



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

The Artisanal Movement

FY2025 INTERIM PRESENTATION ANALYST BRIEFING

28 February 2025

WE CREATE, WE ARE ARTISANS, WE ARE CSV



STRATEGIC DIRECTION



**SUSTAINABLE BUSINESS
FOCUS**

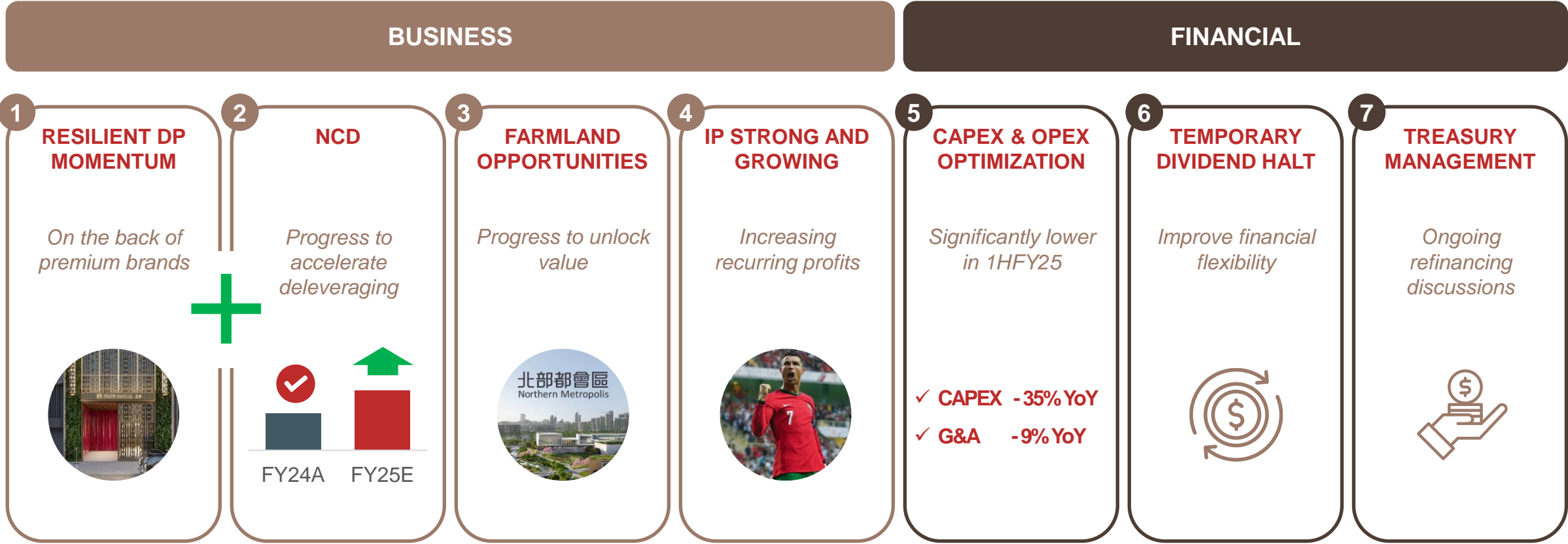


**CASH FLOW
PRIORITIZATION**



PRIORITIZE ON REDUCING INDEBTEDNESS

SEVEN MEASURES TO REDUCE INDEBTEDNESS



SECTION ONE

FINANCIAL HIGHLIGHTS

The Artisanal Movement

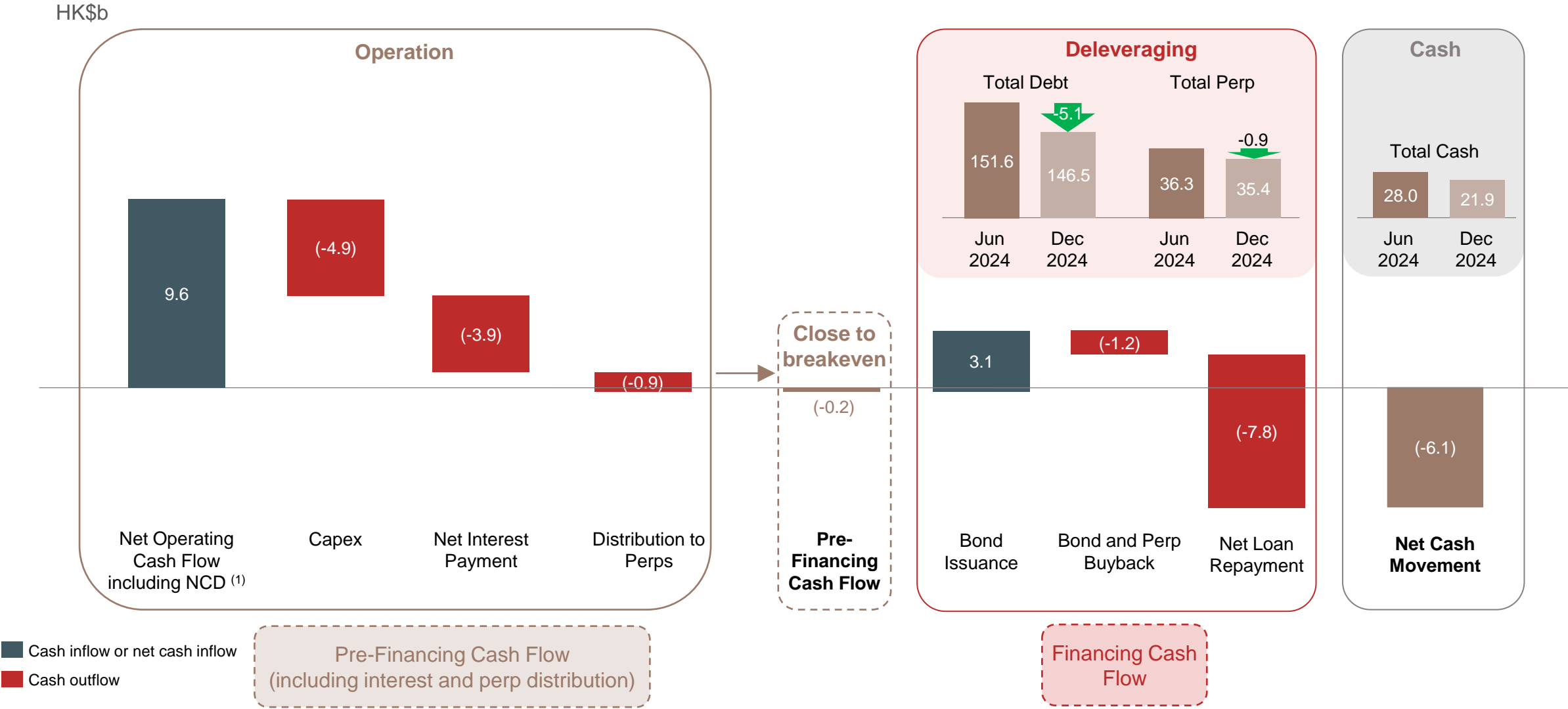
NAVIGATING THROUGH A CHALLENGING ENVIRONMENT

Core Operating Profit	Segment Results	Loss Attributable To Shareholders
<div>HK\$4.4B</div> <div>-18% YoY</div>	<div>HK\$4.2B</div> <div>-11% YoY</div> <div><div>IP</div><div>+7%⁽¹⁾ YoY</div><div><div>K11</div><div>+5% YoY ⁽²⁾</div></div></div>	<div>HK\$6.6B</div> <div>-----</div> <div>One-off losses</div> <div><div>IP Revaluation</div><div>HK\$1.6B</div><div>DP Impairment</div><div>HK\$3.4B</div><div>Others</div><div>HK\$1.0B</div></div>
G&A	CAPEX	Gross Debt Reduction
<div>HK\$1.8B</div> <div>-9% YoY</div>	<div>HK\$4.9B</div> <div>-35% YoY</div>	<div><div>HK\$5.1B</div><div>-3% vs Jun 24</div><div>HK\$11.4B</div><div>-7% vs Dec 23</div></div>

