

New World Development Company Limited
FY2015 Interim Results | 27 Feb 2015

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Financial highlights

Results summary

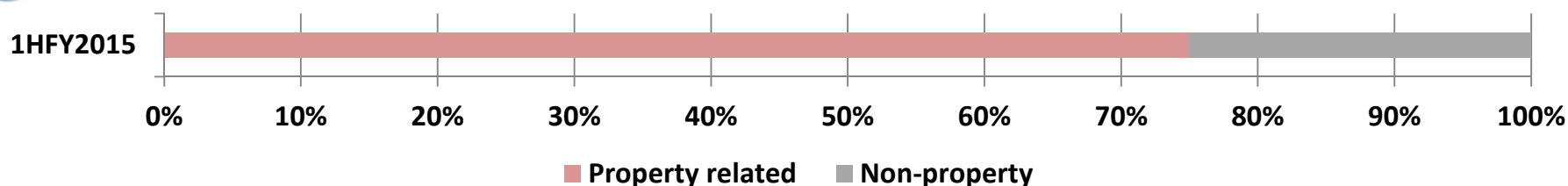
(HK\$ million)	1HFY2015	1HFY2014		Change
Profit for the period	7,224.5	6,904.3	↑	5%
Profit attributable to shareholders	5,854.6	4,529.2	↑	29%
Underlying profit	4,408.2	4,207.5	↑	5%
Interim dividend per share (HK\$)	0.12	0.12	-	-

Financial position

(HK\$ billion)	31 Dec 2014	30 Jun 2014		Change
Cash and bank balances	63.4	61.8	↑	3%
Net debt	54.3	54.7	↓	1%
Net gearing (%)	26.1*	27.3	↓	1.2% pts

* If stripping out 3 listed subsidiaries, the net gearing of NWD corporate office is 22.8%

Segment contributions



Segment performance

Segment results (HK\$ million)	1HFY2015	1HFY2014		Change
(1) Property development				
<i>Hong Kong</i>	2,437.7	477.4	↑	411%
<i>China</i>	2,004.3	4,662.5	↓	57%
Sub-total	4,442.0	5,139.9	↓	14%
(2) Property investment				
<i>Hong Kong (a)</i>	600.6	670.1	↓	10%
<i>China</i>	364.9	366.9	↓	1%
Sub-total	965.5	1,037.0	↓	7%
(3) Hotel operations				
<i>Hong Kong & South East Asia</i>	463.8	427.5	↑	8%
<i>China (b)</i>	(299.0)	(181.3)	↓	NA
Sub-total	164.8	246.2	↓	33%
(4) Service	692.6	727.8	↓	5%
(5) Infrastructure	1,387.5	1,374.5	↑	1%
(6) Department stores	229.9	377.6	↓	39%
(7) Others	(103.4)	212.2	↓	NA
Total	7,778.9	9,115.2	↓	15%

(a) The drop was mainly due to the resumption of 12 Salisbury Road TST (previously named as SOGO TST) on 14 Feb 2014 for alterations and the renovation of Discovery Park Shopping Centre.

