

FY2018 Annual Results Highlights

(20 September 2018, Hong Kong) New World Development Company Limited (“NWD” or the “Group”; stock code: 0017) today announced the audited consolidated annual results for the financial year ended 30 June 2018.

Financials – Profit attributable to shareholders was greatly improved with robust financial position

- Profit attributable to shareholders amounted to HK\$23,338.1 million, up 204.1%
- Underlying profit: HK\$7,977.6 million, up 11.8%
- The basic earnings per share of the Group increased by 192.5% to HK\$2.34
- FY2018 final dividend: HK\$0.34 per share, up 3%
- FY2018 full year dividend: HK\$0.48 per share, up 4.3%
- Cash on hand and bank balances: HK\$63.5 billion
- Net gearing: 29.3%, down 5.5 percentage points

HK property sales: First mover with record-breaking HK\$24.7 billion contracted sales achieved

- In FY2018, attributable contracted sales amounted to HK\$24.7 billion that surpassed the HK\$10 billion target, of which more than HK\$16 billion attributable contracted sales was achieved in May and June 2018
- Property development segment was mainly attributable to the sales of residential units of the projects including MOUNT PAVILIA, FLEUR PAVILIA, ARTISAN HOUSE, Park Villa, Park Hillcrest, THE PARKVILLE and The Masterpiece
- Under the current development schedule, THE PAVILIA BAY, ARTISAN HOUSE, THE PARKVILLE, FLEUR PAVILIA, PARK HILLCREST and PARK REACH will be booked in FY2019
- Stable launch pipeline with balanced product mix. Upcoming launches and remaining units of those previous launched projects will provide over 1,700 units of saleable resources

HK landbank: Actively manage development resources via various channels under precise strategic planning

- As at 30 June 2018, attributable GFA of ready landbank: 12 million sq ft, of which 4 million sq ft for residential usage. Meanwhile, the Group has attributable land area of farmland: 17 million sq ft
- In August 2017, the Group has taken another step forward to unlock the hidden value of the farmland. The agricultural land use conversion of Lung Tin Tsuen Phase 3 project located in Yuen Long town centre was completed with total GFA approximately 121,100 sq ft
- On 2 May 2018, the Group won a successful bid for an iconic world-class commercial development in SKYCITY at Hong Kong International Airport. The project is scheduled to be completed in phases from 2023 to 2027
- The landbanking activities of the Group in Hong Kong in FY2018 are listed below:

New projects acquired in FY2018	Area	Channels	Key usage	NWD%	Attri. GFA/ sq ft
Wing Hong Street project	Cheung Sha Wan	Tender	Office	100%	370,962
Lung Tin Tsuen Phase III	Yuen Long	Farmland	Residential	100%	121,149
SKYCITY project	Chek Lap Kok	Tender	Commercial	100%	3,770,000
				Total	4,262,111

HK property investment: new catalysts that trigger the enhancement in recurrent income

- Gross rental income amounted to HK\$1,835.9 million up 16.5%, attributable to the satisfactory occupancy rates of the major projects, together with the commencement of operation in K11 ATELIER at Victoria Dockside and THE FOREST in Mong Kok
- K11 HK recorded 100% occupancy rate with an average monthly footfall of approximately 1.4 million
- D•PARK recorded an occupancy rate of 94% and an average monthly footfall of approximately 3.4 million
- THE FOREST in Mong Kok had its grand opening in FY2018 and attained an occupancy rate of 96%
- VICTORIA DOCKSIDE, a new global landmark located at the core area of Tsim Sha Tsui waterfront in Kowloon, was progressing well. This commercial complex with a total GFA of approximately 3 million sq ft will accommodate Grade A offices namely K11 ATELIER, K11 ARTUS serviced apartments, a luxury hotel Rosewood Hong Kong, Rosewood Residences, and K11 MUSEA that offers unparalleled novel experience of art, design and leisure
- The full opening of Victoria Dockside will be in third quarter of 2019
- K11 ATELIER, the Grade A offices in Victoria Dockside, was completed and the first batch of multinational corporations moved in during the fourth quarter of 2017. Occupancy rate is over 70% as at end of FY2018

Mainland China property sales: Delivered a satisfactory performance despite challenging market dynamics

- Overall property contracted sales in Mainland China reached RMB16.26 billion in gross sales proceeds, fulfilling FY2018 sales target of RMB16 billion. Southern region being the largest contributor, accounted for 26%
- The average selling price of overall residential sales recorded is RMB22,667 per sq m, up 20.9%
- Property sales gross margin maintains at a decent level of 40% plus
- In FY2018, the completed development property projects excluding carpark amounted to a GFA of 1,074,164 sq m, up 31%, of which, 66% is residential
- In FY2019, it is expected that the GFA completion will further increase by 8% to 1,160,595 sq m, of which, 78% is residential

Mainland China landbank : Actively enhance the land resources; Strategically focus on the Greater Bay Area

- Acquired a premium land plot for urban complex development in the transportation hub of Zengcheng District on the eastern outskirts of Guangzhou in October 2017, with total GFA excluding carpark of approximately 267,000 sq m at a consideration of RMB2.085 billion
- In January 2018, New World China Land signed the “Strategic Cooperation Agreement for Economic Belt at Man Kam To Crossing” with Shenzhen Lo Wu District Government for in-depth cooperation on the construction of the “Port Economic Belt” covers a site area of approximately 840,000 sq m
- As at 30 June 2018, the Group had a landbank in Mainland China excluding carpark for immediate development with total GFA of approximately 7 million sq m, of which approximately 4.3 million sq m is residential usage
- The major property development projects spreading across eight cities including Guangzhou, Foshan, Shenzhen, Wuhan, Ningbo, Beijing, Langfang and Shenyang comprised total GFA excluding carpark of approximately 5.6 million sq m, of which 3.1 million sq m is for residential use and 51% are located in Southern region

Mainland China property investment : Upcoming pioneered projects will create upside to the investment portfolio

- Gross rental income in Mainland China amounted to HK\$1,274.0 million, up 52.6%. The growth mainly due to 1) the commence operations of Wuhan Guanggu K11 and 2) the Group has optimized its internal structure and individual projects have been converted from joint ventures to subsidiaries after the completion of the privatisation of NWCL
- Major projects led by Shanghai K11 and Wuhan International Trade Towers, were recorded a satisfactory occupancy
- The pioneered concepts of K11 will further expand and will soon commence its operations in Shenyang, Ningbo, Beijing and Wuhan

This media information is also available at NWD's website (www.nwd.com.hk).

Founded in 1970, **New World Development Company Limited** (“the Group”, Hong Kong stock code: 0017) was publicly listed in Hong Kong in 1972 and is a constituent stock of the Hong Kong Hang Seng Index. A premium brand infused with a unique personality defined by The Artisanal Movement, New World Group’s core business areas include property development, property investment, infrastructure and services, department stores and hotels. As at 30 June 2018, the total asset value of the Group amounted to approximately HK\$481.5 billion. The Group has an effective interest of approximately 61% in NWS Holdings Limited (Hong Kong stock code: 0659), approximately 75% in New World Department Store China Limited (Hong Kong stock code: 0825) and wholly owned in New World China Land Limited.

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