Note 1: Excluding disposed properties
Note 2: Excluding D Park contribution for both periods

PRE-FINANCING CASH FLOW CLOSE TO BREAK EVEN

Increased focus on operating cash flow with a priority on deleveraging



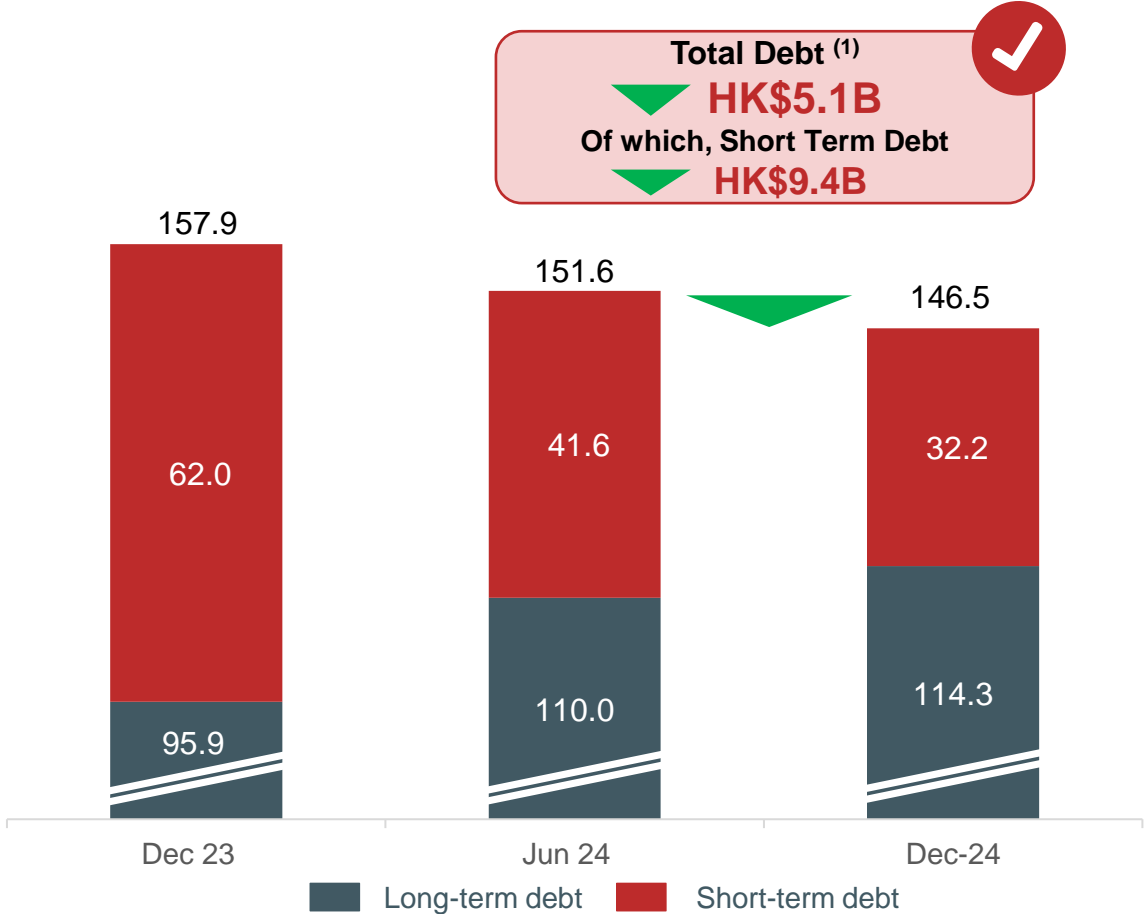
Note: 1. Net operating cash flow based on direct method, including but not limited to net cash flow from DP and IP businesses, NCD, tax expense, financing costs and G&A expenses etc.

CONTINUOUS PROGRESS IN DEBT REDUCTION WITH LONGER AVERAGE MATURITY

Declining interest costs on the back of rate cuts and lower debt balance

Total Debt and Short-term Debt Trending Down

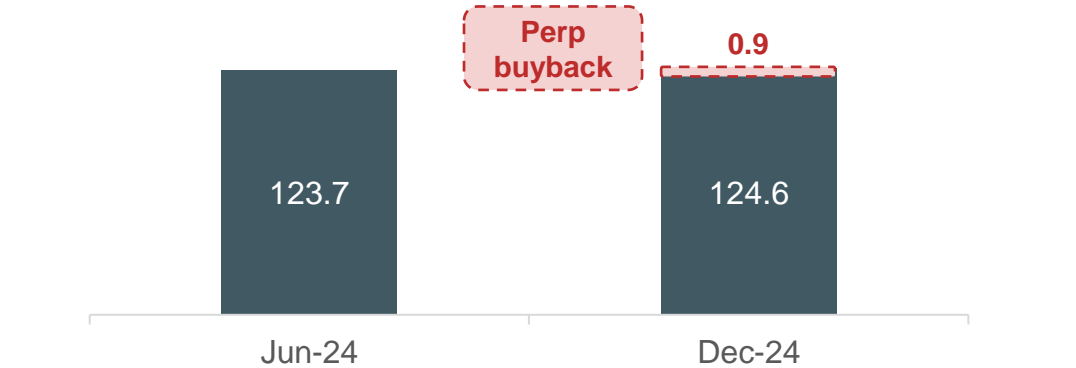
(HK\$b)



1. Over 1HFY25
2. Before capitalization of interest

Net Debt Stabilized With Slight Increase Due to Perp Buyback

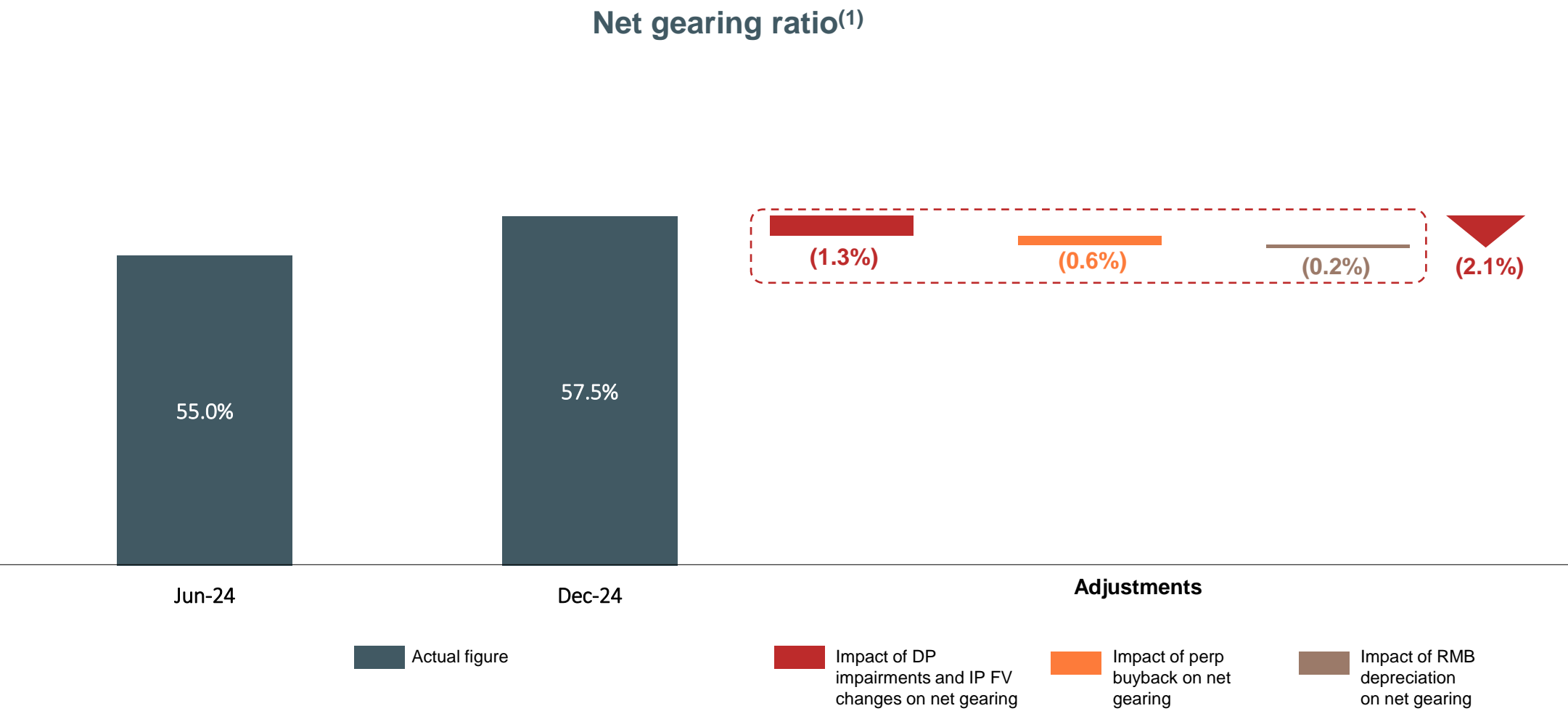
(HK\$b)