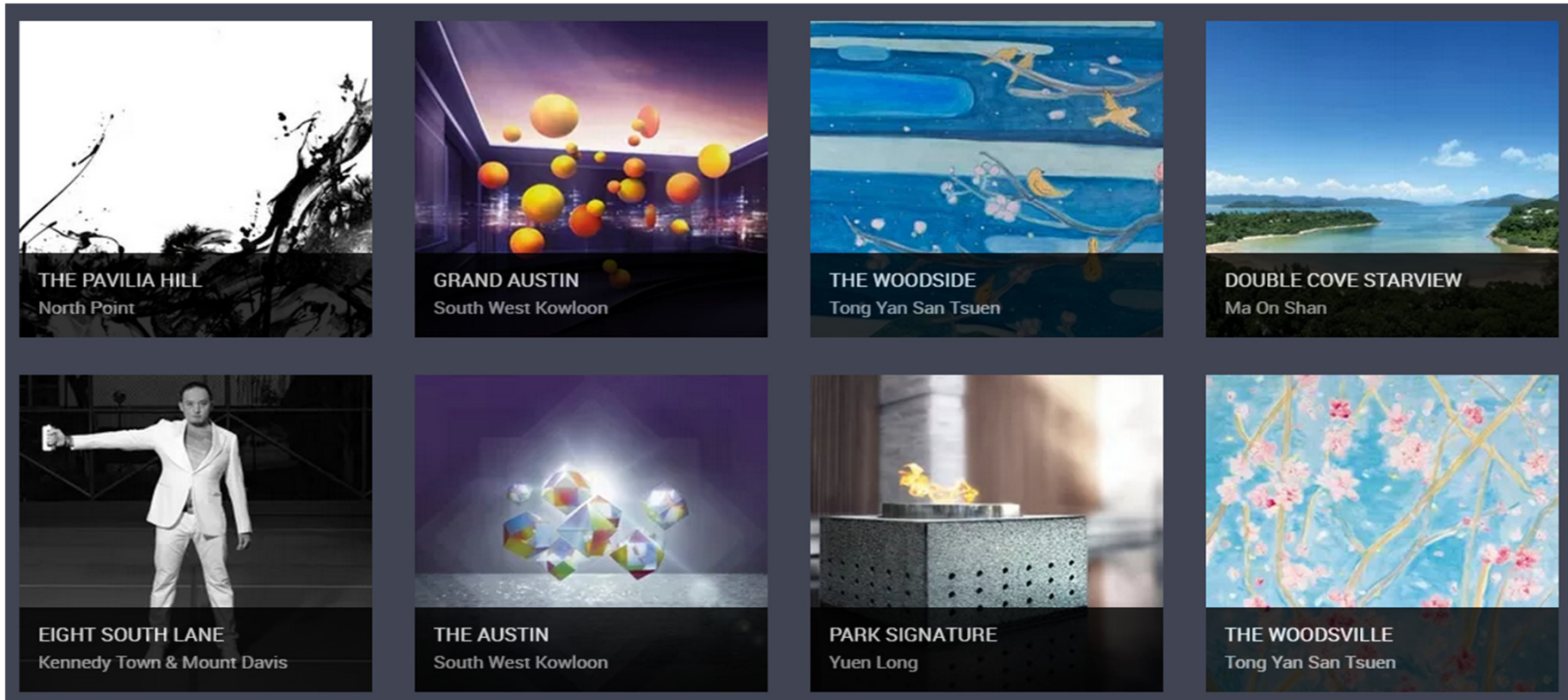
(b) The drop was mainly due to the pre-opening expenses of Guiyang New World Hotel and Rosewood Beijing

Our catalysts



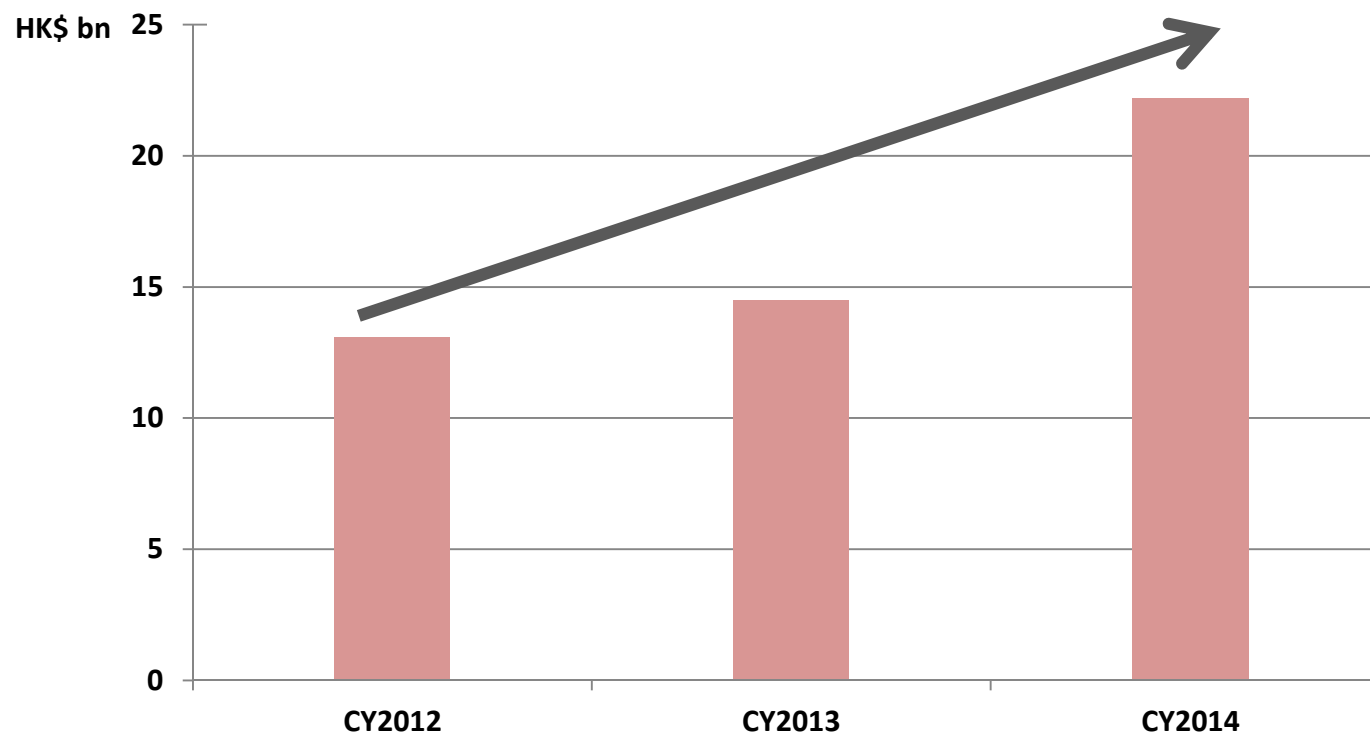
New World Development Company Limited

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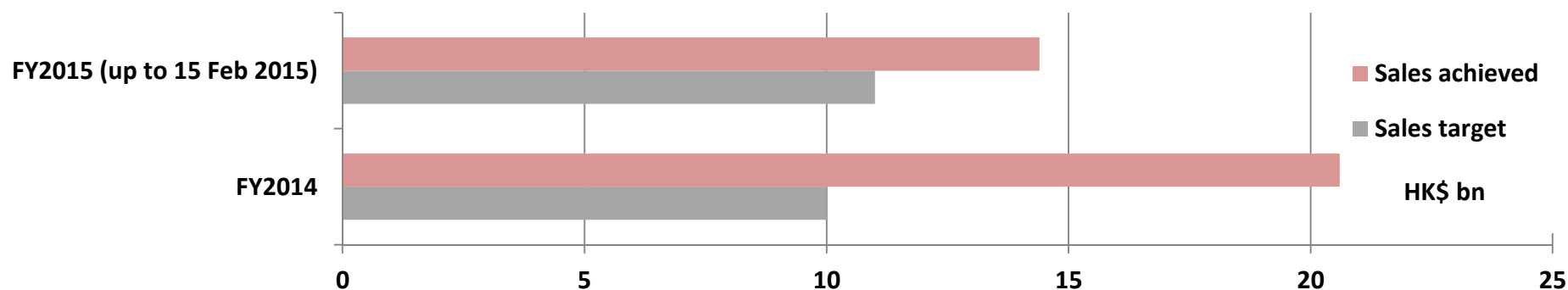


- **Expertise with robust execution**
- **Abundant saleable resources in Hong Kong**
- **Actively manage Hong Kong landbank portfolio**
- **IP asset enhancement and New World Centre Redevelopment**
- **Excellent hotel assets with stable performance**
- **Sound financial position contributed by HK property sales and recurring income**
- **Ample war chest to capture market opportunities**

