



# The Artisanal **NEW WORLD**

 New World Development Company Limited

FY2017 Interim Results

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NEW WORLD DEVELOPMENT COMPANY LIMITED

HK Stock code: 0017/ US ADR: NDVLY

Hong Kong property development

Hong Kong property investment

NEW WORLD CHINA  
LAND LIMITED  
(Wholly owned  
subsidiary)

Mainland China property

NWS HOLDINGS  
LIMITED  
(HK stock code: 0659)

Mainland China department store

NEW WORLD  
DEPARTMENT STORE  
CHINA LIMITED  
(HK stock code: 0825)

Infrastructure and service

### HK property development

- Robust execution in property sales: surpassed FY2017 HK\$10 bn contracted sales target in just 7 months
- Unique and ample saleable resources: approximate 1,700 residential units

### HK property investment

- Defensive portfolio with pioneered concepts delivers stable contribution: 5.5% growth in gross rental income
- Upcoming catalyst: 3 mn sq ft New World Centre Redevelopment, project progress as scheduled

### Landbanking

- Proactive management to enhance assets qualities in HK and Mainland China: 1 tender, 1 change of usage and 4 acquisitions in HK + 2 in Shenzhen
- Various channels in place with proven track record in HK + Strong capabilities in Mainland China to create values

### Mainland China property

- New management team to bring out its potentials: Good assets with hidden values to be unlocked + RMB 12.8 bn contracted sales achieved in 1HFY2017
- Operation focus: projects in key cities and prime areas to capture the sustainable development momentum

### Financials

- Financial position: 34.4% net gearing, down four percentage points; HK\$68 bn consolidated cash on hand & bank balances with HK\$32 bn undrawn line
- Dividend: FY2016 full-year dividend HK\$0.44 per share (implied yield 5.4%\*); FY2017 interim dividend HK\$0.13 per share

\*Based on the closing share price HK\$8.20 on 31 Dec 2016



Results summary (HK\$ million)	1HFY2017	1HFY2016
Revenues	26,639.4	33,778.2
Profit attributable to shareholders	4,335.7	3,300.0
Underlying profit	5,001.3	3,281.4

Financial position (HK\$ million)	As at 31 Dec 2016	As at 30 Jun 2016
Cash & bank balances	68,206.3	55,170.8
Net debt	73,050.2	77,048.8
Net gearing (%)	34.4	38.4

Dividend (HK\$)	1HFY2017	1HFY2016
Interim	0.13	0.13

## SEGMENT PERFORMANCE



Segment results (HK\$ million)	1HFY2017	1HFY2016
(1) Property development		
Hong Kong	1,601.0	2,767.2
Mainland China	2,656.4	1,286.1
	4,257.4	4,053.3
(2) Property investment		
Hong Kong	619.6	602.5
Mainland China	293.0	408.0
	912.6	1,010.5
(3) Hotel operations		
Hong Kong	90.7	89.6
Mainland China	(118.4)	(138.7)
	(27.7)	(49.1)
(4) Service	816.5	762.4
(5) Infrastructure	1,610.8	1,581.8
(6) Department stores	135.6	155.6
(7) Others	37.0	(92.2)
Total	7,742.2	7,422.3



