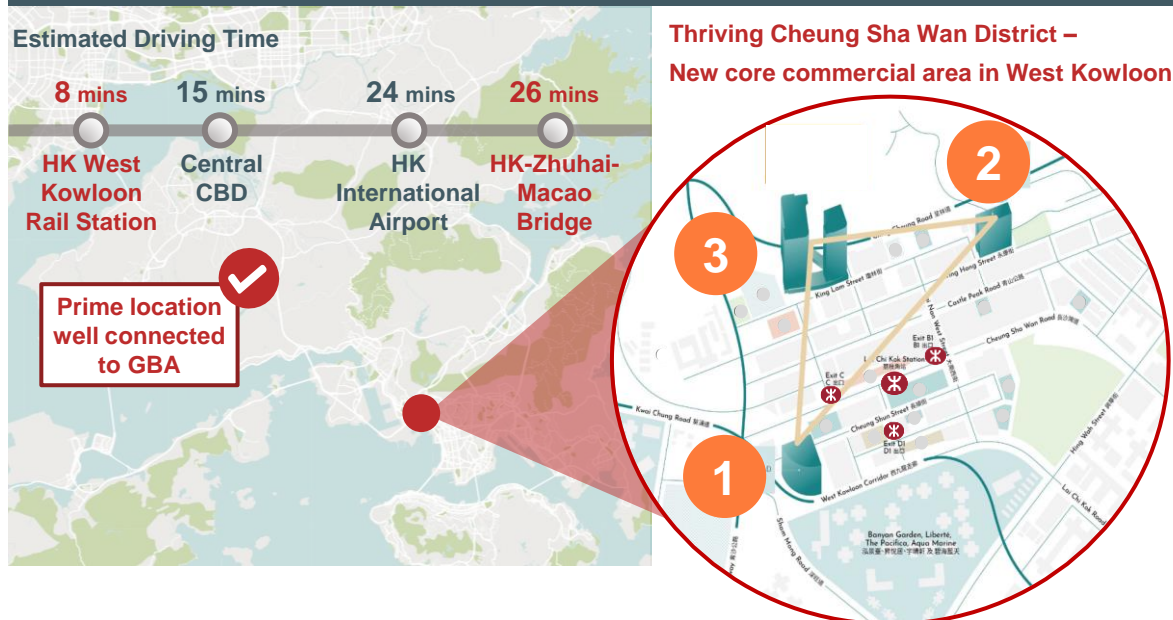


- **Top 1** in Guangzhou Bai'etan district
- No. of units sold on the 1st launch day: **192**

1 DEVELOPMENT PROPERTIES

SOLID OFFICE SALES WITH INCREASED MOMENTUM

INCREASING DEMAND FOR PREMIUM OFFICES IN WEST KOWLOON



1



~99% sold¹

NCB Innovation Centre
(888 Lai Chi Kok Road)
Gross contracted sales ~HKD1.6B (CY24)

Launched in May 2022

• Gross area: ~580k ft²

Notable tenants/ buyers:

Franck Muller, HKU Space, NCB, PC Partner, kapok, NWS, LOJEL

Note:
1. Percentage of no. of units sold over total units launched



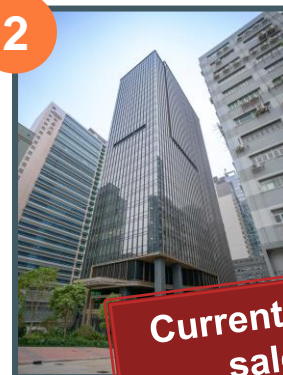
✓ **Rare and premium grade A office buildings in West Kowloon**

- Limited supply with **proper commercial land use right** in the district
- Higher ASP with NWD's iconic **design features** and facilities

