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# About the Group



HK stock code 17/ US ADR NDVLY  
HK Hang Seng Constituent Stock/ Shanghai Shenzhen connect stock

- Founded in 1970, New World Development Company Limited ("the Group", Hong Kong stock code: 00017) was publicly listed in Hong Kong in 1972 and is a constituent stock of the Hong Kong Hang Seng Index
- The Group actively invests in Mainland China, especially in the Greater Bay Area and key provincial hubs since the 1980s
- The Group has a strong commitment to sustainable development and adopts a 3Ps approach to its daily business operations that involves maintaining a balance between making profit (Profit) and fulfilling the company's responsibilities towards the environment (Planet) and the community (People)

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# Financial highlights

# 2019 results highlights

Revenues	HK\$76,764 mil	+26%	}	Strong booking of sales in HK
Segment results	HK\$19,978 mil	+26%		
Underlying profit	HK\$8,814 mil	+10%		
Core EPS	HK\$0.86	+8%		
Profit attributable to shareholders of the company	HK\$18,160 mil	-22%		Primarily lower property revaluation gains
Full year DPS	HK\$0.51	+6%		
Gearing (net debt/ total equity)	32.1%	+2.8% pts		

**Robust growth underpinned by exceptional booking of property sales in Hong Kong**

# Strategy update

## New World Group

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### CORE BUSINESS

#### NWD & NWCL

Property development · Property investment

#### NWS

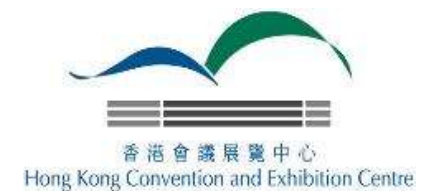
Roads · Aviation · Construction

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### Strategic business

HUMANSA · Environmental · Facilities Management

- **Grow core business to deliver synergy and sustainability**
- **Develop strategic business to capture growth and enrich core business**



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**Non-property businesses forming the ecosystem enhancing the NWD core propositions**



# Investment highlights

7. Recurrent contribution from NWS with growth potential

1. Proven underlying profit track record delivering consistent DPS growth

2. Substantial growth in investment properties

HK 3x increase + CN 6x increase  
Victoria Dockside performance yet to be reflected in near term

6. Prudent and pro-active financial management with strong execution

*The Artisanal Movement*

3. Abundant saleable resources  
+  
Significant sales revenue to be recognised

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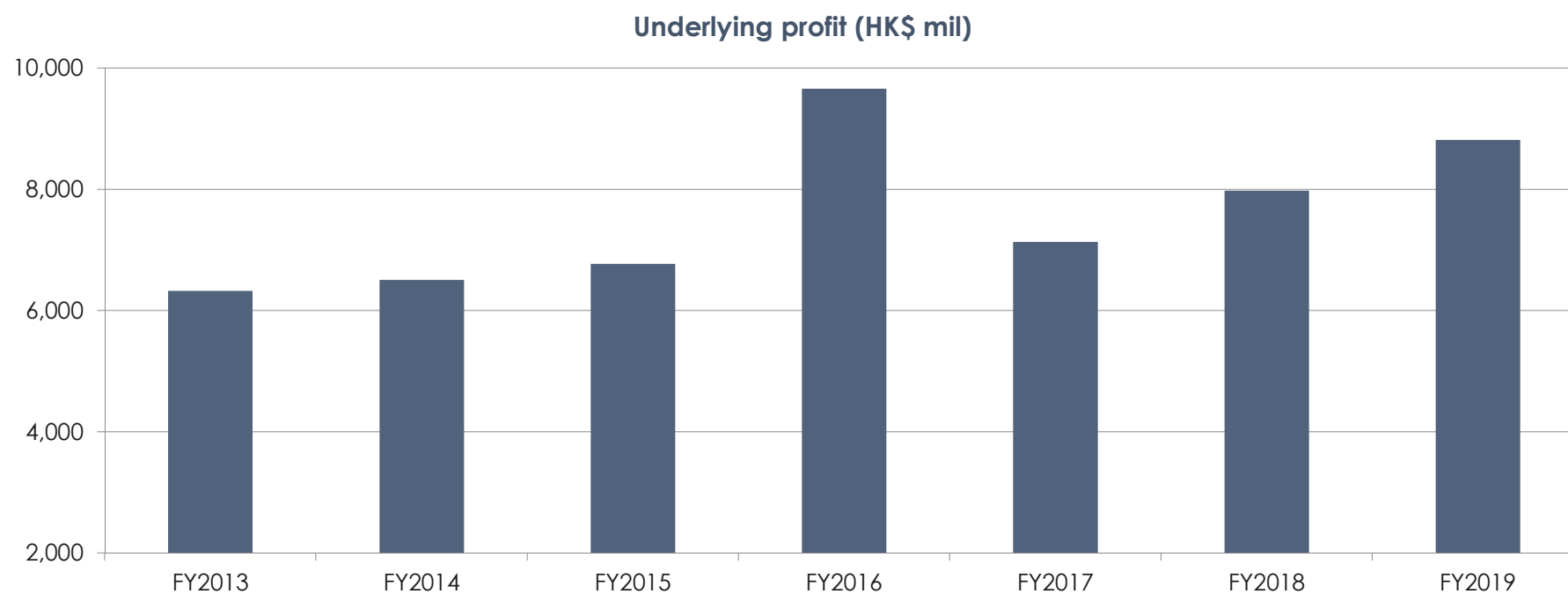
 新世界發展有限公司  
New World Development Company Limited

