

**New World One Step Forward**

**We Create New Living Experience**

FY2014 Annual Results | 24 Sep 2014 |  New World Development Company Limited

# Disclaimer

---

## IMPORTANT NOTICE

The information contained in these materials is intended for reference and general information purposes only. Neither the information nor any opinion contained in these materials constitutes an offer or advice, or a solicitation, recommendation or suggestion by New World Development Company Limited (“NWD”) or its subsidiaries, associated or affiliated companies, or any of their respective directors, employees, agents, representatives or associates to buy or sell or otherwise deal in any investment products, securities, futures, options or other financial products and instruments (whether as principal or agent) or the provision of any investment advice or securities related services. Readers of these materials must, and agree that they will, make their own investment decisions based on their specific investment objectives and financial positions, and using such independent advisors as they believe necessary or appropriate.

NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates cannot and does not represent, warrant or guarantee the accuracy, validity, timeliness, completeness, reliability or otherwise of any information contained in these materials. NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates expressly excludes and disclaims any conditions or representations or warranties of merchantability or fitness for a particular purpose or duties of care or otherwise regarding the information. All information is provided on an "as is" basis, and is subject to change without prior notice.

In no event will NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates be responsible or liable for damages of whatever kind or nature (whether based on contract, tort or otherwise, and whether direct, indirect, special, consequential, incidental or otherwise) resulting from access to or use of any information contained in these materials including (without limitation) damages resulting from the act or omission of any third party, even if NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates has been advised of the possibility thereof.

NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates is not responsible for the information contained in these materials which are provided by other third party. Access to and use of such information is at the user's own risk and subject to any terms and conditions applicable to such access/use. NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates is not responsible for any losses or damage caused by any defects or omissions that may exist in the services, information or other content provided by such other third party, whether actual, alleged, consequential, punitive, or otherwise. NWD, its subsidiaries, associated or affiliated companies or any of their respective directors, employees, agents, representatives or associates makes no guarantees or representations or warranties as to, and shall have no responsibility or liability for, any content provided by any third party or have any responsibility or liability for, including without limitation, the accuracy, subject matter, quality or timeliness of any such content.

By participating in this Presentation or by accepting any copy of the slides presented, you agree to be bound by the foregoing limitations.

---

The photographs, images, drawings or sketches shown in this Presentation represent an artist's impression of the development concerned only. They are not drawn to scale and/or may have been edited and processed with computerized imaging techniques. Prospective purchasers should make reference to the sales brochure for details of the development. The vendor also advises prospective purchasers to conduct an on-site visit for a better understanding of the development site, its surrounding environment and the public facilities nearby.

All parties engaged in the production of this Presentation have made their best efforts to ensure the highest accuracy of all information, photographs, images, drawings or sketches herein contained as to the printing of this Presentation and to minimize the existence of clerical errors. Readers are invited to make enquires to sales personnel or consult relevant professionals for verification of doubts or particulars of specific items.

---

## New World Development (HK stock code: 17) Hong Kong Property Development and Investment



NWS (HK stock code: 659)

■ Infrastructure & Service

61.3%

NWCL (HK stock code: 917)

■ Mainland Property

69.7%

NWDS (HK stock code: 825)