✓ **Effective sales strategy**

✓ **Attracts buyers of diversified sectors and nationalities**

2

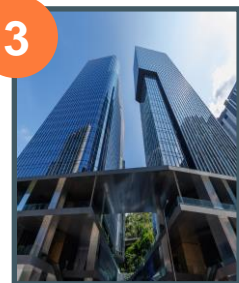


Currently on sale

83 Wing Hong Street
Multiple discussions ongoing
Newly launched in 2024

- Gross area: ~440k ft²
- ✓ Sold 51% stake to Ares in 2022

3



83 King Lam Street
(NWD HQ2)



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

SOLID AND RESILIENT IP RESULTS ON THE BACK OF K11

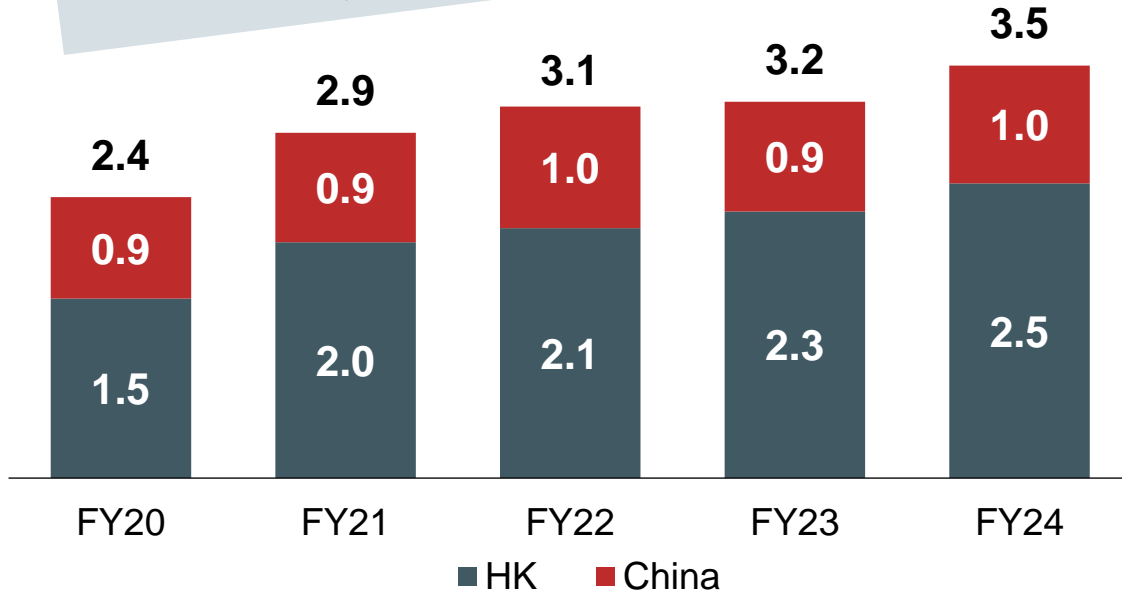
IP SEGMENT RESULTS

(HK\$B)

IP YoY
+9.3%

K11 YoY
+11.9%

FY20-24 CAGR: **+10.0%**

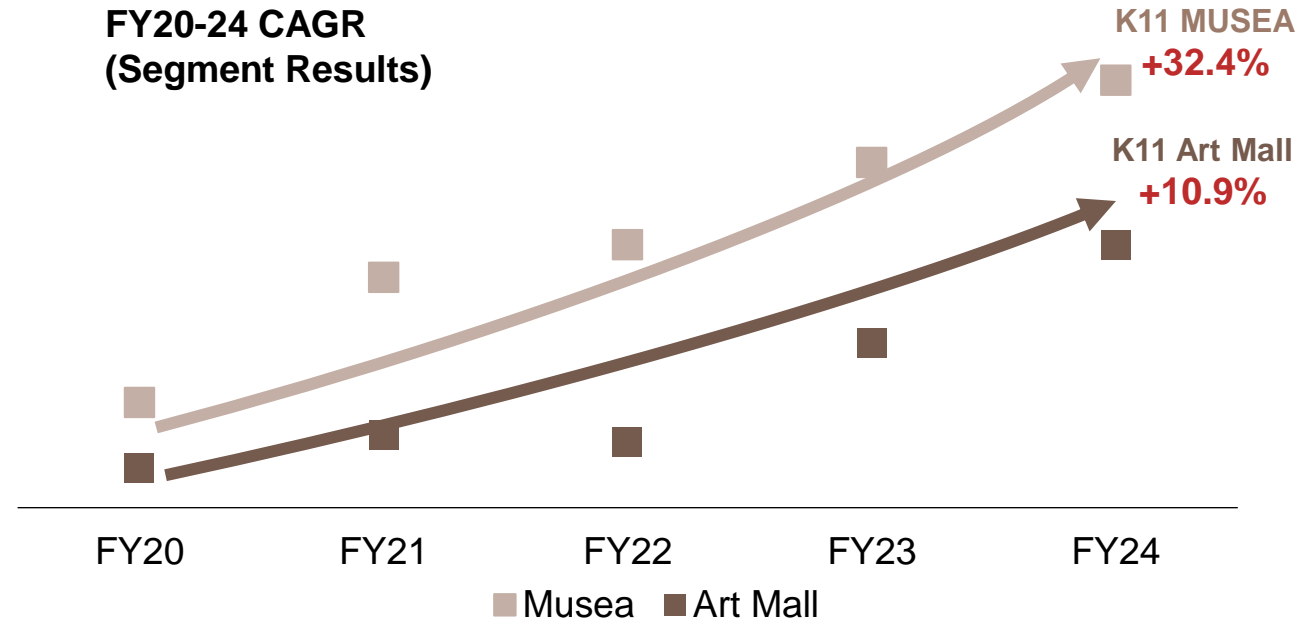


Solid performance in FY24



	Occupancy	Footfall YoY	Mall Sales YoY
MUSEA	97%	+20%	+17%
Art Mall	99%	+10%	+16%

FY20-24 CAGR
(Segment Results)



CONTINUOUS TENANT OPTIMIZATION WITH INTERNATIONAL BRANDS

HIGH SPACE PRODUCTIVITY DRIVES TENANT UPGRADE

7 Major Brands Doubling Footprint at K11 MUSEA

Audemars Piguet <i>Store expansion</i>	Balenciaga <i>Duplex expansion</i>	Brunello Cucinelli <i>Duplex expansion</i>	Loewe <i>Store renovation</i>
Prada <i>New Duplex Maison</i>	Van Cleef & Arpels <i>Duplex expansion</i>	Saint Laurent <i>Duplex expansion</i>	<i>more to come...</i>

F&B BRANDS OPEN 1ST HK STORES AT K11 ART MALL



★ 1st in HK



★ 1st in HK



★ 1st in HK



★ 1st Concept Store in HK

more to come...



Jul 2024

K11 Art Mall
Asia's First Toys“R”Us Playful Living Concept Store



Sep 2024

K11 MUSEA
Second Toys“R”Us Concept Store at K11

more to come...



Differentiating K11 cultural-commerce model



Cooperation opportunities at various K11 malls

K11 PIPELINE: BEGINNING OF THE RAMP-UP PHASE

K11 ECOAST in Shenzhen Prince Bay



K11's
inaugural flagship
 project in PRC

~**228k M²** Total GFA

Open from
 end of 2024



Pre-lease rate: **>50%**

THE PARK by K11 Select in Ningbo



K11's
landmark
 project in YRD

~**100k M²** Total GFA

Open in Sep
 2024

Bringing
 new brands
 to Ningbo

TSUTAYA BOOKSTORE
 Green&Health
 META MUSIC PARK

Pre-lease rate: **>60%**

11 SKIES

One-Stop Largest Entertainment, Retail and Commerce Landmark



3 Grade A office towers
K11 ATELIER 11 SKIES

**Retail, dining
 & professional services**
 (in sync with timeline of SKYCITY and HKIA)

HK's Biggest Indoor Entertainment Hub for All Ages



First in Greater China

KidZania

Trial
 events
**SUMMER
 2024**

Cooperates with
~30
 renowned international &
 local brands

3-storey
 at 11 SKIES

~70 immersive occupational role-playing
 experiences for kids



Chinese pastry
 bakery



Wealth mgt



Sports centre



5G Smart City
 Technology Hub



Childcare



Emergency
 services

★ HK exclusive

CONTINUOUS PROGRESS ON FARMLAND MONETIZATION

Policy Support: Increased Plot Ratio

1 Strategic cooperation with SOEs

Co-development of sites in prime locations with **well-connected transport links**

2 Farmland direct sale

For smaller land parcels

3 Farmland resumption

Current compensation rate by gov't*: **HK\$1,114 per site area FT²**

* For agricultural land resumed for development uses



Lung Tin Tsuen (Yuen Long South)

- Total GFA: ~720k FT²
- Building plan approved – June 2024 ⁽¹⁾**
- Residential GFA: ~280k FT²



Plot ratio: ~5x



Wu Nga Lok Yeung (Fanling North)

- Building plan approved – May 2024**
- Residential GFA: ~1,120k FT²



Plot ratio: ~7x




Jointly explore and develop **innovation & technology zone** & other **real estate** projects in NW

Dec 2023

Strategic cooperation with China Resources Land

May 2024

- Strategic cooperation with China Merchants Shekou
- MOU with Shum Yip Holdings

FY25 →

More under discussions

1. Building plans approved for part of JV project with China Resources Land

Resilience. Reset. Reborn.