5. Significant progress in non-core disposal to crystallise value

4. Well positioned in Greater Bay Area

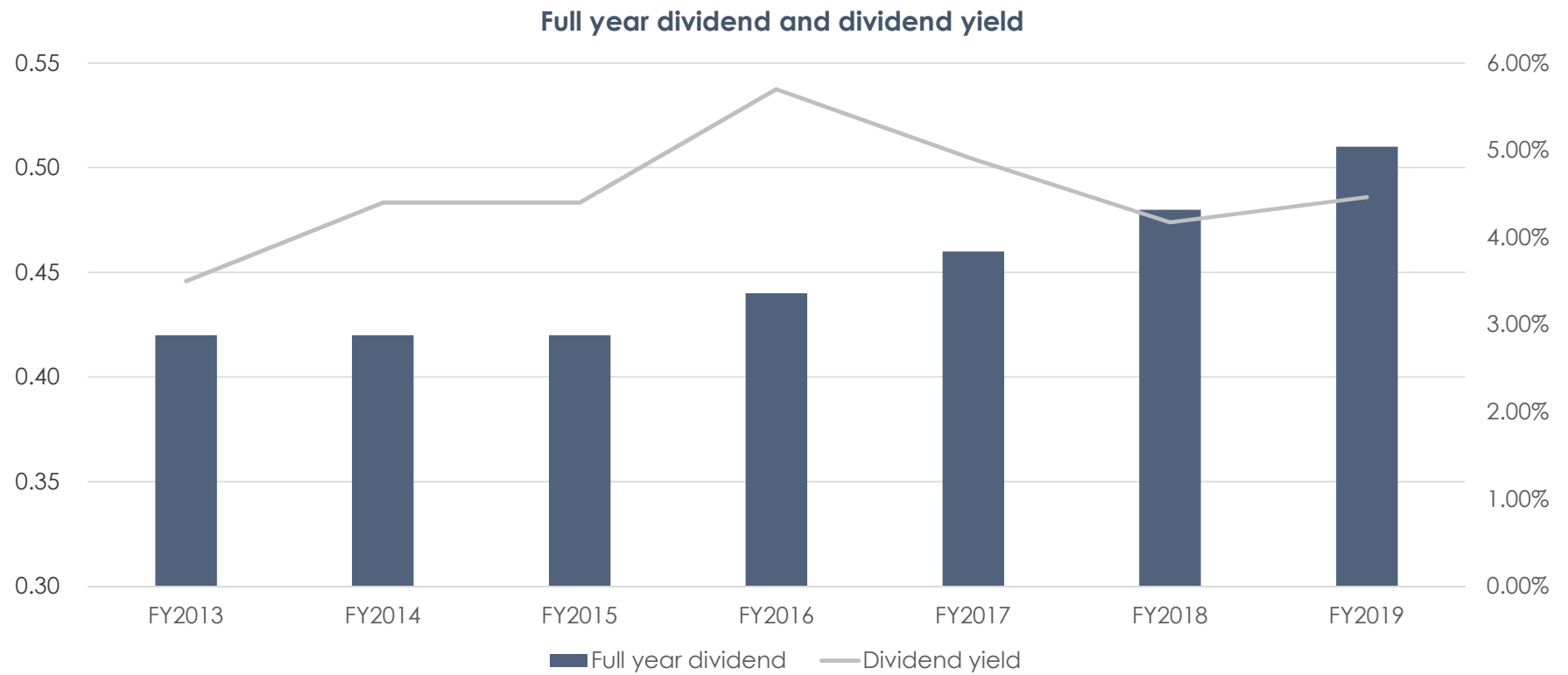
**Long term: resilience in rental complement DP sales 50:50**  
**Sustainable growth model amid uncertain environments**

# 1. Proven track record in underlying profit...



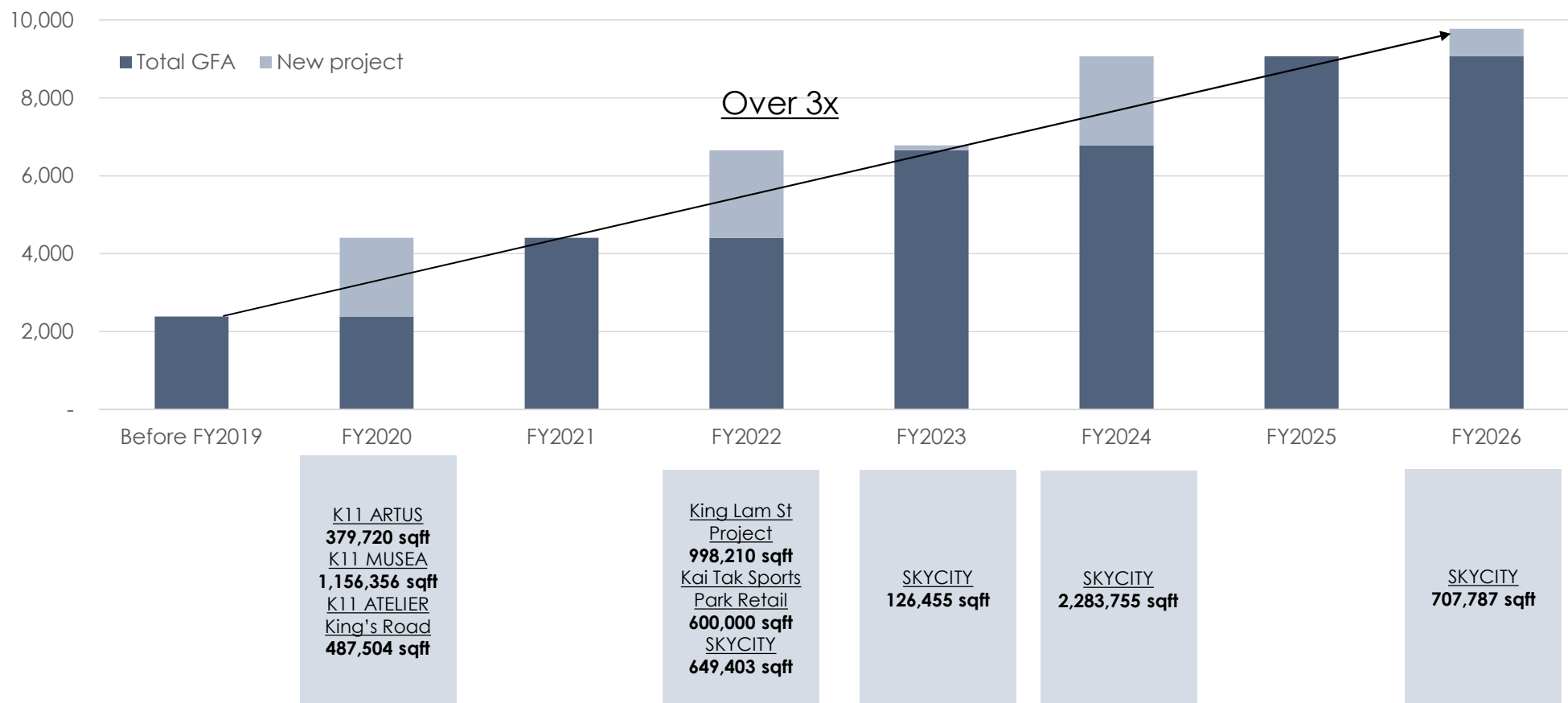
*\*Non-core asset disposal in Mainland China under NWCL in FY2016*

# 1. ...delivering consistent dividend growth



## 2. Growth in Hong Kong core rental GFA

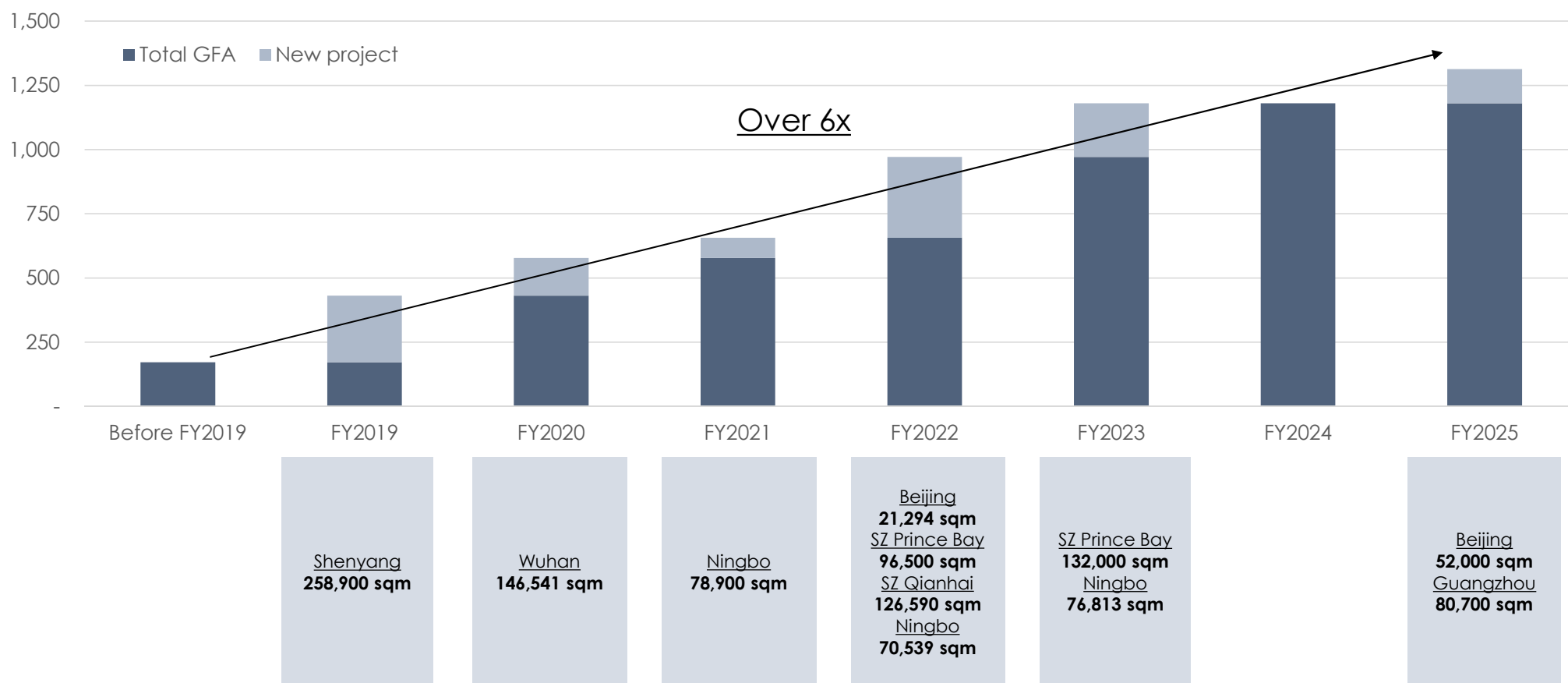
Enhancing Hong Kong core IP portfolio (GFA '000 sq ft)



\*Rosewood Residence not included

## 2. Growth in Mainland China core rental GFA

Enhancing Mainland China K11 portfolio (GFA '000 sq m)



\* As at 30 June 2019, the completed core IP portfolio under NWCL: approximately GFA 500,000 sq m

### 3. Abundant saleable resources in HK

Key new residential projects launched in FY2019	No of units	Remaining units	Remaining SFA (sq ft)
ARTISAN GARDEN (SOLD OUT)	294	-	-
TIMBER HOUSE (SOLD OUT)	240	-	-
ATRIUM HOUSE	313	99	40,608
REACH SUMMIT	504	22	7,777
<b>Subtotal A</b>		<b>121</b>	<b>48,385</b>
Inventory		Remaining units	Remaining SFA (sq ft)
NWD inventory		128	254,335
JV inventory		116	174,841
<b>Subtotal B</b>		<b>244</b>	<b>429,176</b>



Key new residential projects to be launched	No of units
Tai Wai Station phase 1	783
Tai Wai Station phase 2	1,415
Tai Wai Station phase 3	892
<b>Subtotal C</b>	<b>3,090</b>
<b>Total (A+B+C)</b>	<b>3,455</b>

• As at 15 Sep 2019

**470,000 sq ft saleable resources**  
**before the launching of Tai Wai Station project**

### 3. Completion schedule

Fiscal year/ sq m	FY2020	FY2019	FY2018	FY2019 DP Completion sq m	Residential	Non-residential	Total	Carpark
<b>DP excl. carpark</b>	<b>910,585</b>	<b>660,168</b>	<b>1,074,164</b>	Guangzhou	161,127	-	161,127	-
DP incl. carpark	1,180,161	744,327	1,105,441	Foshan	34,751	942	35,693	49,941
				Yiyang	35,092	1,139	36,231	-
				Langfang	50,441	7,267	57,708	34,218
<b>IP excl. carpark</b>	<b>274,029</b>	<b>148,193</b>	<b>103,854</b>	Shenyang	212,507	76,671	289,178	-
IP incl. carpark	406,897	371,698	353,364	Anshan	66,729	13,502	80,231	-
				<b>Total</b>	<b>560,647</b>	<b>99,521</b>	<b>660,168</b>	<b>84,159</b>
				<b>%</b>	<b>85%</b>	<b>15%</b>	<b>100%</b>	
				FY2020 DP completion forecast sq m	Residential	Non-residential	Total	Carpark
<b>DP + IP excl. carpark</b>	<b>1,184,614</b>	<b>808,361</b>	<b>1,178,018</b>	Foshan	98,275	-	98,275	714
DP + IP incl. carpark	1,587,058	1,116,025	1,458,805	Wuhan	37,522	-	37,522	58,698
				Changsha	81,499	1,284	82,783	26,862
				Ningbo	137,652	113,146	250,798	161,902
				Beijing	-	21,294	21,294	4,073
				Shenyang	55,235	287,085	342,320	-
				Anshan	68,982	8,611	77,593	17,327
				<b>Total</b>	<b>479,165</b>	<b>431,420</b>	<b>910,585</b>	<b>269,576</b>
				<b>%</b>	<b>53%</b>	<b>47%</b>	<b>100%</b>	