Declining Financing Cost ⁽²⁾



CONTINUE TO FOCUS ON DELEVERAGING



1. Net gearing ratio = Net debt divided by total equity

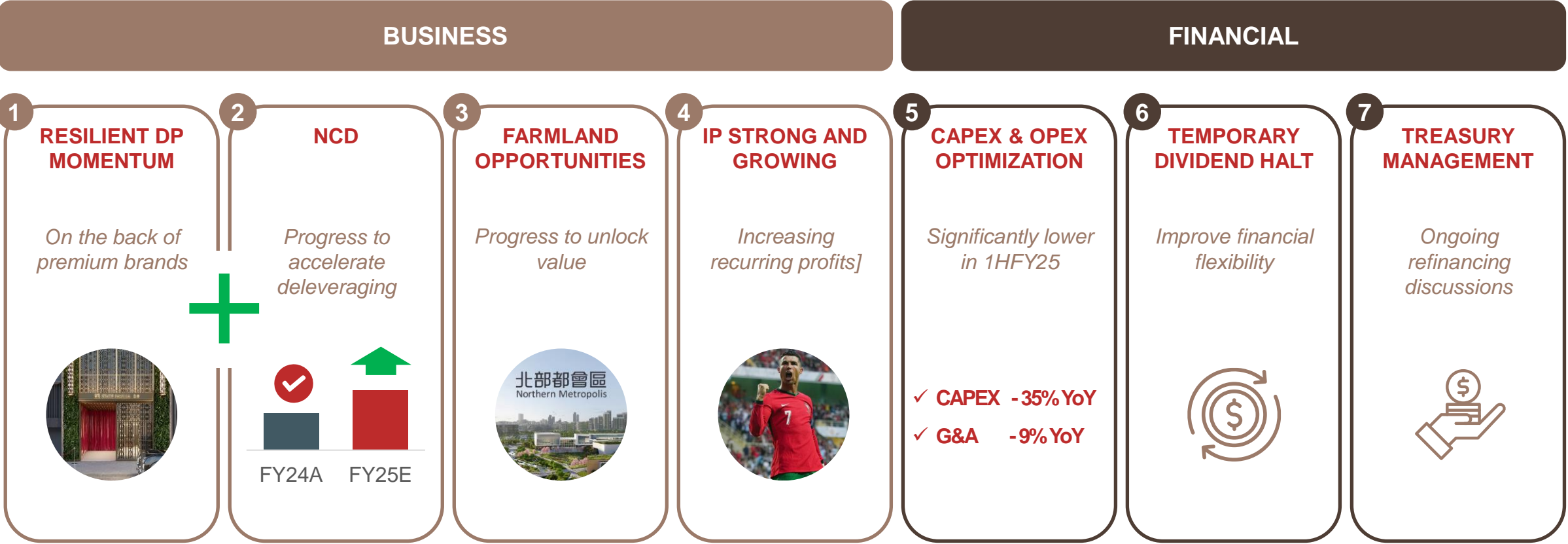


SECTION TWO

PROACTIVE FINANCIAL MANAGEMENT

The Artisanal Movement

SEVEN MEASURES TO REDUCE INDEBTEDNESS



RESIDENTIAL: RESILIENT DEMAND ON THE BACK OF PREMIUM BRANDS

July 2024

The Pavilia Forest

Gross contracted sales
~HKD3.5b⁽²⁾

514⁽²⁾ units sold

Launched in July 2024
(765⁽²⁾ out of 1,305 units)

Premium NWD
/ Pavilia brand

Effective sales
strategy

Practical
innovations

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

~67%** sold¹



Note 2: As of December 31, 2024

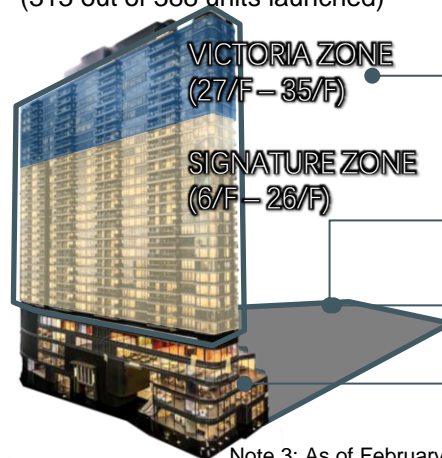
Jan 2025

State Pavilia

Gross contracted sales
~HKD3.2B⁽³⁾

Launched in Jan 2025

(313 out of 388 units launched)



Note 3: As of February 27, 2025



✓ 279 units sold in total
✓ 95x over-subscribed

1

World-Class Heritage Residence

VICTORIA ZONE (mainly by tender) ★

✓ Mainly 3- and 4-bedroom flats

SIGNATURE ZONE (price list) ★

✓ Mainly 1- and 2-bedroom flats

2

STATE THEATRE

• Grade I historic theatre

3

Grade A office

4

Retail - STATE THEATRE by K11

• GFA: 80k+ ft²
• Open in 2027

~HKD5.2b

1H FY25
contracted sales ⁽¹⁾

47%

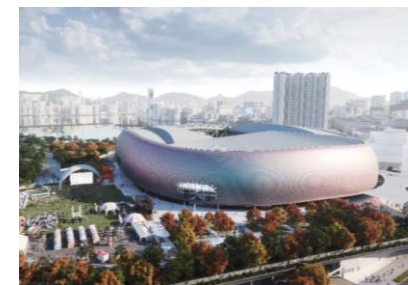
FY25 target

NCD



Artisan Lab & Artisan Hub

- Industrial buildings in San Po Kong
- Proceeds: HK\$800m



Kai Tak Sports Park

- Multi-purpose sports venue
- Proceeds: HK\$417m

Note 1: Attributable
contracted sales,
including NCD

SOLID OFFICE SALES WITH INCREASED MOMENTUM

INCREASING DEMAND FOR PREMIUM OFFICES IN WEST KOWLOON



Thriving Cheung Sha Wan District –
New core commercial area in West Kowloon



1



1HFY25:
All sold

NCB Innovation Centre
(888 Lai Chi Kok Road)

Gross contracted sales
~HKD1.2B

Launched in May 2022

- Gross area: ~580k ft²

Notable tenants/ buyers:

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

✓ **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



2HFY25:
On sale

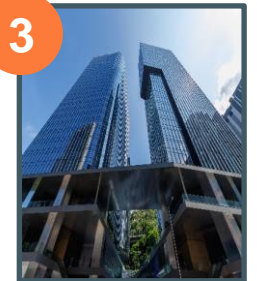
83 Wing Hong Street

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

RESILIENT PRC DP SALES IN CHALLENGING MARKETS

OUTPERFORM MARKET

Multiple policies
have been
implemented
concurrently

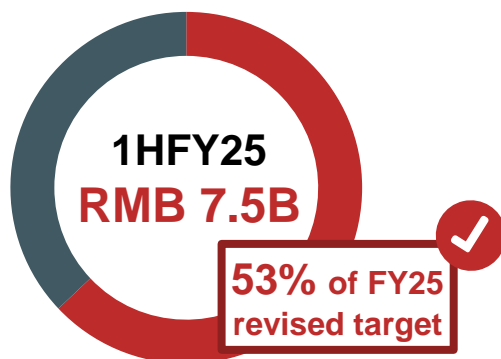


Premium
New
World
brand

Best
1st tier
locations

Efficient
market
strategies

Contracted Sales



■ GBA & YRD ■ Others

KEY PROJECTS ACHIEVE OUTSTANDING RESULTS



Guangzhou
The Canton View



Guangzhou
The Sillage



Guangzhou
New Metropolis Mansion



Hangzhou
New World Arts Centre



Shenyang
THE PARKSVILLE

NCD



Beijing New View
Garden Commercial
Centre

Proceeds: RMB1,370m



Ningbo New
World Office

Proceeds: RMB268m

ABUNDANT SALEABLE RESOURCES

FY2025 +

Hong Kong



Pavilia Forest



State Theatre



WCH Phase 5



8 Castle Road
(4A-4P Seymour Road)



Ma Sik Road
(JV with China Merchants Shekou)

Landbank (GFA)
3.5m sqft

Farmland Reserves (Site Area)
16.8m sqft x Plot Ratio

Mainland China



Guangzhou
The Canton View



Guangzhou
New Metropolis
Mansion



Guangzhou
The Sillage



Hangzhou
New World Arts
Centre



Shenyang
THE PARKSVILLE



Shenzhen
Longgang 188

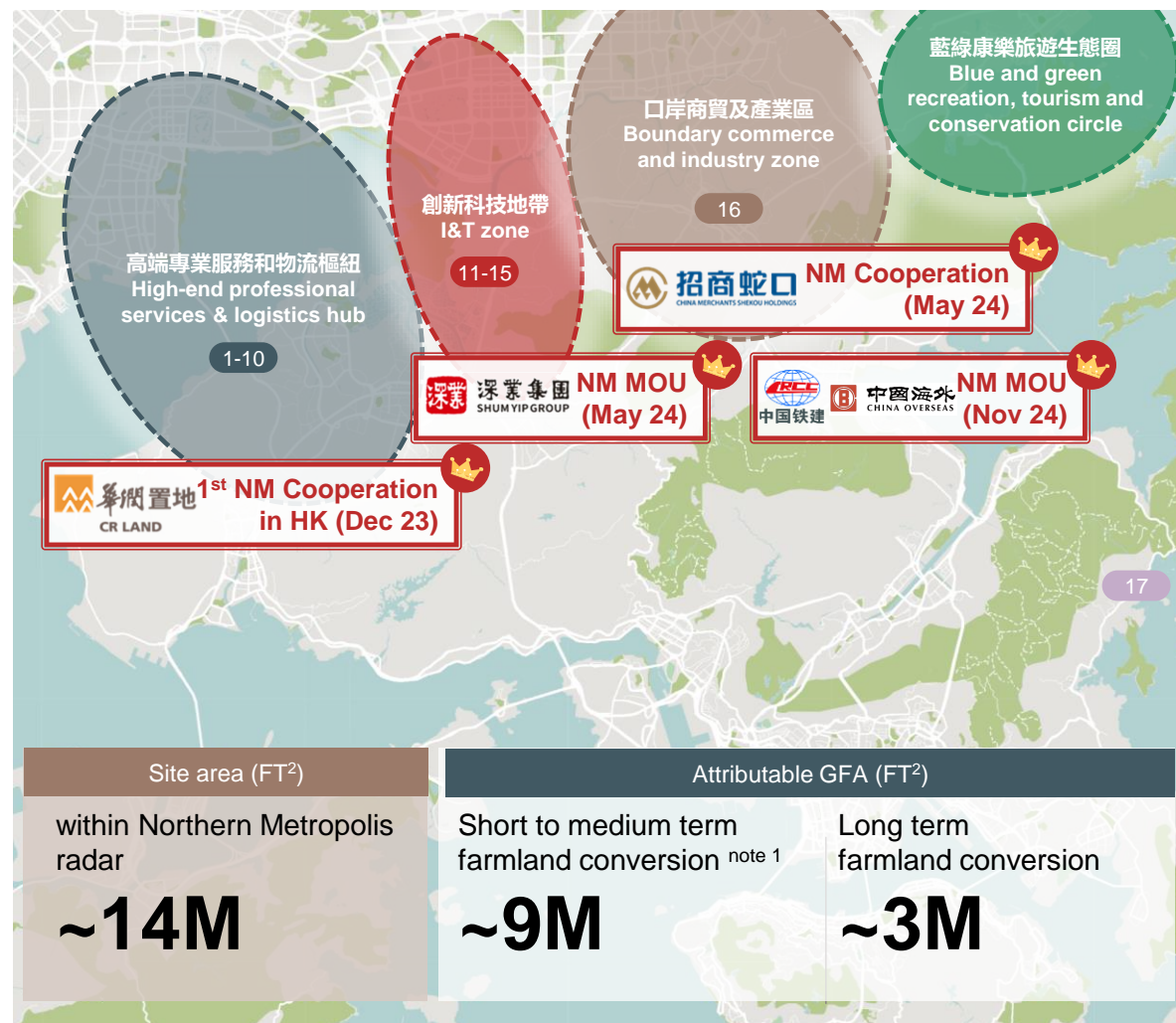


Shenzhen Xili

Landbank (GFA)
3.0m sqm
(32.2m sqft)

NORTHERN METROPOLIS AN IMPORTANT DEVELOPMENT OPPORTUNITY

Increased clarity and certainty solidify value of NWD's farmland resources



^{note 1} Including Ma Sik Road, Fanling (land grant executed)

^{note 2} Application for rezoning was approved by TPB on 20 Dec 2024

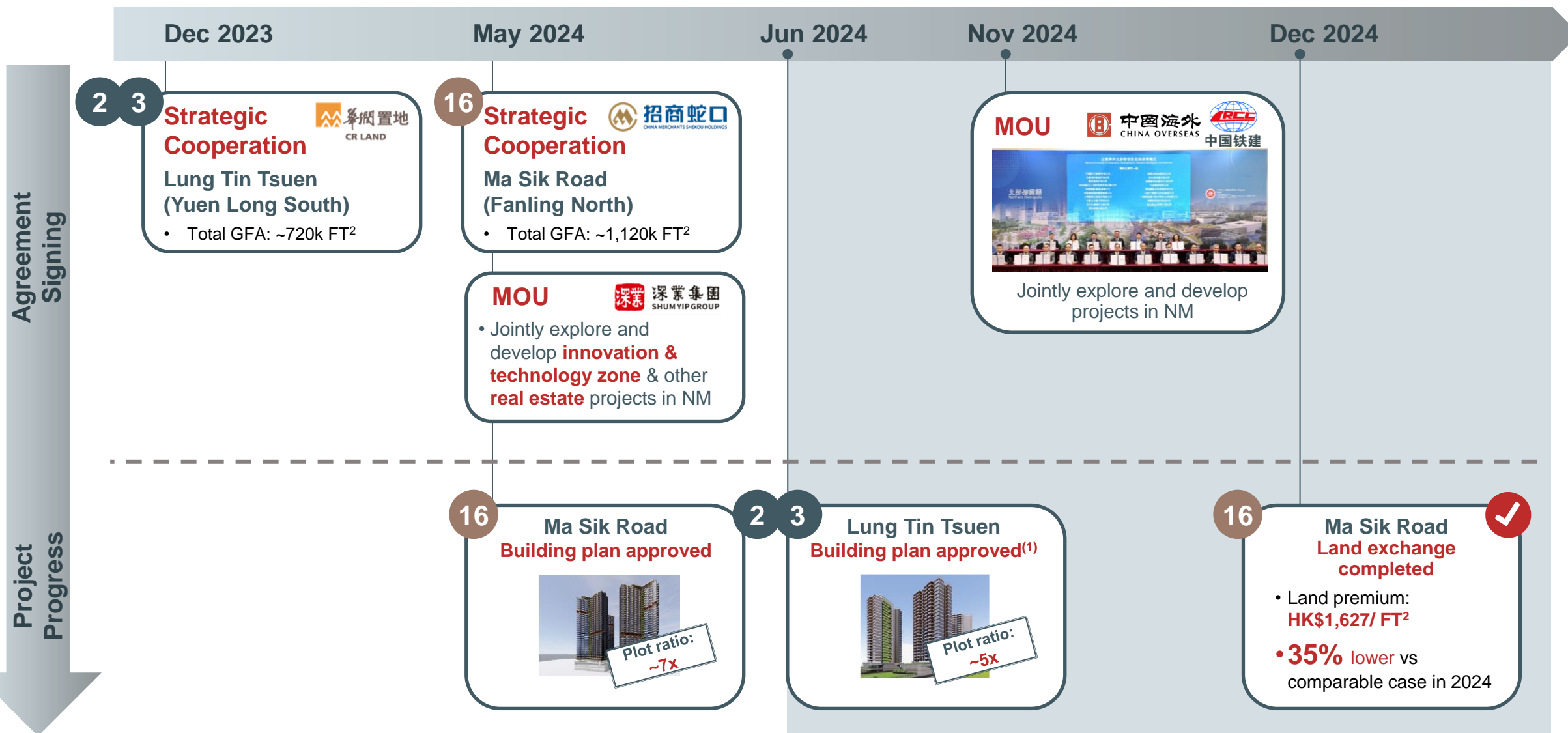
^{note 3} Application for rezoning was approved by TPB on 10 Jan 2025