■ Mainland Department Store

72.3%

As at 30 Jun 2014

# Financial highlights

■ Underlying profit: HK\$6.5 bn, up 3%

■ Segment contribution from core property businesses: 71.3%, up 8.4% pts

■ FY2014 full year dividend: HK\$0.42 per share; Dividend yield: 4.4%\*

■ Cash on hand and bank balances: HK\$61.8 bn

■ Net gearing of the Group: 27.3%, down 7.8% pts

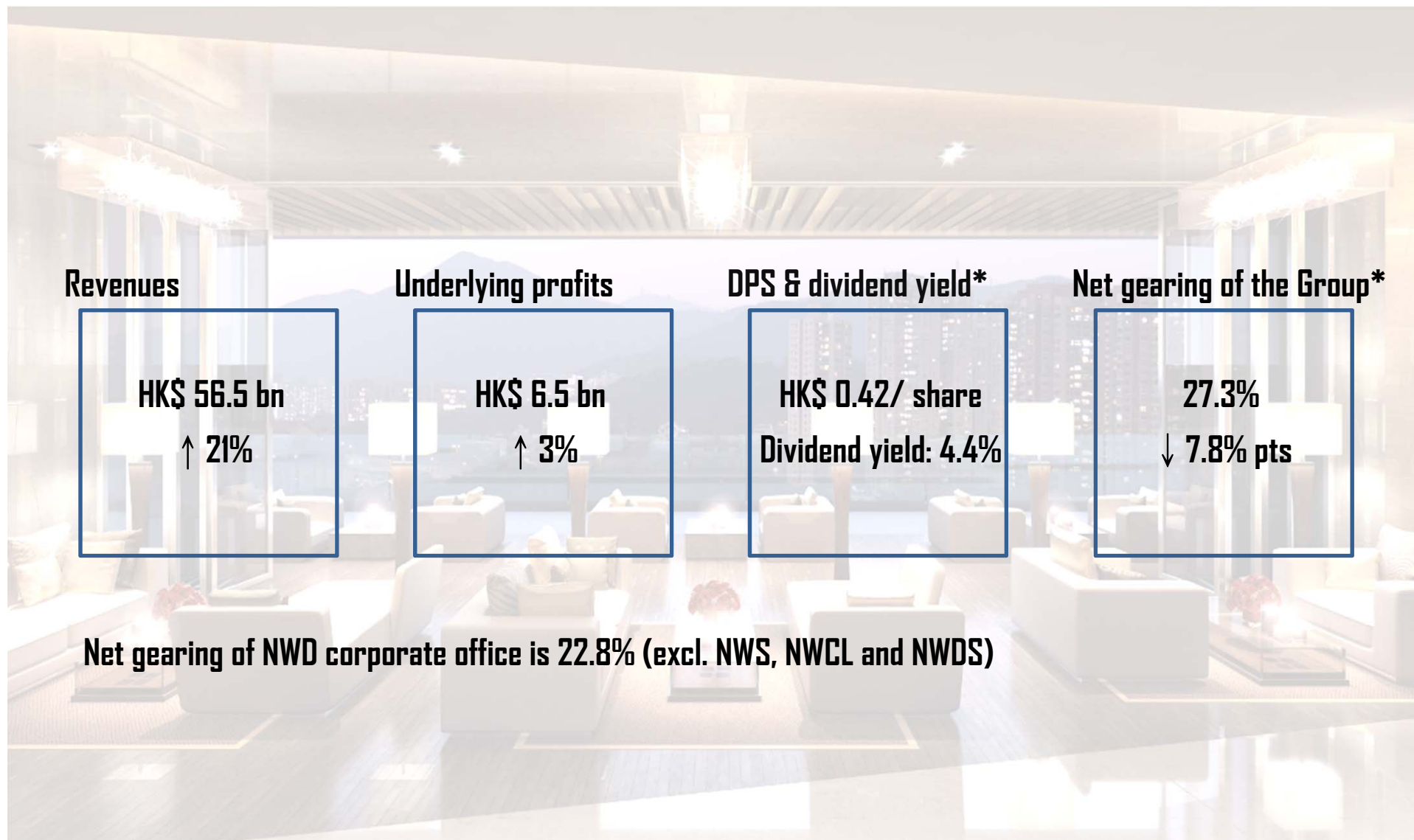
■ Net gearing of NWD (excl. NWS, NWCL and NWDS): 22.8%