Approximately **1.6 mil sq m**

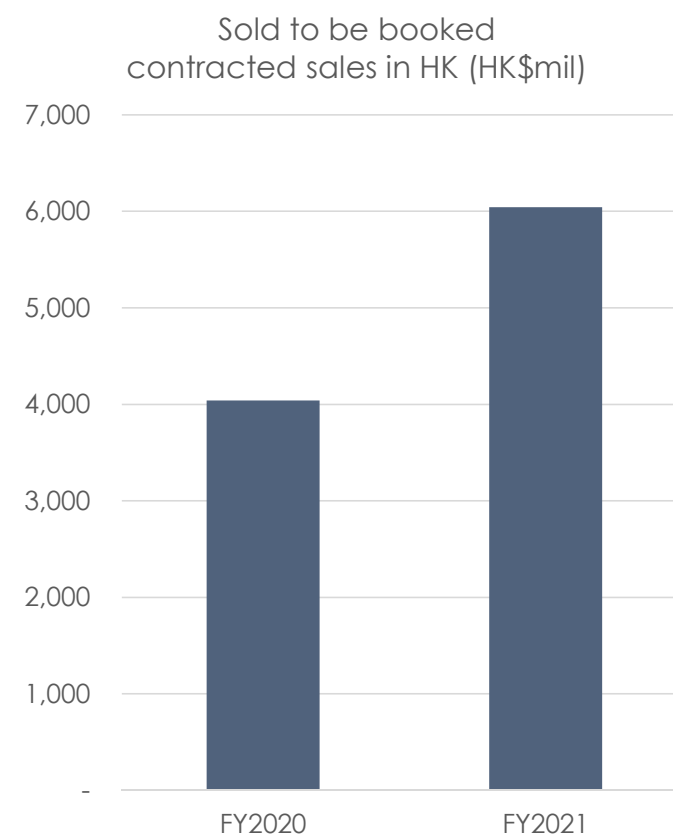
of property development

to be completed in FY2019 and FY2020

### 3. Unrecognised sales revenue in HK

Sold to be booked in FY2020	Total no of units	Attributable proceeds HK\$ mil
MOUNT PAVILIA	86	2,770
The Masterpiece	3	339
FLEUR PAVILIA	32	276
THE PAVILIA HILL	1	127
Others and car parks		528
<b>Total</b>		<b>4,040</b>

Sold to be booked in FY2021	Total no of units	Attributable proceeds HK\$ mil
ARTISAN GARDEN	294	1,772
PARK VILLA	38	1,583
ATRIUM HOUSE	213	1,108
REACH SUMMIT	481	478
The Masterpiece	3	395
MOUNT PAVILIA	8	358
FLEUR PAVILIA	32	322
Others and car parks		30
<b>Total</b>		<b>6,046</b>



• As at 31 Aug 2019

**HK\$11.2 bn to be recognised from HK property sales**



### 3. Unrecognised sales revenue in Mainland China

Sold to be booked/ Total proceeds RMB mil	FY2020	FY2021
Southern region	2,263	-
Central region	52	85
Eastern region	42	202
Northern region	209	-
North-eastern region	613	48
<b>Total</b>	<b>3,179</b>	<b>335</b>



• As at 31 Aug 2019

**RMB3.6 bn to be recognised from Mainland China property sales**

Source: SCMP/ HSBC/ CBRE

# 4. The Greater Bay Area (GBA) - Opportunities

Greater Bay Area economy to reach US\$3.6 trillion by 2030

**Core Cities**

*Hong Kong, Macao, Guangzhou, Shenzhen*

11 cities  
mega-  
economy  
to emerge

**Key Node Cities**

*Dongguan, Foshan, Zhuhai, Huizhou, Zhongshan,  
Jiangmen, Zhaoqing*

71 mil

combined population

of the national GDP

12%

volume of air freight traffic

USD  
23,000

Per capita GDP

8 mil  
tonnes

66%

GDP contribution  
from tertiary industry

**Position to capture the “Premiumisation” of products and services in a young and growing economy**

# 4. The Greater Bay Area (GBA) - Strategy

Over 50% of our core landbank in GBA

Region/ sq m '000	Total GFA (excl carpark)	GFA 1.5 mil sq m obtain in GBA since 2016				
Southern region	2,668					
Central region	1,140	8/2016	12/2016	10/2017	11/2018	9/2019
Eastern region	489	SZ Qianhai project	SZ Prince Bay projects	GZ Zengcheng project	GZ Panyu Hanxi project	GZ Zengcheng Project
Northern region	610	176,300 sqm	378,462 sqm	284,328 sqm	307,189 sqm	324,151 sqm
North-eastern region	1,576	<i>Completion starting from</i>				
<b>Total</b>	<b>6,483</b>	FY2022	FY2021	FY2022	FY2023	FY2024
<b>Of which, core landbank*</b>	<b>5,277</b>					

## Old city redevelopment

Villagers approval obtained

- Liwan project (Sep 2018) - Residential
- Haizhu project (Apr 2019) - Residential
- Zengcheng project (Sep 2019) - Residential

Expected to include to our landbank in 2023 Q4

Expected to include to our landbank in 2023 Q4

Expected to include to our landbank in 2022 Q4

\*as at 30 Jun 2019  
 \*core landbank including project in GBA, Wuhan, Ningbo, Beijing, Shenyang

