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(Stock Code: 0017)

INSIDE INFORMATION UPDATE ON FY2024 FINANCIAL PERFORMANCE

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of New World Development Company Limited (新世界發展有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders and potential investors of the Company that based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 30 June 2024 (“**FY2024**”), it is expected that the Group may record core operating profit from continuing operations (the “**COP**”) in a range of HK\$6,500 million to HK\$6,900 million, representing a decrease of 18% to 23% as compared to the year ended 30 June 2023 (“**FY2023**”). The drop in COP in FY2024 was owing to the lack of revenue recognition of major projects completed and handover in FY2023 including the Pavilia Farm I & II. The COP is defined as profit from continuing operations excluding (a) changes in fair value of investment properties, (b) taxation, (c) financing income and costs, (d) remeasurement of cost of disposal, (e) gain or loss on disposal of non-core assets and (f) impairment loss on or write back of loss allowance on development properties, property, plant and equipment, rights-of-use assets and non-current assets classified as assets held for sale.

Also, preliminary findings from the annual independent revaluation of the Group’s investment and development properties including goodwill assessment indicate an one-off non-cash revaluation or impairment loss totalling between HK\$8,500 million to HK\$9,500 million would be required in FY2024. The change in the fair value and impairment loss of above assets is non-cash in nature and will not have any impact on the Group’s core operating profit or operating cash flow.

In addition, as disclosed in the interim report for the six months ended 31 December 2023, due to the Group's disposal of all its shares in NWS Holdings Limited (the "**Disposal**") and the adoption of Hong Kong Financial Reporting Standard 17 with effect from 1 July 2023, the Group recorded an one-off and non-cash loss of HK\$8,257 million from the Disposal in FY2024.

As such, due to the abovementioned lack of revenue recognition of major projects completed and handover in FY2023, revaluation or impairment loss on investment and development properties and goodwill, loss recognised on the Disposal, together with the continuous interest rate hikes experienced during the year as well as the depreciation of Renminbi, the Group expects to record a loss attributable to shareholders of the Company (including continuing and discontinued operations) ranging from HK\$19,000 million to HK\$20,000 million for FY2024.

The Group is still in the process of preparing and finalising the Group's audited results for FY2024. The information contained in this announcement is based on the Board's preliminary review of the unaudited consolidated management accounts of the Group and the information available for the time being. Such information has not been reviewed by the Audit Committee or independent auditors of the Company and may be subject to change. Further details of the Group's financial results and performance for FY2024 will be disclosed in the annual results announcement of the Company scheduled to be published in September 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 30 August 2024

As at the date of this announcement, the Board of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Ma Siu-Cheung, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny; (b) four non-executive directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian; and (c) six independent non-executive directors, namely Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia.