

*The Artisanal Movement*  
WE CREATE, WE ARE ARTISANS!

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### Hong Kong property development

- Total HK\$7.1 bn contracted sales achieved as at mid February 2018, 71% of FY2018 HK\$10 bn target
  - Unique saleable resources with approximately 2,500 residential units
  - Contracted sales for FY2019 booking have been majorly secured (THE PAVILIA BAY + ARTISAN HOUSE + THE PARKVILLE, etc)
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### Hong Kong investment property

- 3 mn sq ft Victoria Dockside progress as scheduled
  - over 70% of the office K11 Atelier leased with satisfactory rental rate achieved
  - Pre-leasing of the commercial portion in line with expectation; Full opening targeted in 2019
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### China property development

- Total RMB8.6 bn contracted sales achieved in 1HFY2018, 54% of FY2018 RMB16 bn target
  - Accelerating development with completion up 24% in FY2018 to 1.1 mn sqm
  - Saleable resources as at Dec 2017 of over 1.2 mn sqm
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### China asset enhancement

- Actively reviewing asset portfolio: new project acquisition with good potentials + non-core asset disposal
  - Sale & purchase agreement has been entered for disposal of hotels + commercial in Shanghai, total consideration RMB1.85bn
  - Strategic cooperation with Lo Wu Government at the economic belt of Man Kam To crossing
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### Financials

- Financial position: 32.7% net gearing, down 2.1 percentage points; HK\$65.5bn consolidated cash on hand & bank balances
  - Basic EPS up 150% to HK\$1.15/ share, due to the growth in segment results, fair value change in IPs and net exchange gains
  - Prepared for the upcoming interest rate hike: 30% of the gross debt are of fixed rate
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Results summary (HK\$ million)	1HFY2018	1HFY2017
Revenues	27,935.4	26,639.4
Changes in fair value of investment properties	7,167.9	346.0
Profit attributable to shareholders	11,269.9	4,335.7
Basic earnings per share (HK\$)	1.15	0.46

Financial position (HK\$ million)	As at 31 Dec 2017	As at 30 Jun 2017
Cash & bank balances	65,461.3	67,106.5
Net debt	78,328.0	76,870.2
Net gearing (%)	32.7	34.8

Dividend (HK\$)	FY2018	FY2017
Interim	0.14	0.13

\*FY2017 full year dividend HK\$0.46 per share, implied yield 4.2%, based on the average share price HK\$11.06 during 1 Jul 2017 to 31 Dec 2017

### Source of borrowings

■ Floating rate ■ Fixed rate



### Maturity profile of borrowings

■ within 1 year ■ in 2nd year ■ in 3rd-5th year ■ after 5 years



### Currency profile of borrowings

■ HKD ■ USD & others ■ RMB



\*Based on gross debt as at 31 Dec 2017

#Buyback of 9.46 million shares in 1HFY2018

(HK\$ million)	1HFY2018		1HFY2017	
(1) Property development	Revenue	Segment results	Revenue	Segment results
Hong Kong	1,273.7	729.1	5,608.4	1,601.0
Mainland China	8,619.9	3,997.3	7,411.2	2,656.4
	9,893.6	4,726.4	13,019.6	4,257.4
(2) Property investment				
Hong Kong	822.7	640.1	723.7	619.6
Mainland China	521.6	304.5	460.7	293.0
	1,344.3	944.6	1,184.4	912.6
(3) Hotel operations				
Hong Kong	313.1	72.5	298.0	34.9
Mainland China	325.7	(73.5)	347.9	(118.4)
South East Asia	116.5	16.1	108.8	55.8
	755.3	15.1	754.7	(27.7)
(4) Service	12,479.5	426.8	8,502.6	816.5
(5) Infrastructure	1,352.6	1,936.6	1,256.3	1,610.8
(6) Department stores	1,772.8	116.3	1,720.4	135.6
(7) Others	337.3	(88.3)	201.4	37.0
<b>Total</b>	<b>27,935.4</b>	<b>8,077.5</b>	<b>26,639.4</b>	<b>7,742.2</b>

Key projects booked in 1HFY2018

THE MASTERPIECE

THE PAVILIA HILL

DOUBLE COVE (PH 1-5)

Key projects to be booked in 2HFY2018

MOUNT PAVILIA

HK attributable contracted sales

Attri. sales proceeds/ HK\$ bn

2017.07.01 – 2017.12.31

5.14

2018.01.01 – 2018.02.19

1.94

**FY2018 as of 2018.02.19**

**7.08**

Key contributors to 1HFY2018 contracted sales

% of total

MOUNT PAVILIA

39%

ARTISAN HOUSE

13%

THE PARKVILLE

11%

DOUBLE COVE (PH1-5)