■ Attributable contracted sales in HK in FY2014: HK\$20.6 bn, up 137%

\*Dividend yield: DPS/ NWD average share price in FY2014: HK\$9.52

Net gearing: Net debt to total equity

# Financial highlights



\*Dividend yield: DPS/ NWD average share price in FY2014: HK\$9.52

Net gearing: Net debt to total equity

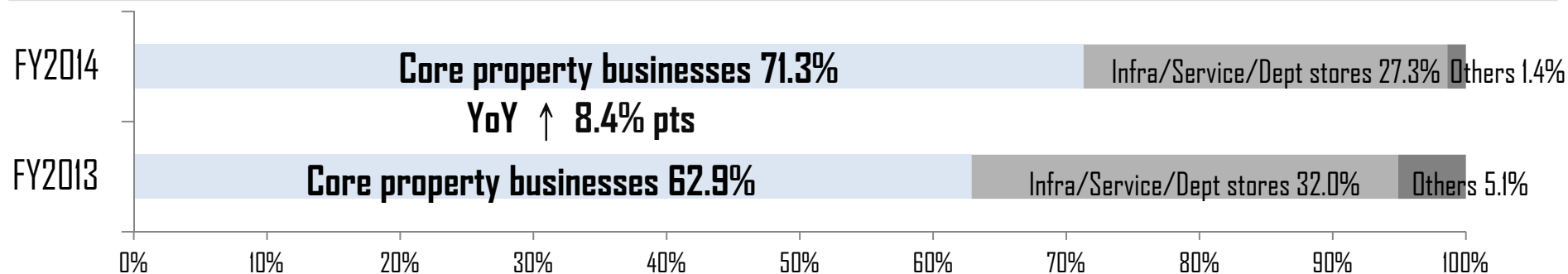
## Financial highlights

(HK\$ million)	FY2014	FY2013		Change
<b>Revenues</b>	<b>56,501.1</b>	46,779.9	↑	<b>21%</b>
<b>Total segment results</b>	<b>16,796.6</b>	15,346.1	↑	<b>9%</b>
<b>Other gains, net</b>	<b>2,313.0</b>	999.0	↑	<b>132%</b>
<b>Changes in fair value of investment properties</b>	<b>1,425.5</b>	7,460.8	↓	<b>81%</b>
<b>Underlying profit</b>	<b>6,506.7</b>	6,327.3	↑	<b>3%</b>
	30 Jun 2014	31 Dec 2013		
<b>Net debt (HK\$bn)</b>	<b>54.7</b>	64.8	↓	<b>16%</b>
<b>Total equity (HK\$bn)</b>	<b>200.3</b>	184.4	↑	<b>9%</b>
<b>Net gearing (%)</b>	<b>27.3</b>	35.1	↓	<b>7.8% pts</b>

## Financial highlights

Segment results (HK\$ million)	FY2014	FY2013		Change
Property development	9,586.9	7,338.5	↑	31%
Property investment	2,031.9	1,857.7	↑	9%
Hotel operations	361.4	450.2	↓	20%
Service	1,526.2	1,708.5	↓	11%
Infrastructure	2,518.2	2,462.0	↑	2%
Department stores	543.2	743.7	↓	27%
Others	228.8	785.5	↓	71%
<b>Total</b>	<b>16,796.6</b>	<b>15,346.1</b>	<b>↑</b>	<b>9%</b>