Sales performance: concrete track record



Surpassed our full year sales target



Hong Kong property sales

Projects/ No. of unit sold	(1 Jan 14 – 30 Jun 14)	(1 Jul 14 – 31 Dec 14)	(1 Jan 15 – 15 Feb 15)	(1 Jul 14 – 15 Feb 15)
1. The Riverpark, Sha Tin	-	1	1	2
2. The Reach, Yuen Long	154	239	70	309
3. Double Cove, Ma On Shan	127	61	1	62
4. Chatham Gate, Hung Hom	87	8	0	8
5. The Woodsville, Yuen Long	10	11	0	11
6. Park Signature, Yuen Long	302	277	67	343*
7. EIGHT SOUTH LANE, Kennedy Town	8	69	1	70
8. Double Cove Starview, Ma On Shan	805	7	0	7
9. The Woodside, Yuen Long	84	3	3	6
10. Grand Austin, South West Kowloon	421	273	-	272*
11. Double Cove Starview Prime, Ma On Shan	To be launched	596	36	632
12. THE PAVILIA HILL, North Point	To be launched	269	9	278
Total	<u>1,998</u>	<u>1,814</u>	<u>188</u>	<u>2,000</u>

* 1 unit was forfeited

PARK SIGNATURE: ROMANCING THE LANDSCAPE



Club House Designer: Ernesto Bedmar

THE PAVILIA HILL: SERENITY ABOVE THE CITY



Designer & Architect: Koichiro Ikebuchi, Shunmyo Masuno & Chan Wan Ming

Abundant saleable resources in Hong Kong

New launches: over 2,100 units

In pipeline	NWD	Total GFA/ sq ft	Attri GFA/ sq ft	Land source
SKYPARK, Mong Kok	100%/50%*	240,058	213,385	Public tender
THE PARKHILL, Yuen Long	100%	85,251	85,251	Farmland
THE CLEARWATER BAY, Sai Kung	63%	1,078,553	679,488	Farmland
Des Voeux Rd West project, Western District	80%	105,418	84,334	Old building
Park Villa, Yuen Long (completed project)	100%	170,854	170,854	Farmland
Conduit Road project, Mid-levels	30%	87,780	26,334	Old building
Double Cove Phase IV, Ma On Shan	32%	387,166	123,893	Farmland
Double Cove Phase V, Ma On Shan	32%	332,953	106,545	Farmland
		<u>2,488,033</u>	<u>1,490,084</u>	

* Residential/ Commercial

Projects available in market: total 889 units (as at 15 Feb 2015)

Park Signature, Yuen Long	The Woodville, Yuen Long	The Masterpiece, TST
The Woodside, Yuen Long	The Riverpark, Sha Tin	The Reach, Yuen Long
Double Cove, Ma On Shan	Double Cove Starview, Ma On Shan	Chatham Gate, Hung Hom
THE PAVILIA HILL, North Point	Double Cove Starview Prime, Ma On Shan	

Our attributable landbank portfolio

	mil sq ft
Hong Kong ready land (by GFA)	9.3
Hong Kong farmland (by land area)	18.3

New acquisitions

			NWD	Total GFA/ sq ft	Attri GFA/ sq ft
<u>A. New acquisition</u>					
THE CLEARWATER BAY, Sai Kung*	Residential	Stake increase	63% (+7% pts)	75,498	75,498
KOHO, Kwun Tong	Office	Asset acquisition	100%	204,514	204,514
STTL No. 520, Tai Wai Station, Sha Tin	Residential	Public tender	100%	2,050,327	2,050,327
Kut Cheong Mansion, North Point**	Office	Old building acquisition	90%	487,500	438,750
<u>B. Acquisition on going</u>					
4A-4P Seymour Road, Mid-levels	Residential	Old building acquisition	35%	472,185	165,265