SECTION FOUR

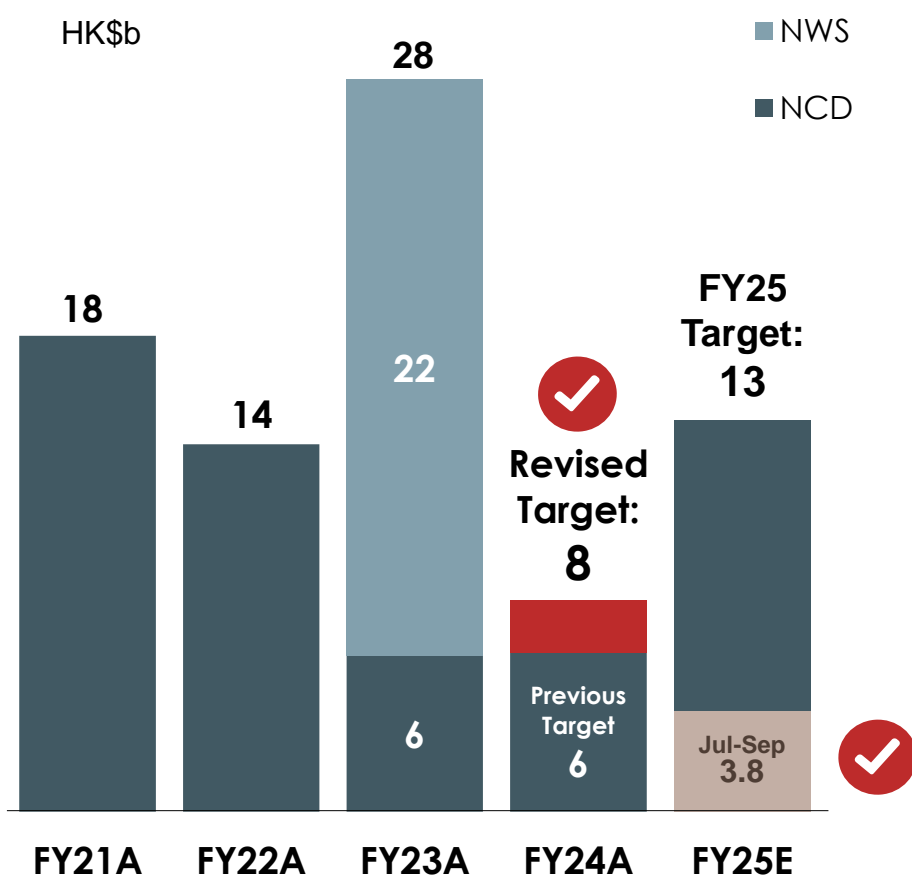
OUR DELEVERAGING STRATEGY

The Artisanal Movement

NON-CORE + OTHER DISPOSALS

Non-core disposals to recycle capital and accelerate deleveraging

Non-core + other disposals ahead of market



Progress update

- ✓ NWD has been actively disposing non-core assets since FY2019 for capital recycling
- ✓ FY24 **completed NCD of HK\$7.7b**
 - Disposal of D Park (HK\$4.02b) completed
 - Disposal of Qianhai project to CTFE (RMB1.4b) announced
 - A number of smaller transactions
- ✓ **FY25 NCD target: HK\$13b**
 - Jul – Sept progress: **HK\$3.8b**
- ✓ Other NCD discussions ongoing