### Segment results analysis



# HK property sales & Landbank

■ HK\$20.6 bn attributable contracted sales in FY2014, up 137%

■ Saleable resources: Over 3,800 units

■ Launched projects: total 666 units

■ New projects to be launched: Over 3,100 units

■ Attributable GFA of ready landbank: 7.6 mn sq ft

■ Attributable land area of farmland: 19.3 mn sq ft

■ Old building acquisition: 3 new projects on HK Island

■ Farmland conversion: under active negotiations

■ Tenders: actively seek opportunities from MTRC/ Gov't/ URA



# Hong Kong property sales

No. of new projects  
launched

7 projects

No. of residential  
units sold

4,229 units

Attributable contracted  
sales proceeds

HK\$ 20.6 bn

PARK SIGNATURE | 溱柏

THE WOODSVILLE  
溱林

THE  
AUSTIN

THE WOODSIDE  
蔚林

GRAND  
AUSTIN

EIGHT SOUTH LANE



# Hong Kong property sales

Projects	No of units sold (1 Jul 13 – 31 Dec 13)	No of units sold (1 Jan 14 – 30 Jun 14)	No of units sold (1 Jul 14 – 14 Sep 14)	Total units sold (1 Jul 13 – 14 Sep 14)
The Riverpark, Sha Tin	56	-	1	57
The Reach, Yuen Long	436	154	163	753
Double Cove, Ma On Shan	-	127	44	171
Chatham Gate, Hung Hom	-	87	7	94
The Woodville, Yuen Long	194	8	10	212
Park Signature, Yuen Long	954	301	203	1,458
The Austin, South West Kowloon	576	-	-	576
EIGHT SOUTH LANE, Kennedy Town	18	8	66	92
Double Cove Starview, Ma On Shan	To be launched	805	5	810
The Woodside, Yuen Long	To be launched	84	1	85
Grand Austin, South West Kowloon	To be launched	421	267	688
<b>Total</b>	<b><u>2,234</u></b>	<b><u>1,995</u></b>	<b><u>767</u></b>	<b><u>4,996</u></b>



# Hong Kong property launch

## Upcoming key residential launches

### A. Presale consent approved

	Location	NWD	Total GFA/ sq ft	Attri GFA/ sq ft	Land source
THE PAVILIA HILL	Tin Hau	85%	396,546	337,064	Old building
Double Cove Starview Prime	Ma On Shan	32%	803,662	257,172	Farmland

### B. New projects in the pipeline

Clear Water Bay Road project	Sai Kung	56%*	1,078,553	603,990	Farmland
SKYPARK	Mong Kok	100%/50%	240,058	213,385	URA tender
Des Voeux Rd West project	Western District	80%	105,005	84,004	Old building
Park Villa (completed project)	Yuen Long	100%	170,854	170,854	Farmland
Conduit Road project	Mid-levels	30%	87,780	26,334	Old building
EIGHT KWAI FONG	Happy Valley	89%	65,150	57,965	Old building
Tong Yan Sun Tsuen project	Yuen Long	100%	85,251	85,251	Farmland

### C. Other projects current in market:

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

\*NWD interest has increased to 63% in 1Q FY2015

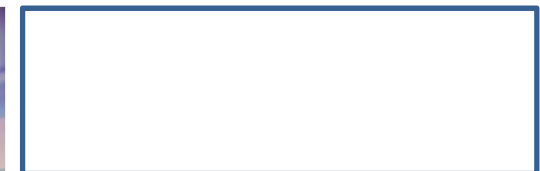
# Hong Kong property innovation



## Innovative Information Technology Strategy

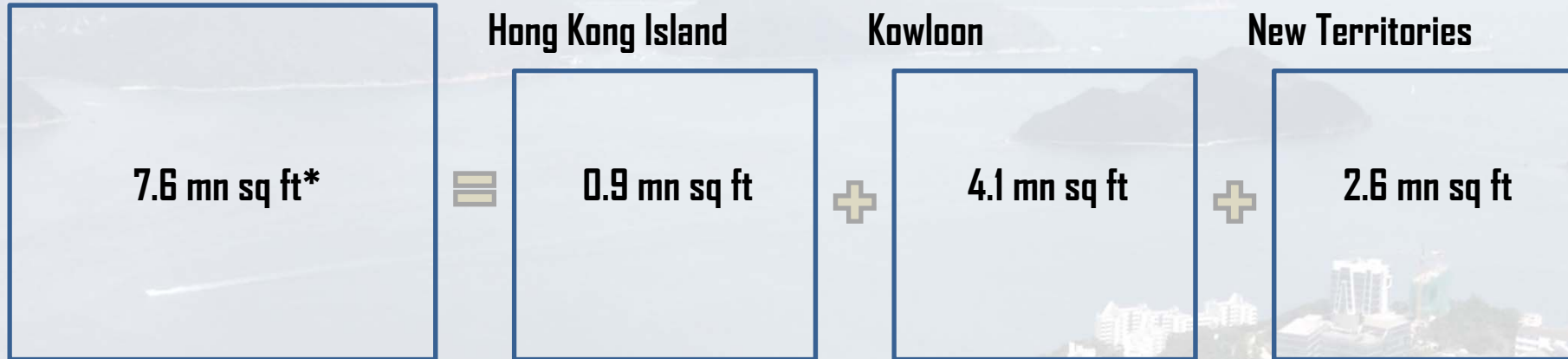
### Hong Kong property:

- ❑ Development Dashboard (for property development)
- ❑ Sales Alert System (for property sales)
- ❑ Majordomo Excellent Service (for property management)
- ❑ Defects Management System (for property management)

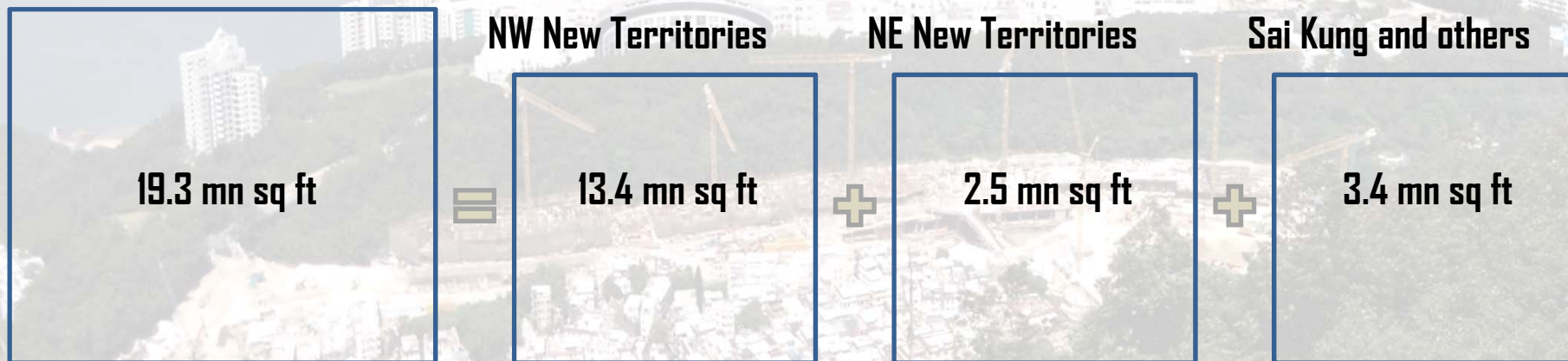


# Hong Kong landbank

## Hong Kong ready landbank (GFA)



## Hong Kong farmland landbank



\*As at 30 Jun 2014

\*If excluded the investment properties, the residential ready landbank GFA is amounted to 4.2 million sq ft

# Hong Kong landbank

Landbank replenishment strategy – maintain a balanced & sustainable portfolio

Proven track record – added 14 development projects with attributable GFA 4.1 mn sq ft since FY2010\*

## A. Farmland conversion

No of projects: 4

Attri GFA/ sq ft: 1.9 mn

## B. Public Tender

No of projects: 4

Attri GFA/ sq ft: 1.4 mn

## C. Old building acquisition

No of projects: 6

Attri GFA/ sq ft: 0.8 mn

2 old building acquisitions in Western District completed in FY2014, total GFA 180,000 sq ft

Secured over 80% ownership of 4A-4P Seymour Road, Mid-levels, total GFA 472,000 sq ft

Acquisition of Kut Cheong Mansion in North Point completed in 1Q FY2015, total site area 32,500 sq ft