8%

PARK HILLCREST

7%

THE MASTERPIECE

6%

THE PAVILIA BAY

5%

Other residential

5%

Carparks

6%



Perspective of PARK HILLCREST



Club house of MOUNT PAVILIA

Upcoming major new launches	No of units
MOUNT PAVILIA (remaining units)	456
FLEUR PAVILIA	611
YLTL524 project	504
Waterloo Road project	240
Sheung Heung Road project	294
<b>Subtotal A</b>	<b>2,105</b>
NWD inventory (as at 2018.02.19)	255
JV inventory (as at 2018.02.19)	182
<b>Subtotal B</b>	<b>437</b>
<b>Total (A+B)</b>	<b>2,542</b>

Key projects to be booked in FY2019	% sold as at 2018.02.19
THE PAVILIA BAY	99%
ARTISAN HOUSE	45%
THE PARKVILLE	91%
PARK HILLCREST	68%
PARK REACH	100%
FLEUR PAVILIA	To be launched



Rendering of ARTISAN HOUSE



New projects acquired in 1HFY2018	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%	121,148

HK attributable landbank as at mid-Feb 2018	,000 sq ft	%
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## By usage/ category

- Development Property – Residential	4,823	45%
- Development Property – Non residential	5,841	55%

<b>Total</b>	<b>10,664</b>	<b>100%</b>
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## By area

- HK Island	980	9%
- Kowloon	5,995	56%
- New Territories	3,689	35%

<b>Total</b>	<b>10,664</b>	<b>100%</b>
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Farmland landbank - attributable land area	sq ft/ million	%
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- Yuen Long & Tuen Mun District	11.6	68%
- North District	2.2	13%
- Sha Tin & Tai Po District	2.0	12%
- Sai Kung District	1.2	7%

<b>Total</b>	<b>17.0</b>
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THE PAVILIA HILL

Key projects booked in 1HFY2018	Gross margin
Guangzhou Covent Garden	62%
Guangzhou Central Park-view	73%
Guangzhou Park Paradise	48%
Shenzhen Yi Shan Garden	59%
Langfang New World Garden	57%
Shenyang New World Garden	55%

Contracted sales	1HFY2018	1HFY2017
Sales proceeds/ RMB bn*	8.64	12.77
Overall ASP/ RMB	19,507	19,548
Residential ASP/ RMB	20,352	19,901

Contracted sales by region (key cities)	% of sales proceeds
Southern (Guangzhou, Shenzhen, Foshan)	28%
Central (Wuhan, Changsha)	11%
Eastern (Ningbo)	20%
Northern (Beijing, Tianjin, Langfang)	20%
North-eastern (Shenyang)	21%

- The contracted sales in 2HFY2017 is RMB3.44 bn due to tough market condition in calendar year 2017



Shenzhen New World Signature Hill



Guangzhou Park Paradise

Development property saleable resources (excl Carpark)	GFA sqm
Residential	747,431
Non residential	494,370
<b>Total</b>	<b>1,241,801</b>

Development property saleable resources (excl Carpark)	% of total
Southern	33%
Central	8%
Eastern	4%
Northern	41%
North-eastern	13%
<b>Total</b>	<b>100%</b>

As of 31 Dec 2017



Perspective of Ningbo New World



Guangzhou Covent Garden

Fiscal year	DP excl carpark sq m	% change	DP incl carpark sq m	% change	DP + IP incl carpark sq m	% change
FY2017	819,033		920,053		1,281,099	
FY2018	1,009,435	+23.2%	1,142,860	+24.2%	1,422,615	+11.0%

FY2018 DP completion sq m	Residential	Non residential	Total	Carpark
Guangzhou	198,868	-	<b>198,868</b>	-
Foshan	148,671	-	<b>148,671</b>	12,025
Wuhan	235,918	-	<b>235,918</b>	90,123
Shenyang	300,771	-	<b>300,771</b>	-
<b>Key projects total</b>	<b>884,228</b>	-	<b>884,228</b>	<b>102,148</b>
Other projects total	34,627	90,580	<b>125,207</b>	31,277
<b>Total</b>	<b>918,855</b>	<b>90,580</b>	<b>1,009,435</b>	<b>133,425</b>

FY2018 IP completion sq m	Residential	Non residential	Total	Carpark
Guangzhou	-	6,067	<b>6,067</b>	73,761
Shenyang	-	107,133	<b>107,133</b>	92,794
<b>Total</b>	-	<b>113,200</b>	<b>113,200</b>	<b>166,555</b>

Landbank as at 31 Dec 2017	Total GFA sq m (incl carpark)	Total GFA sq m (excl carpark)	%
Southern (Guangzhou, Foshan, Shenzhen)	3,311,644	2,651,880	41.0%
Central (Wuhan)	893,822	635,894	9.8%
Eastern (Ningbo)	824,210	557,005	8.6%
Northern (Beijing, Langfang)	1,104,060	645,734	10.0%
North-eastern (Shenyang)	2,513,978	1,983,323	30.6%
<b>Key projects total</b>	<b>8,647,714</b>	<b>6,473,836</b>	<b>100.0%</b>
Other projects total	1,863,263	1,488,092	
<b>Total</b>	<b>10,510,977</b>	<b>7,961,928</b>	



Beijing New World – LI ZUN



Foshan Canton First Estate

New projects acquired after privatisation	Key usage	Total GFA/ sq m	NWD
Shenzhen Qianhai project (Aug 2016)	Office	180,100	30%
Shenzhen Prince Bay project – Parcel A (Dec 2016)	Commercial	222,000	51%
Shenzhen Prince Bay project – Parcel B (Dec 2016)	Commercial/ Office/ Serviced apartment	160,000	49%
Guangzhou Zengcheng project (Oct 2017)	Residential/ Office/ Commercial/ Hotel	382,008	100%
<b>Total</b>		<b>944,108</b>	



#### Strategic cooperation with Lo Wu Government

- NWCL signed the “Strategic Cooperation Agreement for Economic Belt at Man Kam To Crossing” with the Lo Wu Government in Jan 2018
- Land parcel available for the project modification covers an area of approximately 840,000 sq m
- The project looks set to become a transportation hub with tremendous potentials

Office	Occupancy
New World Tower, Central	99%
Manning House, Central	99%

Mall	Occupancy
HK K11, TST	100%
D-PARK, Tsuen Wan	93%
THE FOREST, Mong Kok	97%
Pearl City, Causeway Bay	100%
Telford Plaza, Kowloon Bay	100%
POPCORN II, Tseung Kwan O	100%



**HK gross rental income up 13.7% yoy**

**Office**

- Positive rental reversion in our office towers in Central
- K11 Atelier started to contribute in 1HFY2018

**Mall**

- Strong performance of HKK11, TST
- Resilient performance of regional malls



## GFA breakdown (,000 sq ft)

Office – K11 Atelier	435
Hotel & residences - Rosewood	1,106
Commercial	1,028
Serviced apartment	380
12 Salisbury Road	128
<b>Total</b>	<b>3,077</b>

## Tenants start move in

Office – K11 Atelier	4Q 2017
Hotel & residences - Rosewood	1Q 2018
Commercial	3-4Q 2018
Full opening	Mid 2019



Rosewood Residences

- Luxury accommodations for long stays:  
L43-54 & L58-65 (186 units)

Rosewood Hong Kong

- Hotel guestroom:  
L24-40 (413 guestrooms)

K11 Atelier

- Office portion:  
L7-21  
Key tenants: Mizuho Group, Fubon Group  
  
Over 70% leased





Wuhan Guanggu K11

Key projects	Usage	Occupancy
Wuhan New World International Trade Tower	Office	80%
Shanghai HK New World Tower	Office	82%
Shanghai K11	Retail	99%
Beijing New World Centre	Retail	100%
Tianjin New World Plaza	Retail	82%
Guangzhou Central Park-view	Commercial	89%
Guangzhou Central Park-view	Serviced apartment	90%

Location	No of hotels	No of rooms
Hong Kong	6	3,481
Mainland China	7	2,410
South East Asia	4	1,500
<b>Total</b>	<b>17</b>	<b>7,391</b>

\*The disposal of New World Shanghai Hotel and pentahotel Shanghai will be completed in 2HFY2018, 2 hotels with 816 rooms will be no longer within the Group portfolio once the transaction is completed

Key hotels/ 1HFY2018	Location	Room	Occupancy	ADR
<u>Hong Kong</u>				(HK\$)
Grand Hyatt HK	Wanchai	542	83%	3,350
Renaissance Harbourview	Wanchai	861	87%	1,970
Hyatt Regency TST	TST	381	92%	1,980
Hyatt Regency Sha Tin	Sha Tin	562	90%	1,320
pentahotel Kowloon	Kln East	695	89%	630
<u>Mainland China</u>				(RMB)
Rosewood Beijing	Beijing	283	74%	2,100
New World Hotel Beijing	Beijing	309	84%	910
pentahotel Beijing	Beijing	307	85%	530



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