## 5. Significant progress in non-core disposals

Disposal under NWD – FY2019	Actual/expected completion date	Total consideration
Two industrial projects in Kwun Tong	FY2019	
Car parking spaces in Riviera Gardens	FY2020	<b>HK\$2.3 bn</b>
A commercial property on Hong Kong Island	FY2020	

Disposal under NWS – FY2019	Actual completion date	Total consideration
Urban Parking (Beijing) Limited	FY2019	
Tianjin Orient Container Terminal	FY2019	
Tianjin Five Continents Int'l Container Terminals	FY2019	<b>HK\$1.3 bn</b>
Shares of Beijing Capital Int'l Airport	FY2019	

Disposal under NWCL & NWS – in 3Q 2019	Expected completion date	Total consideration
Changsha La Ville New World	FY2020	<b>RMB2.2 bn</b>
Shares of Beijing Capital Int'l Airport	FY2020	<b>HK\$0.8 bn</b>

Potential resources

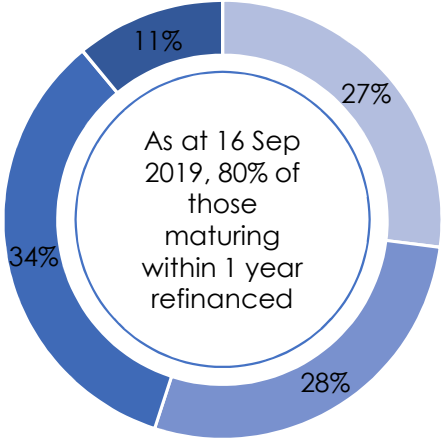
**NWD+NWCL: HK\$20 bn**

**Continue to crystallise value**



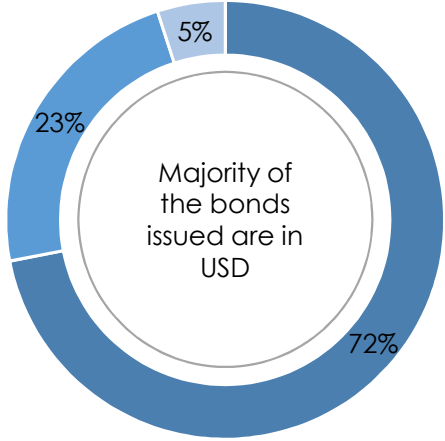
# 6. Liquidity and capital resources

Maturity profile of borrowings



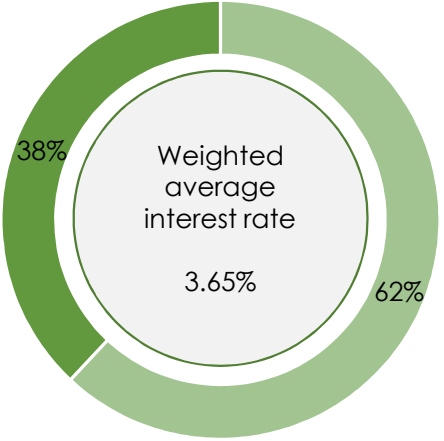
■ within 1 yr ■ in 2nd yr ■ in 3rd-5th yr ■ after 5 yrs

Currency profile of borrowings



■ HKD ■ USD & others ■ RMB

Floating vs Fixed\*



■ Floating rate ■ Fixed rate

(\*Fixed rate Including results of IRS)  
(As at 30 Jun 2019)

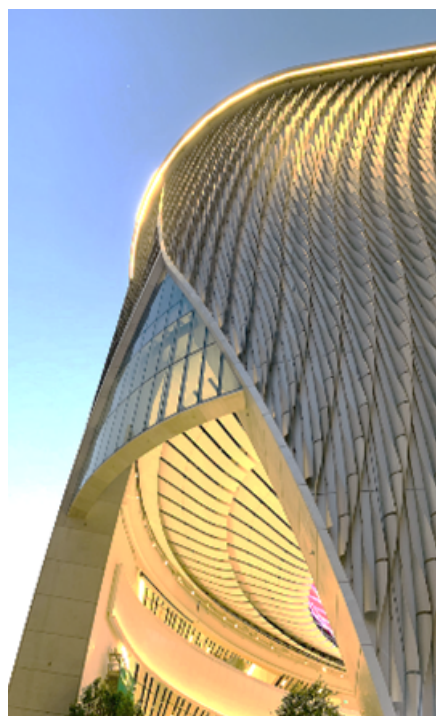
## 7. NWS core business growth



Road



Aircraft leasing



Construction

### Core business portfolio

#### Road

15 toll roads in PRC

~acquired Sui-Yue Expressway + Hunan Changliu Expressway

#### Aviation

Goshawk Aviation Limited provides commercial aircraft leasing and management services