## HK attributable contracted sales

## Sales proceeds/ HK\$ bn

2016.01.01 – 2016.06.30

3.72

2016.07.01 – 2016.12.31

4.73

2017.01.01 – 2017.02.12

5.62

CY2016

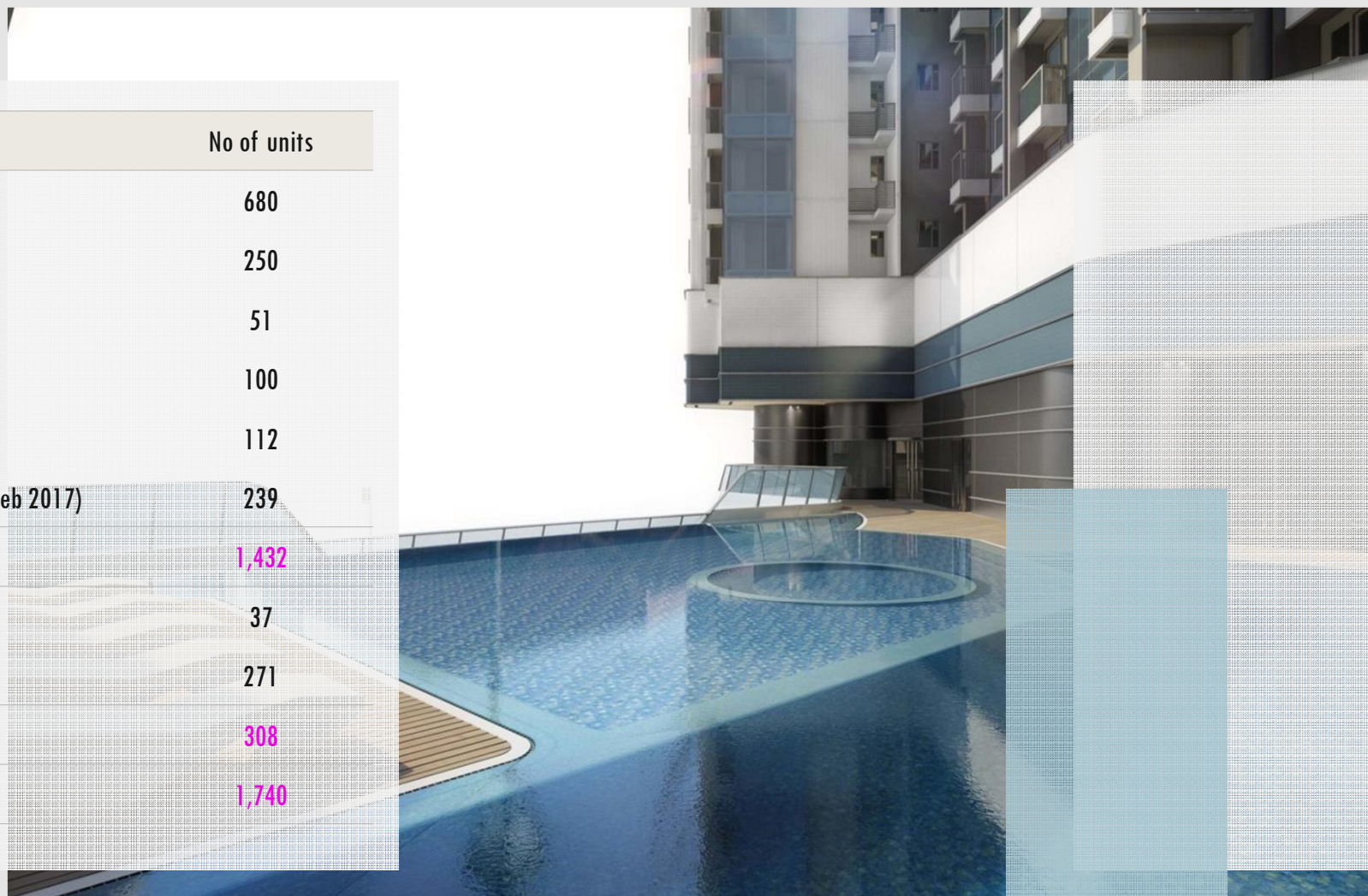
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FY2017 (up to 2017.02.12)

10.35



Upcoming major new launches	No of units
MOUNT PAVILIA	680
ARTISAN HOUSE	250
PARK VILLA	51
HEUNG SZE WUI RD PROJECT	100
TONG YAN SAN TSUEN PROJECT	112
THE PAVILIA BAY (Remaining units as at 12 Feb 2017)	239
<b>Subtotal A</b>	<b>1,432</b>
NWD inventory (as at 12 Feb 2017)	37
JV inventory (as at 12 Feb 2017)	271
<b>Subtotal B</b>	<b>308</b>
<b>Total (A+B)</b>	<b>1,740</b>





Contracted sales	1HFY2017	1HFY2016
Sales proceeds/ RMB mn	12,786	12,359
Overall ASP/ RMB	19,548	16,828

## Contracted sales in 1HFY2017 by region

Southern China	44%
Central China	17%
Northern China	22%
North-eastern China	17%
Total	100%

## Estimated completion in FY2017

Property development/ GFA/ sq m	797,980
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OLD BUILDING REDEVELOPMENT	PUBLIC TENDER	FARMLAND CONVERSION
<u>Unique location</u>	<u>Sizeable development</u>	<u>Unlock hidden value</u>
HK attributable landbank as at mid-Feb 2017		
Hong Kong ready land (by GFA)		10.0 million sq ft
- Residential usage (by GFA/ % of total)		5.0 million sq ft (50%)
Farmland (by land area)		17.6 million sq ft
- Yuen Long (by land area/ % of total)		12.1 million sq ft (69%)

## STRONG CAPABILITIES TO EXPLORE NEW OPPORTUNITIES

Focus in key cities and has set the scenes in developing major landmark projects that offer enormous potential