Non-core disposals criteria



Low IRR businesses and assets → Recycle capital for higher IRR projects

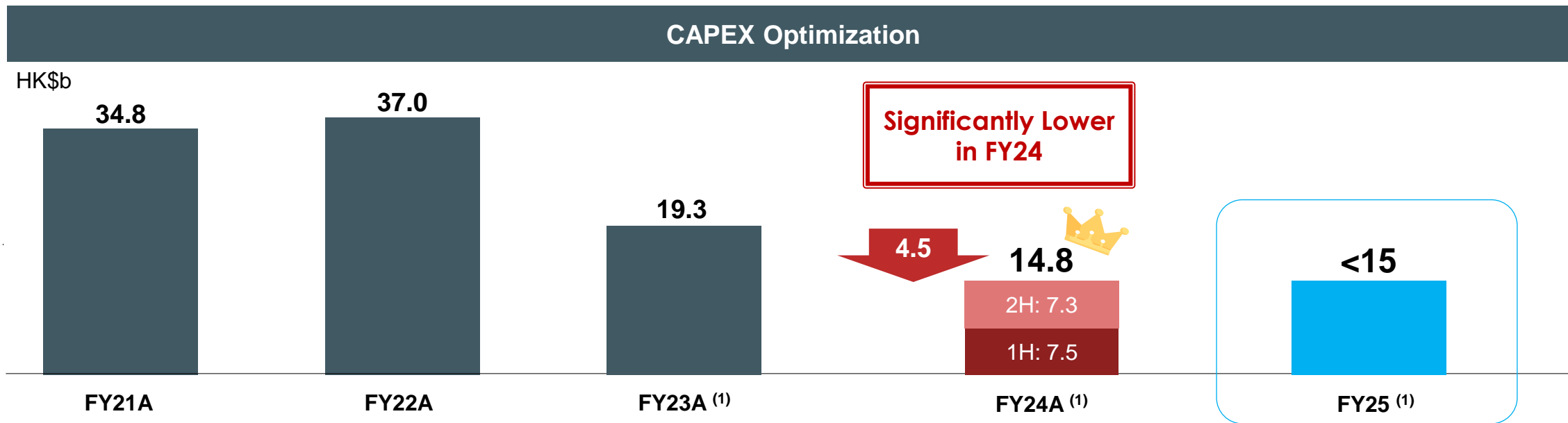


Minority stake → Simplify corporate structure and narrow holdco discount



Little synergy to NWD

SIGNIFICANTLY LOWER CAPEX IN FY24



CAPEX Optimization Initiatives



JV partner



Earlier designs



Centralized procurement



Landbank strategy

✓ Large-scale IP projects largely completed (e.g. 11 SKIES, K11 ECOAST)

✓ Capex for DP with short cash conversion cycle

- **HK:** Convert farmland to landbank at lower cost
- **China:** URP Approach
- Collaboration with **SOE** partners to share capex

1. From continuing operations, excluding NWS

TEMPORARY DIVIDEND HALT TO ACCELERATE DELEVERAGING

Remain committed to returning capital as part of creating long-term shareholder value

DPS with reference to core operating profit and profit attributable to shareholders