^{note 4} Application for up-zoning was approved by TPB on 10 Nov 2023 | Near Au Tau Station | (北環線 gazetted in Oct 2023) | No. of units to be built: ~2,000

Farmland (Selected)	Status	Proposed PR	Attr. GFA (FT ²)	Total attr. GFA (FT ²)
1. High-end professional services and logistics hub				As of Jan 2025
Lam Hau Tsuen 欄口村	① Short term	3.5	504K	~7M
Yuen Long Lungtin Tsuen (Phase 2) 元朗龍田村二期	② Short term	5.0	275K	
Yuen Long Lungtin Tsuen (Phase 4) 元朗龍田村四期	③ Short term	5.0	173K	
Tong Yan San Tsuen (Mountain) (Site A) 唐人新村(山頭)(地盤A)	④ Medium term	3.6	1,597K	
Tong Yan San Tsuen (Mountain) (Site B) 唐人新村(山頭)(地盤B)	⑤ Medium term	3.6	1,417K	
Wing Ning Tsuen 永寧村	⑥ Medium term	6.0 (private portion)	859K	
Tong Yan San Tsuen 4 唐人新村 4	⑦ Medium term	3.6	743K	
Yuen Long Lungtin Tsuen (Phase 5) ^{note 2} 元朗龍田村五期	⑧ Medium term	6.0 Approved by TPB	366K	
Shap Pat Heung Road, Yuen Long ^{note 3} 元朗十八鄉路	⑨ Medium term	6.0 Approved by TPB	240K	
Lau Fau Shan 流浮山	⑩ Long term	3.0	661K	
2. I&T Zone				~4M
Sha Po North (Phase 3A) 沙埔北3A期	⑪ Short term	1.2	81K	
Wing Kei Tsuen 榮基村 ^{note 4}	⑫ Medium term	0.4 → 1.5 +275% Approved	1,051K	
Sha Po North (Phase 2 + 3B) 沙埔北2+3B期	⑬ Medium term	1.7 & 1.2	191K	
Lin Barn Tsuen 練板村	⑭ Long term	1.5	1,418K	
Ngau Tam Mei 牛潭尾	⑮ Long term	5	1,090K	
3. Boundary commerce and industry zone				~0.3M
Ma Sik Road, Fanling 粉嶺馬適路	⑯ Land Grant Executed	7.2	336K 招商蛇口	
4. Miscellaneous				~0.7M
Sha Ha, Sai Kung 西貢沙下	⑰ Medium term	1.5	716K	
Total				~12M

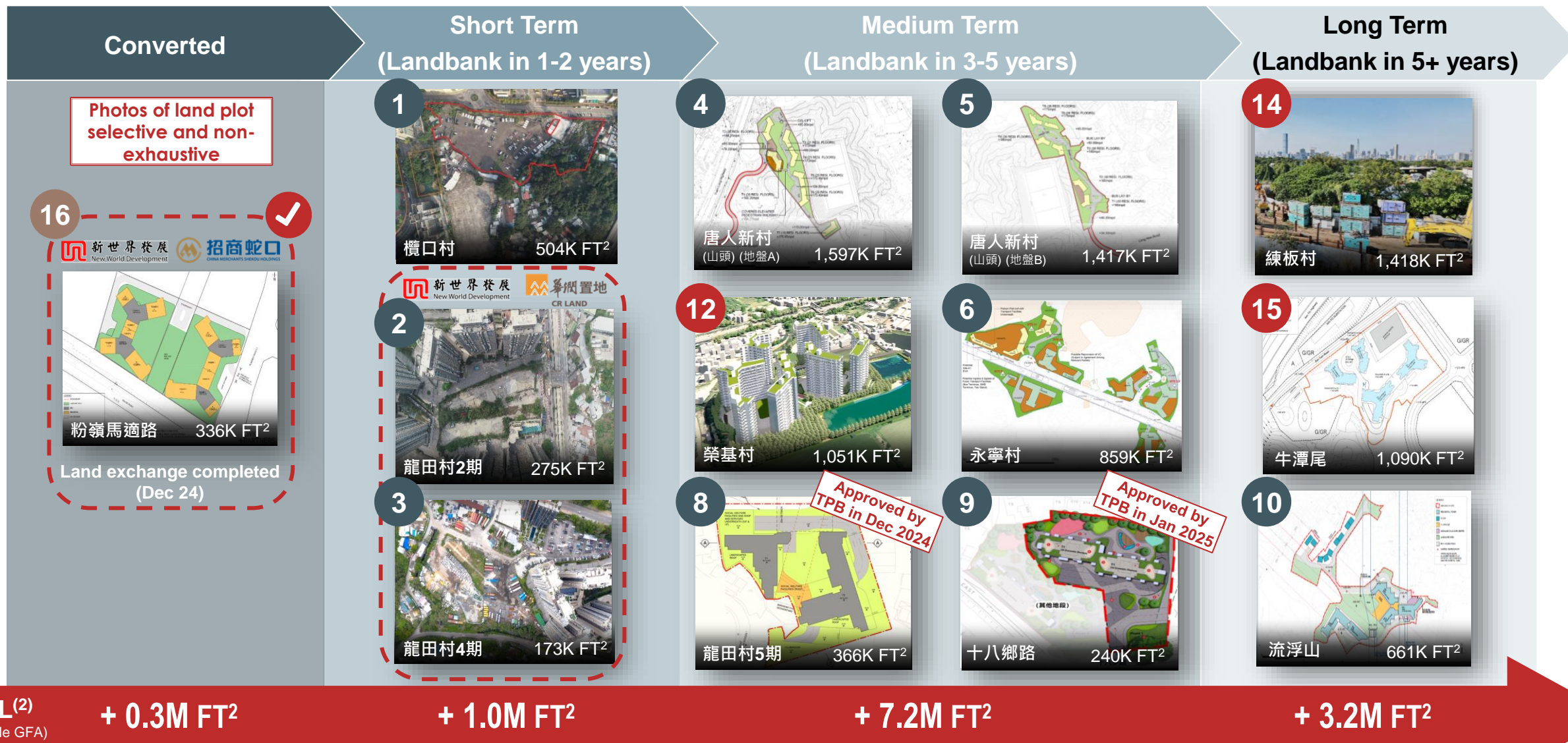
>3X
existing DP landbank

CONTINUOUS COOPERATION WITH SOE AND PROGRESS



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

ADDITIONAL OPPORTUNITIES ON LANDBANK REPLENISHMENT (1)



Note:

(1) Subject to Government's & Town Planning Board's approvals.

(2) The above are examples with the rough estimates of attributable GFA for illustrative purpose only



Additional Potential

4.3M FT²

CONTINUOUS TENANT OPTIMIZATION RIDING ON MEGA EVENTS

HIGH SPACE PRODUCTIVITY DRIVES TENANT UPGRADE

Luxury Brands Expanding 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>	Rolex <i>New Maison</i>	Bottega Veneta <i>New Duplex Maison</i>	Saint Laurent <i>Duplex expansion</i>	Others...

Soft Opened

New

New

New

Soft Opened



Loewe revamped store reopened in Jan 2025



Saint Laurent Duplex soft opened in Dec 2024

K11 MUSEA – Cultural-Retail Destination

Jul 2024



“100% DORAEMON & FRIENDS” Exhibition

Jul 2025



Asia's First Cristiano Ronaldo Life Museum

K11 Art Mall – Enhance Shoppers' Experience



Festival Market

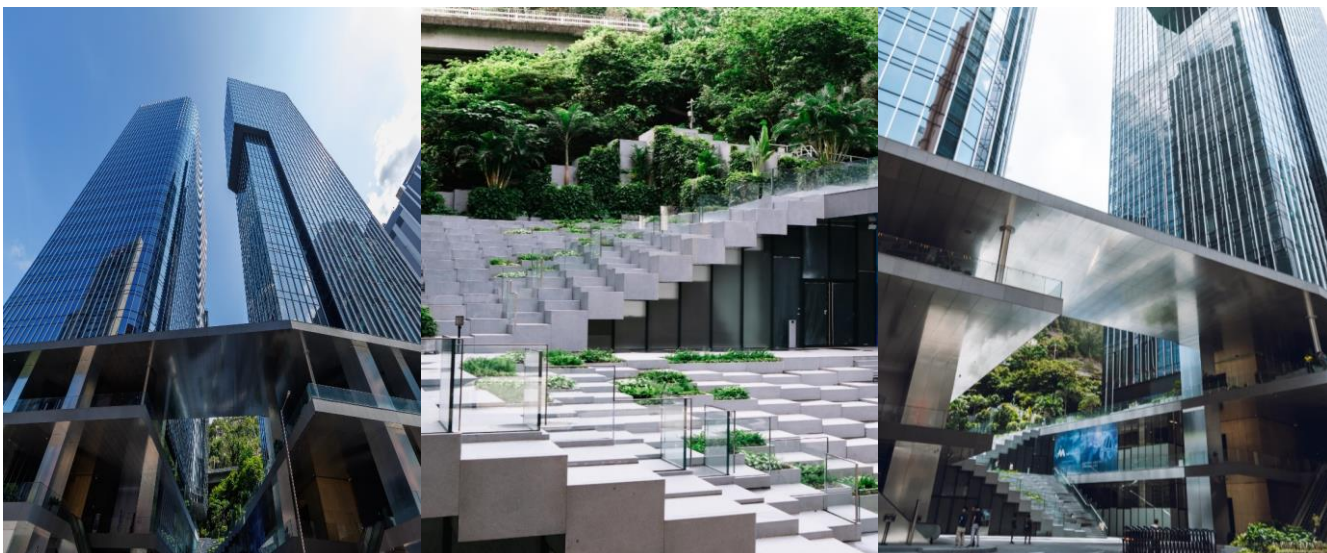


Nintendo x LEGO

4 INVESTMENT PROPERTIES **HONG KONG**

RESILIENT HK OFFICES LEASING

83 King Lam Street (NWD HQ2)

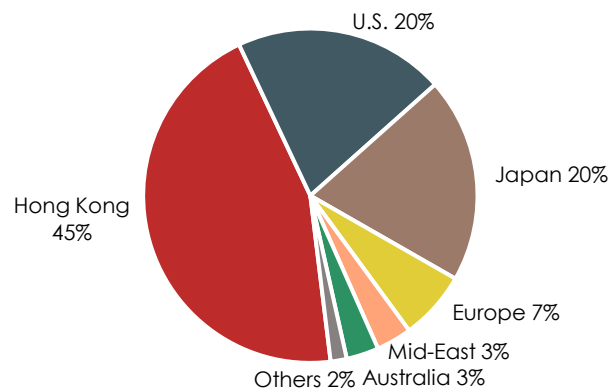


- Total GFA: ~1.2m sq ft
- Two 23-storey office buildings
- Leasing-only
- **Occupancy: ~40%**

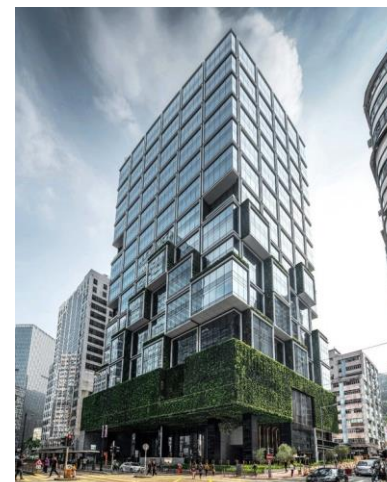
Selected Tenants

- RALPH LAUREN (U.S.)
- SUSHIRO (Japan)
- DELSEY PARIS (Europe)
- LUSH (Europe)
- PEPSI (U.S.)

Diversified Tenant Nationality Distribution



Other offices occupancy rates (as of 31 Dec 2024)



K11 Atelier King's Road
~93%



K11 Atelier VD
~99%



Manning House
~93%



New World Tower
~80%

**Post NWD HQ2
Move-in in 2H2024**

K11 PIPELINE: BEGINNING OF THE RAMP-UP PHASE

11 SKIES: One-Stop Largest Entertainment, Retail and Commerce Landmark at the heart of GBA

SKYTOPIA, a world-class travel landmark



Airport Authority HK unveils Skytopia brand for Airport City



Skytopia integrates commercial activities, popular culture, art trading, entertainment and leisure



HK-Zhuhai-Macao Bridge
→ 11 SKIES

3 mins

Passenger volume¹
28.5M



Direct footbridge
from HK Airport
Terminal 2

Passenger volume²
53.1M

Note 1: Passenger volume of HK-Zhuhai-Macao Bridge in 2024
Note 2: Passenger volume of Hong Kong International Airport in 2024

3 Grade A office towers
K11 ATELIER 11 SKIES

Entertainment attractions
HK's Biggest Indoor Entertainment Hub for All Ages

Retail, dining & professional services



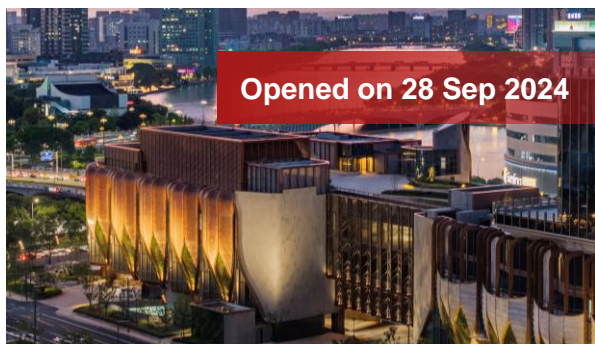
SUCCESSFUL TENANT UPGRANDS STRENGTHEN OCCUPANCY RESILIENCE

STABLE OCCUPANCY RATE¹

PRC Key IPs	Occupancy Rate
SHANGHAI K11 ART MALL	96%
WUHAN HANKOU K11 ART MALL	90%
SHENYANG K11 SELECT	84%
WUHAN GUANGGU K11 SELECT	95%
GUANGZHOU YUNMEN NEW PARK	92%
GUANGZHOU THE CANTON PLACE	97%

Note 1: As at 31 December 2024. Including those under renovation

THE PARK BY K11 SELECT NINGBO



Opened on 28 Sep 2024

- ✓ TSUTAYA BOOKSTORE is opened in Dec
- ✓ Innovative **PARK+TOD1** Experience
- ✓ **>70%** Occupancy rate
- ✓ **Chloe, Burberry perfume, Perfumebbox, GCDC, FERRAGAMO**, and many other first stores in Zhejiang, as well as the first store in Ningbo, are about to open.