## CHINA landbank

Development property landbank

Over 10 mn sq m

Completed investment properties

Over 2 mn sq m

## Key geographic exposure

Southern China

Guangzhou, Foshan, Shenzhen

Central China

Wuhan

Eastern China

Shanghai, Ningbo

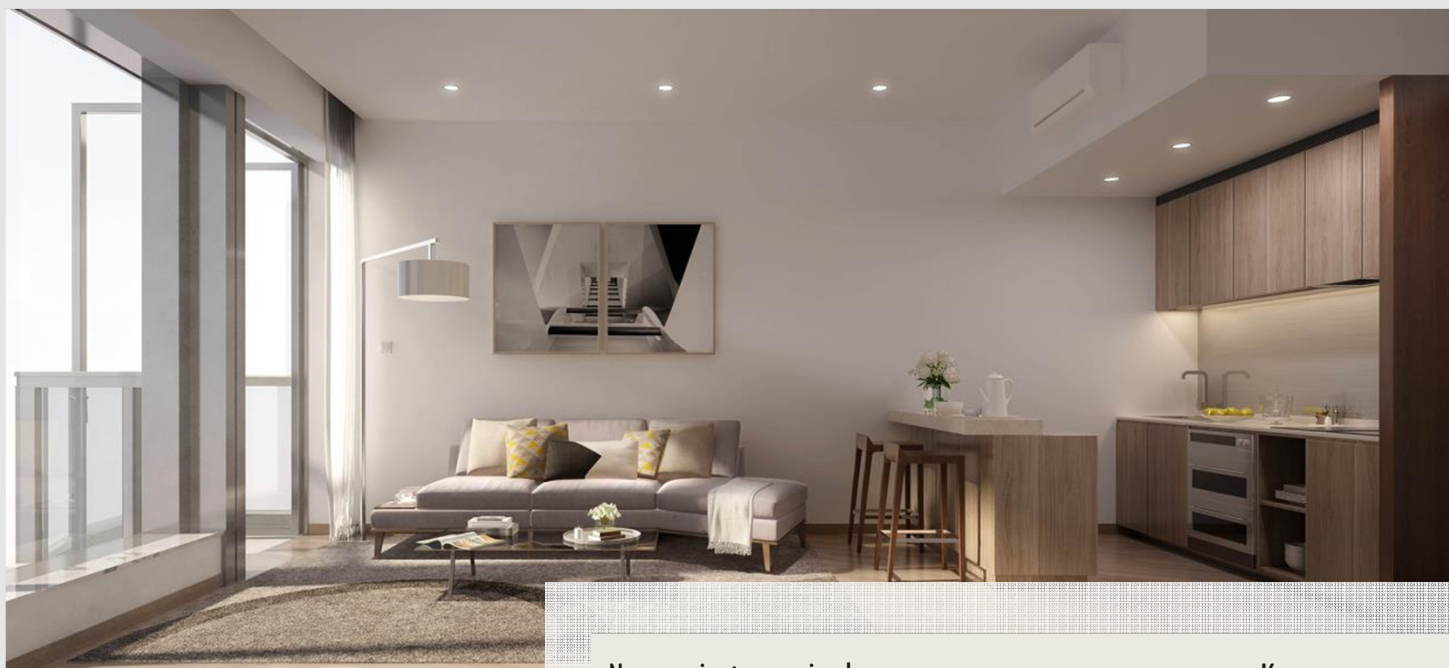
Northern China

Beijing

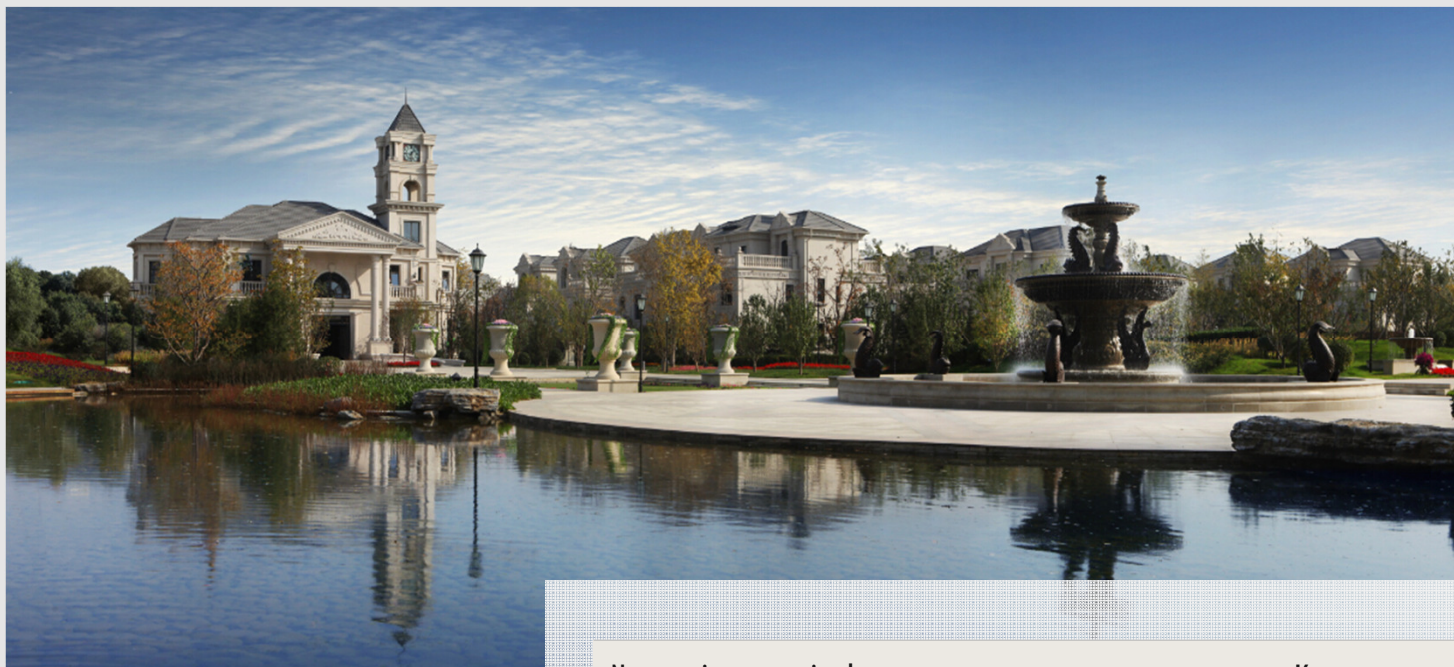
North-eastern China

Shenyang





New projects acquired	Key usage	NWD	Approx. attri .GFA/ sq ft
Mid Levels Seymour Rd project	Residential	35%	165,000
Kowloon East Industrial Projects	Industrial	100%	262,000
Kowloon West Tonkin St project	Residential	100%	233,000
Kowloon West King Lam St project*	Office	100%	998,000
		<b>Total</b>	<b>1,658,000</b>
*added in February 2017			



New projects acquired	Key usage	NWD	Approx. attri .GFA/ sq m
Shenzhen Qianhai project	Office	30%	51,000
Shenzhen Prince Bay project — Parcel A	Commercial	51%	113,000
Shenzhen Prince Bay project — Parcel B	Commercial/ office/ serviced apartment	49%	78,000
		Total	242,000





Office	Occupancy
New World Tower, Central	99%
Manning House, Central	97%
Mall	Occupancy
HK K11, TST	100%
D • PARK, Tsuen Wan	99%
Pearl City, Causeway Bay	100%
Telford Plaza, Kowloon Bay	100%
POPCORN II, Tseung Kwan O	100%