* The total GFA of THE CLEARWATER BAY is 1,078,553 sq ft

** Extra 40% interest was acquired in Jan 2015 (NWD originally held 50% interest)



THE CLEARWATER BAY , Sai Kung



Landbanking track record in the past 5 years

Projects	Sources
THE AUSTIN & GRAND AUSTIN	Public tender
Double Cove Ph 1-5	Farmland
The Reach	Farmland
THE PARKHILL	Farmland
THE WOODSIDE	Farmland
THE CLEARWATER BAY	Farmland
Kai Yuen Lane Project	Old building
EIGHT SOUTH LANE	Old building
SKYPARK	Public tender
TCTL11 Tung Chung Project	Public tender
Tsuen Wan West Station (TW6) Project	Public tender
Des Voeux Road West Project	Old building
Sai Yuen Lane Project	Old building
STTL No. 520, Tai Wai Station	Public tender
Kut Cheong Mansion Redevelopment*	Old building
THE PAVILIA HILL (stake increase)	Old building
THE CLEARWATER BAY (stake increase)	Farmland
Grand total	17 projects/ 6.9 mil sq ft
Per annum	3.4 projects/ 1.4 mil sq ft

* Extra 40% interest was acquired in Jan 2015 (NWD originally held 50% interest)

1HFY2015

Hong Kong rental income (HK\$ mil)	723.2
Contribution to property investment segment HK vs CN	HK over 60%

Occupancy of key investment properties

New World Tower, Central (Office)	95%
Manning House, Central (Office)	98%
K11, TST (Mall)	100%
Discovery Park Shopping Centre, Tsuen Wan (Mall)	80%
Telford Plaza, Kowloon Bay (Mall)	100%



Enhancement of rental portfolio

DISCOVERY PARK SHOPPING CENTRE: Innovative customer experiences



Grand opening in 19 Dec 2014

E•LAND, the largest apparel group in Korea, established its first foothold in Hong Kong with the opening of stores of 40,000 sq ft

Discovery Park Baby Nursery Rooms

ranked **NO. 1** among all shopping malls in HK






NEW WORLD CENTRE REDEVELOPMENT: Upcoming catalyst



- 3 million sq ft complex
- Construction carried out as scheduled
- To be completed in 2017
- 12 Salisbury Road TST (previously named as SOGO TST) will be altered in parallel with the redevelopment
- Enhancements to be made to Tsim Sha Tsui Promenade

Good hotel asset with stable performance

Four key hotels in Hong Kong

	Occupancy	ADR
GRAND HYATT™ HONG KONG	60.0%*	HK\$3,453
 HYATT REGENCY™ HONG KONG, TSIM SHA TSUI	91.4%	HK\$2,163
 HYATT REGENCY™ HONG KONG, SHA TIN	89.9%	HK\$1,369
 RENAISSANCE® HARBOUR VIEW HOTEL HONG KONG	80.4%	HK\$2,068

* Under overhaul

New hotel opened

ROSEWOOD
BEIJING



- Expertise with robust execution
 - 3 consecutive years proven track record in Hong Kong property sales
- Abundant saleable resources in Hong Kong
 - Over 2,100 new units in pipeline + 889 currently available units = Over 3,000 units available
- Actively manage Hong Kong landbank portfolio
 - Total 6.9 mil GFA sq ft was acquired thru various means in the past 5 years, average 1.4 mil GFA sq ft per annum
- IP asset enhancement and New World Centre Redevelopment
 - New World Centre, a new 3 mil GFA sq ft complex, to be completed in 2017
- Excellent hotel assets with stable performance
 - Defensive contribution by 4 key hotels in Hong Kong
- Sound financial position contributed by HK property sales and recurring income
 - Net gearing at NWD corporate office is 22.8% (26.1% if incl. NWS, NWCL & NWDS)
 - Cash on hand at NWD corporate office is HK\$28.4 bil (HK\$63.4 bil if incl. NWS, NWCL & NWDS)
- Ample war chest to capture market opportunities
 - MTN program in place (program size up to US\$4 bil, or HK\$31.2 bil)
 - Undrawn line at NWD corporate office is HK\$3.8 bil (HK\$10.6 bil if incl. NWS, NWCL & NWDS)