KEY PROJECTS TO LAUNCH IN COMING YEAR



K11 ECOAST

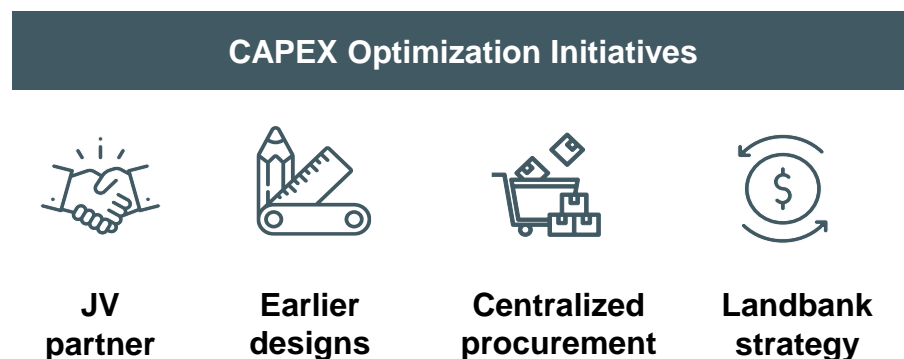
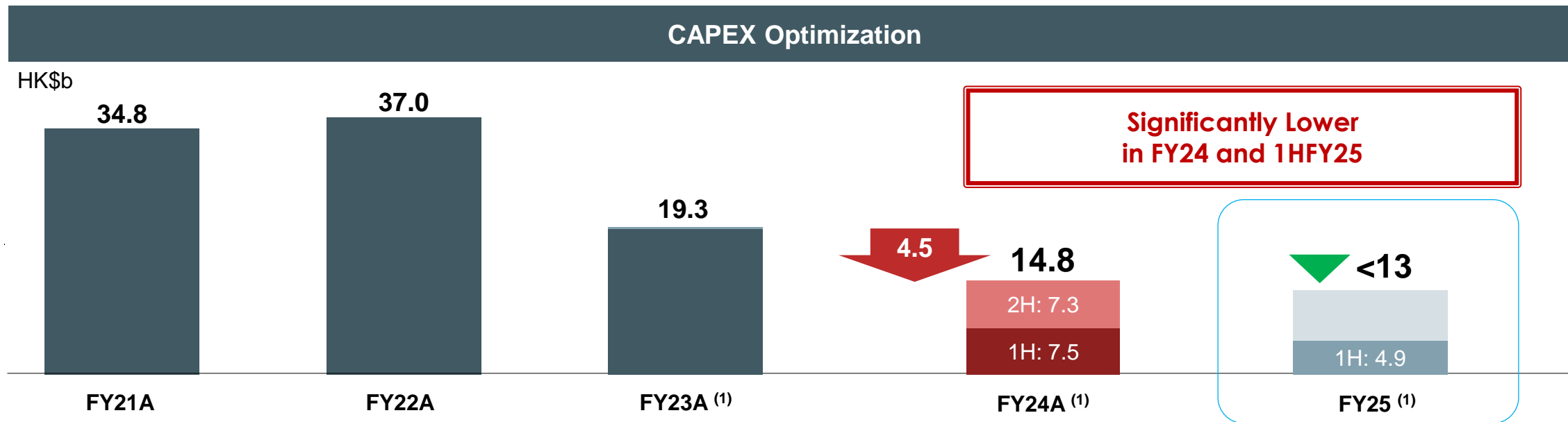
- ✓ K11's **first flagship** project in Mainland China
- ✓ **~228k M²** Total GFA
- ✓ To open on **28 Apr 2025**



K11 SELECT Hanxi

- ✓ 2nd K11 project in Guangzhou
- ✓ **~82k M²** Total GFA
- ✓ To open in **Q3 2025**

SIGNIFICANTLY LOWER CAPEX IN 1HFY25



✓ **Capex for DP with short cash conversion cycle**

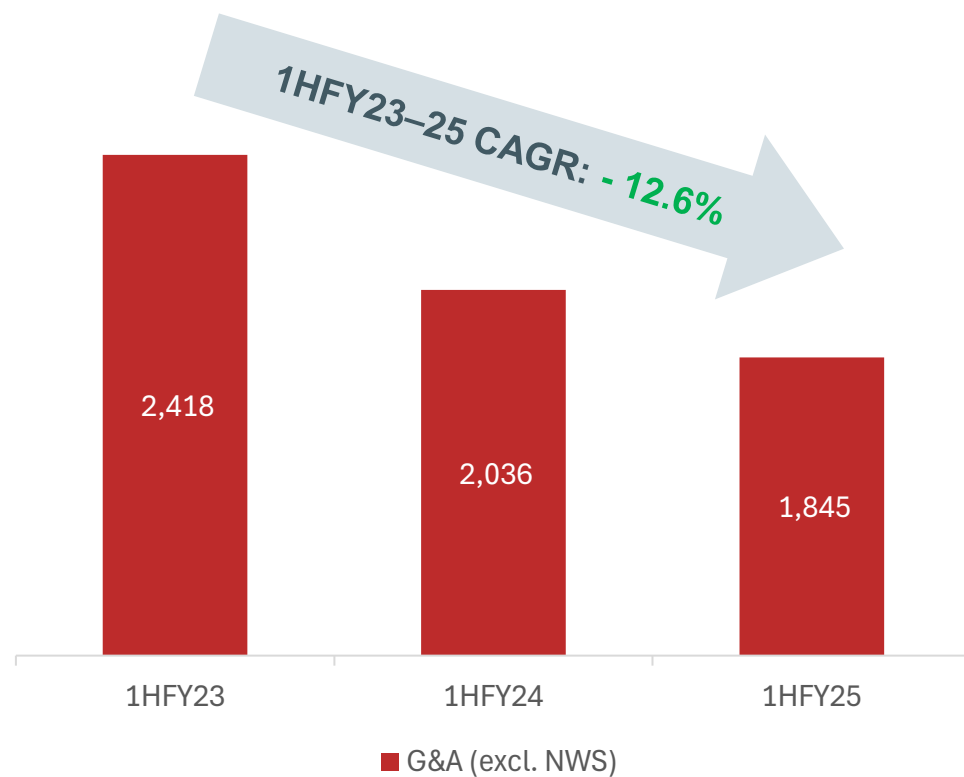
- **HK:** Convert farmland to landbank at lower cost
- **Mainland China:** URP Approach
- Collaboration with **SOE** partners to share capex

OPEX OPTIMIZATION TO REDUCE G&A

A Group-wide Continuous Improvement Program to drive down G&A cost and staff costs

OPEX Optimization

(HK\$m)



1H FY25
G&A expenses

- 9% YoY

- ✓ Corporate function and team structure optimization
- ✓ Restructuring of business units
- ✓ Stringent hiring policy
- ✓ Significant reduction in operating costs

TEMPORARY DIVIDEND HALT

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

Prudent capital management to facilitate deleveraging

Improve financial flexibility

Optimize capital structure

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

PRUDENT TREASURY MANAGEMENT



Pre-financing cash flow close to breakeven



Reduction in short term debt and total debt



PRIORITIZE ON REDUCING INDEBTEDNESS

A photograph of a modern garden featuring a series of grey concrete planters arranged in a stepped, terraced fashion. The planters are filled with various green plants, including ferns and small shrubs. The background is a dense wall of dark green foliage. The overall scene is well-lit, suggesting a sunny day.