Pre-emptive impairment exercise will give room for future earnings upside

Prudent capital management to facilitate deleveraging

Improve financial flexibility

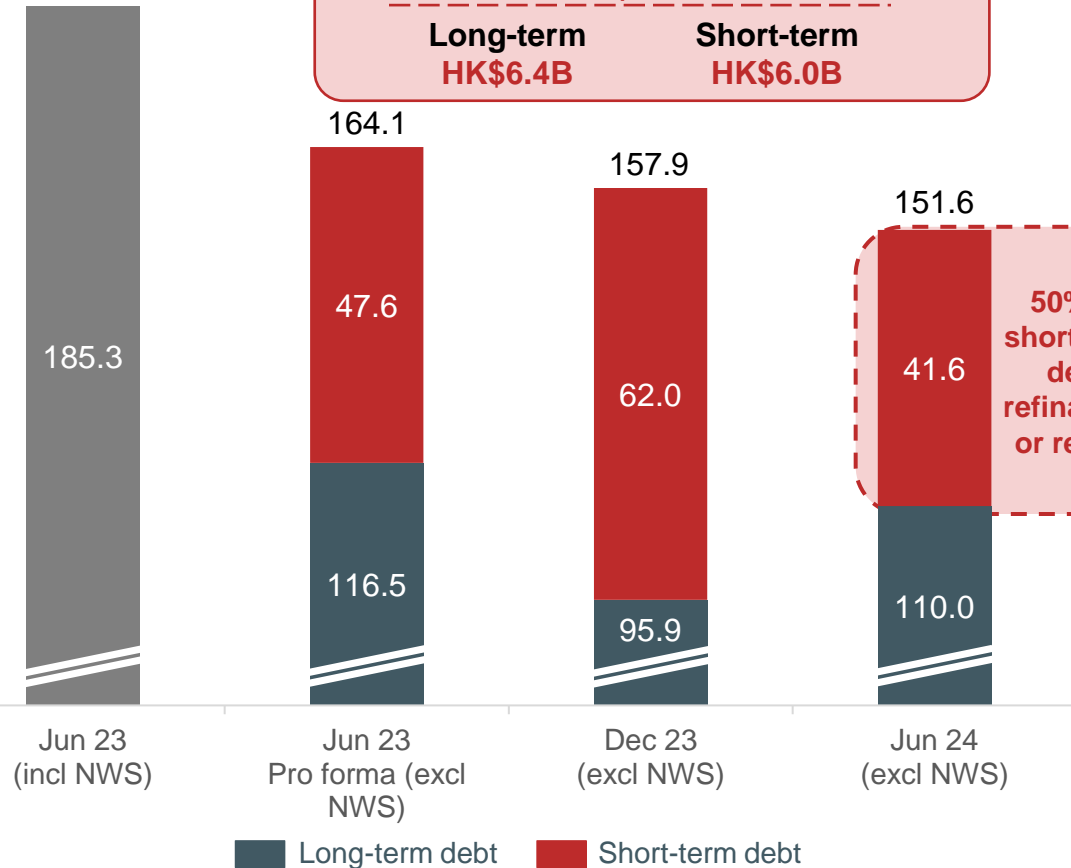
Optimize capital structure

CONTINUOUS PROGRESS IN DEBT REDUCTION WITH AVERAGE MATURITY EXTENDED

Interest rates to go down on the back of rate cuts

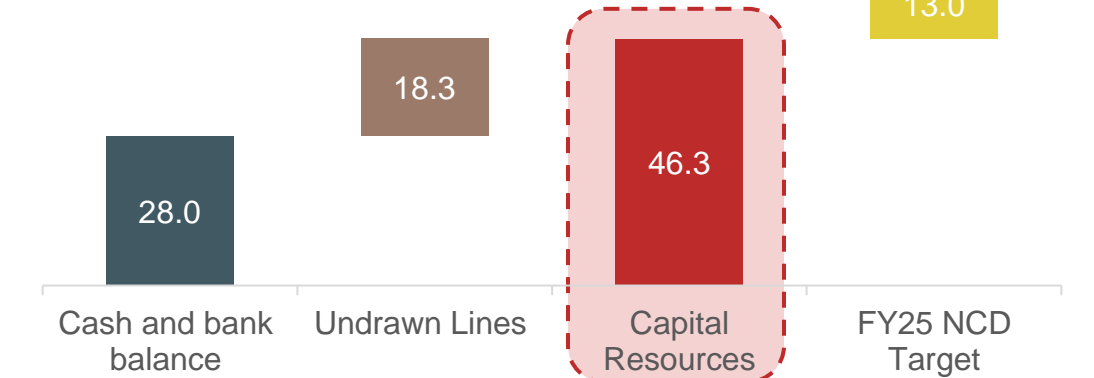
Total Debt Trending Down

(HK\$b)

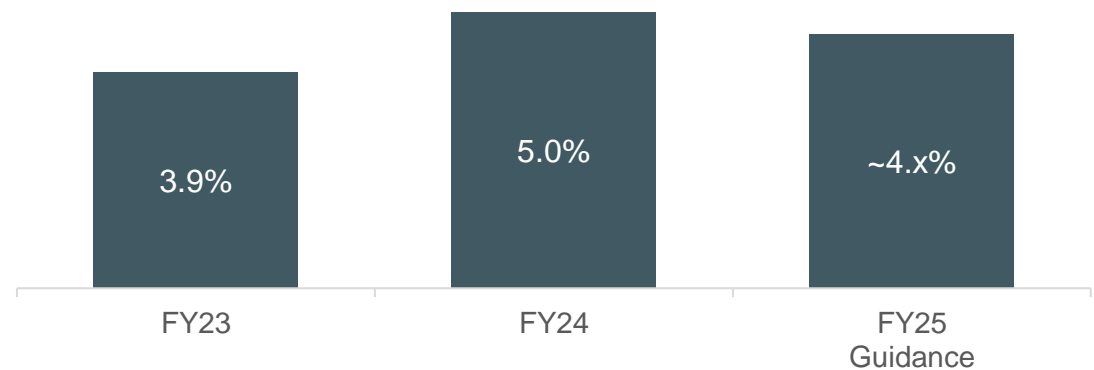


Short-term Debt Fully Covered by Sufficient Capital Resources

(HK\$b)



Average Interest Rates to Go Down on the Back of Rate Cuts





**REVALUATION &
IMPAIRMENTS TO
FACILITATE
RESET**



**REDUCING DEBT &
INTEREST, ENSURING
LIQUIDITY & FINANCIAL
FLEXIBILITY**

*with diversified funding
sources*



**SOLID BUSINESS
FUNDAMENTALS & LONG-
TERM EARNINGS
GROWTH**

*as mega IPs completing and
robust DP pipeline
contributing*



**BEGINNING OF
RATE CUT CYCLE**



**Management
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consider rights issue**

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