The Group's interest in Clear Water Bay Road project increased from 56% to 63% in 1Q FY2015

\*As at 30 Jun 2014

# Hong Kong landbank

## Our landbank in Hong Kong Island



# HK rental & Hotels

- HK gross rental income amounted to HK\$1,490.9 mn
- HK gross rental income up 6%, if stripping out the effects of SOGO TST (resumption for alterations) and Discovery Park Shopping Centre (under renovations)
- Key investment properties in HK maintain satisfactory occupancy
- Satisfactory contribution from hotels in HK, despite the impact from the overhaul renovation of Grand Hyatt Hong Kong
- If stripping out the contribution from Grand Hyatt Hong Kong, the segment results of 3 others key hotels\* in HK up 9%

\*3 other key hotels in HK:

Hyatt Regency TST, Hyatt Regency Sha Tin and Renaissance Harbour View Wan Chai



# Rental operations

## Major projects occupancy in Hong Kong

<b>New World Tower, Central</b>	<b>93%</b>
<b>Manning House, Central</b>	<b>95%</b>
<b>K11, TST</b>	<b>99%</b>
<b>Discovery Park Shopping Centre, Tsuen Wan</b>	<b>84%</b>
<b>Pearl City, Causeway Bay</b>	<b>100%</b>
<b>Telford Plaza, Kowloon Bay</b>	<b>100%</b>
<b>PopCorn II, TKO</b>	<b>100%</b>

## HK investment portfolio

**Contributed  
over 60%  
to the rental segment**



\*As at 30 Jun 2014

# Rental operations

## HK rental portfolio asset enhancement

Completed

**1.New World Tower**

-G/F and Main Lobby

**2.Discovery Park Shopping Centre**

-1st & 2nd phase

**3.Manning House**

**4.Pearl City**

To be completed

**1.New World Tower**

- Common area and facilities

**2.Discovery Park Shopping Centre**

-3rd & the final phase

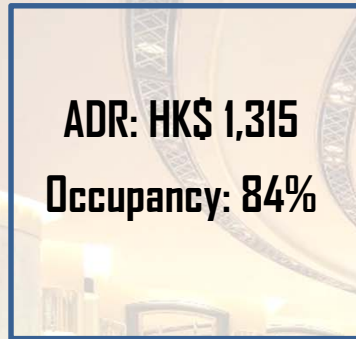
**New World Centre  
redevelopment project**



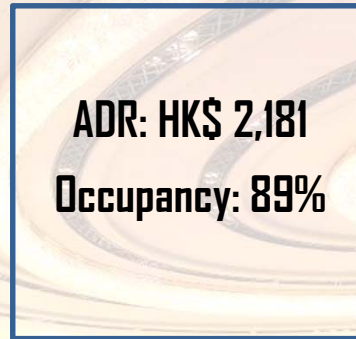
# Hotel operations

## 4 key hotels in Hong Kong

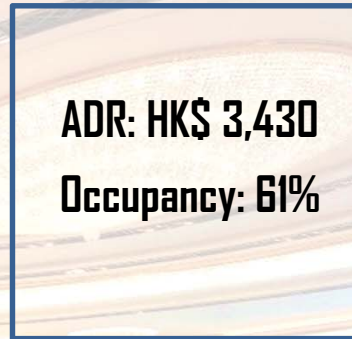
Hyatt Regency,  
Sha Tin



Hyatt Regency,  
TST



Grand Hyatt Hong Kong,  
Wan Chai\*



Renaissance Harbour View,  
Wan Chai



## Our hotel portfolio



China

8 hotels / 2,731 rooms



Hong Kong

6 hotels / 3,471 rooms



SE Asia

3 hotels / 1,453 rooms



## Total



\*As at 30 Jun 2014

\*Under major renovation

# **FY2014 Annual Results**

**New World • One Step Forward**

**24 September 2014**