### **HK gross rental income up 5.5%**

#### **Office**

- Positive rental reversion in our Central office towers

#### **Mall**

- Strong performance in K11, TST
- Resilient performance in regional mall





### Shanghai K11

- Sustainable "Art x Commerce" K11 business model, creating a museum retail concepts, office and residences in Greater China
- **2016:** One for fashion and photography lovers, BAGISM is an exhibition of over 300 handbags dating from 400 years ago to the present day
- **2015:** An exhibition partnership with Gala-Salvador Dalí Foundation, which had culminated in the first exhibition of the Spanish surrealist in China since 2001
- **2014:** The first ever exhibition of Claude Monet in China was held

### New World Centre Redevelopment

- Total GFA: 3 mn sq ft
- Current status: Project progress as scheduled
- Focus: New landmark in Hong Kong





## HOTEL OPERATIONS



Location	No of hotels
Hong Kong	6
China	8
SE Asia	3
<b>Total</b>	<b>17</b>

Hotels/ 1HFY2017	Location	Room	Occupancy (%)	ADR (HK\$)
Grand Hyatt HK	Wanchai	545	78	3,100
Renaissance Harbourview	Wanchai	861	83	1,900
Hyatt Regency TST	TST	381	92	1,900
Hyatt Regency Sha Tin	Sha Tin	559	89	1,300
pentahotel Kowloon	KIn East	695	88	580



# *The Artisanal Movement*

WE CREATE, WE ARE ARTISANS!