~Together with 40 aircraft directly ordered from Airbus & Boeing, total fleet increased to 223 aircrafts

#### Construction

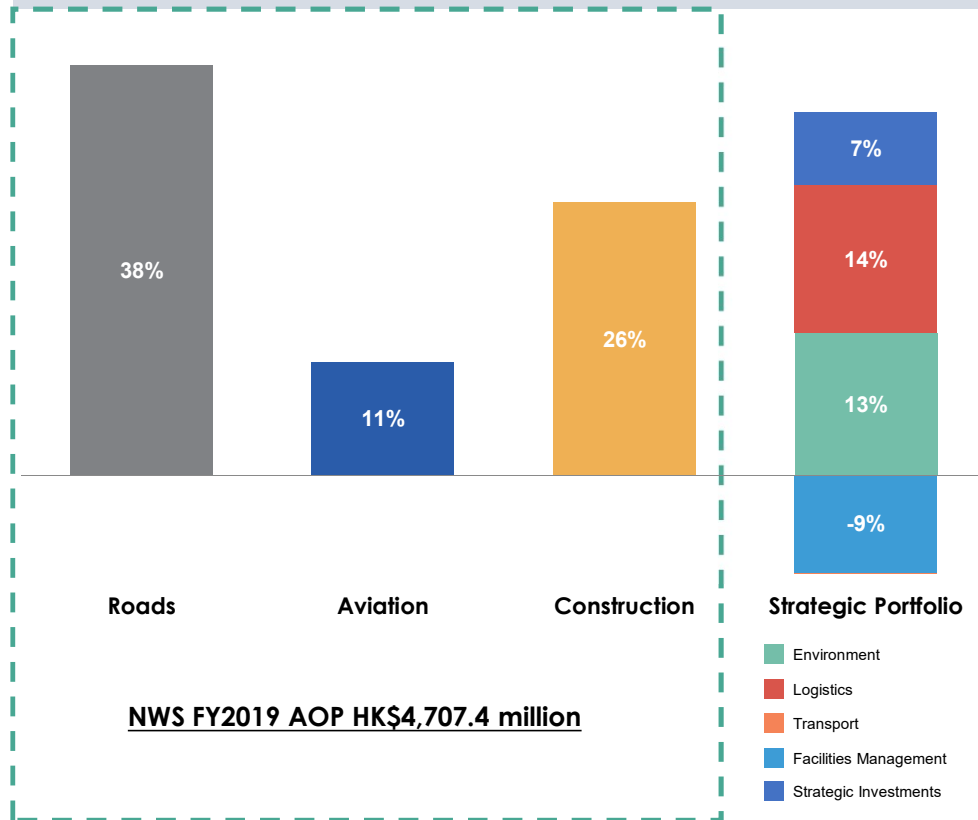
Hip Hing Group provides professional construction services in HK

~gross value of contracts on hand HK\$55.6bn



# 7. NWS core business growth & strategy

**75% of NWS FY2019 AOP are contributed by the Core Business**



Road

\* Continue to acquire quality roads assets with strong cashflow and upside potential to sustain growth



Aviation

\* Multiple sourcing channel to propel sustainable growth via sale and leasebacks, aircraft trading, direct OEM orders and asset mgmt  
 \* Continue to invest in narrow-body aircraft (82% of portfolio) and young fleet with long remaining lease terms



Construction

\* Continue to build strong pipeline of projects riding on HK's well supported demand for residential and commercial property market, as well as Government and institutional projects such as hospitals and universities

# Outlook

The Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area advocated by the State will present Hong Kong with enormous opportunities for development.

The Group is well-positioned to enhance value for stakeholders and the society through business deployment in key markets with a primary focus on core property segments complemented by efforts to enhance the synergies of business clusters.



# *The Artisanal Movement*

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