APPENDIX

The Artisanal Movement

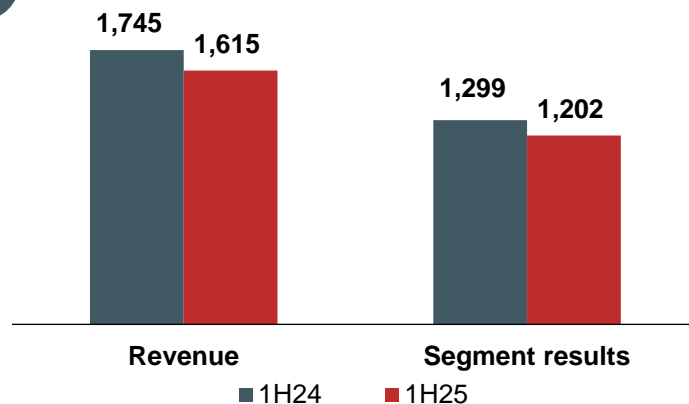
DP AND IP RESULTS UNDER CHALLENGING ENVIRONMENT

HK\$m

Investment Properties

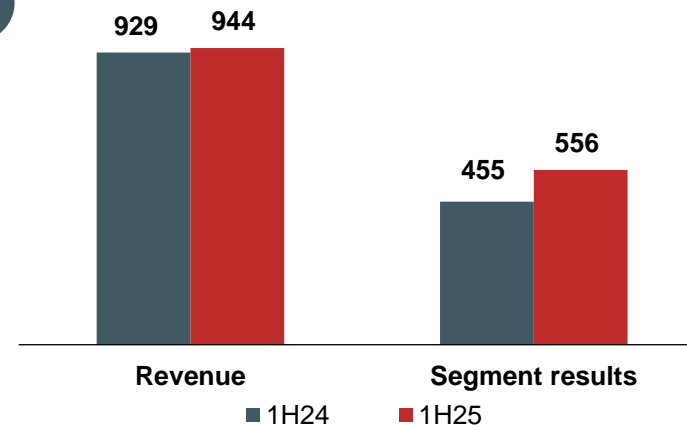
Hong Kong

A



Mainland China

B



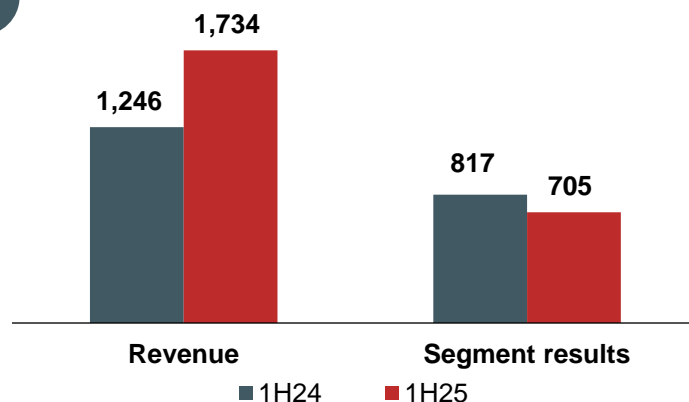
IP

Revenue:
HK\$2.6bn
(-4.3%)

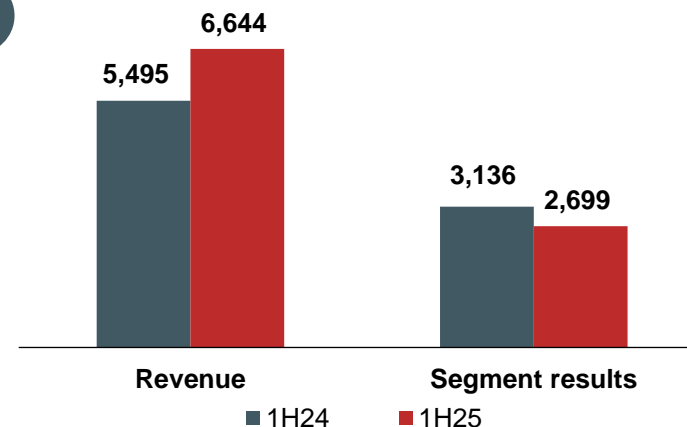
Segment results:
HK\$1.8bn
(+0.2%)

Development Properties

C



D



DP

Revenue:
HK\$8.4bn
(+24.3%)

Segment results:
HK\$3.4bn
(-13.9%)

Hong Kong
Revenue: HK\$3.3bn (+12.0%)
Segment results: HK\$1.9bn (-9.9%)

Mainland China
Revenue: HK\$7.6bn (+18.1%)
Segment results: HK\$3.3bn (-9.4%)



GENERATING VALUE THROUGH SUSTAINABILITY INITIATIVES

Environment

Enhancing portfolio resilience and **protecting asset value** through climate risk assessments and asset-level adaptation and mitigation plans
Covering 200+ assets, including property development projects and existing properties



Received approval of near- and long-term science-based emissions reduction targets from Science Based Targets initiative, in line with the SBTi Net-Zero Standard



Signatory on collaboration for low carbon emissions steel adoption with real estate and steel companies, to make concerted efforts on standards setting, procurement, costing and other challenges

Social

Improving employee resilience through bespoke mental health and wellbeing programmes supporting 1,000+ staff

Programmes include Friends in Need Network and Mental Health First Aiders Training

Governance

Updated **Sustainable Finance Framework** to align with international standards and best practice, and reflect our refreshed SV2030+ sustainability strategy

Obtained **Second-Party Opinion from Moody's**, receiving Sustainability Quality Score of SQS2 Very Good for the Framework, including Significant contribution to sustainability

Performance in International ESG ratings



BBB



Low ESG risk



G R E S B
★★★★☆ 2024
4-star rating
for Standing Investments Benchmark



《可持续发展年鉴（中国版）》
入选企业
中国企业标普全球CSA评分2023
Included in S&P Global's
Sustainability Yearbook (China)



Climate Change: **B**

DISCLAIMER

Important notice

The information contained in these materials is intended for reference and general information purposes only. Neither the information nor any opinion contained in these materials constitutes an offer or advice, or a solicitation, inducement, invitation, recommendation or suggestion by New World Development Company Limited ("NWD") or its subsidiaries, associated or affiliated companies, or any of their respective directors, employees, agents, representatives or associates to buy or sell or otherwise deal in any shares, bonds, investment products, securities, futures, options, derivatives or other financial products and instruments (whether as principal or agent) or the provision of any investment advice or securities related services. Readers of these materials must, and agree that they will, make their own investment decisions based on their specific investment objectives and financial positions, and shall consult their own independent professional advisors as necessary or appropriate.

NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates cannot and does not represent, warrant or guarantee the accuracy, validity, timeliness, completeness, reliability or otherwise of any information contained in these materials. NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates expressly excludes and disclaims any conditions or representations or warranties of merchantability or fitness for a particular purpose or duties of care or otherwise regarding the information. All information is provided on an "as is" basis, and is subject to change without prior notice.

In no event will NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates be responsible or liable for damages of whatever kind or nature (whether based on contract, tort or otherwise, and whether direct, indirect, special, consequential, incidental or otherwise) resulting from access to or use of any information contained in these materials including (without limitation) damages resulting from the act or omission of any third party or otherwise arising in connection with the information contained in these material, even if NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates has been advised of the possibility thereof.

NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates is not responsible for the information contained in these materials which are provided by other third party ("Third Party Materials"). The inclusion of these Third Party Materials does not indicate, expressly or impliedly, any endorsement by NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates as to the accuracy or reliability of its content. Access to and use of such information is at the user's own risk and subject to any terms and conditions applicable to such access/use. NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates is not responsible for any losses or damages caused by any defects or omissions that may exist in the services, information or other content provided by such other third party, whether actual, alleged, consequential, punitive, or otherwise. NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates makes no guarantees or representations or warranties as to, and shall have no responsibility or liability for, any content provided by any third party or have any responsibility or liability for, including without limitation, the accuracy, subject matter, quality or timeliness of any such content.

By participating in this Presentation or by receiving or accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.