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(Stock Code: 0017)

CONNECTED TRANSACTIONS – SALE OF TWO PROPERTY UNITS OF STATE PAVILIA

THE SALE

On 11 February 2025 (after trading hours), the Vendor, an indirect subsidiary of the Company, accepted Tender A, and entered into Agreement A with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase Property A at a consideration of HK\$7,500,000.

On 11 February 2025 (after trading hours), the Vendor, an indirect subsidiary of the Company, accepted Tender B, and entered into Agreement B with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase Property B at a consideration of HK\$7,369,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is Ms. Ip Mei-Hing, Katherine, the spouse of Dr. Cheng Kar-Shun, Henry, who is an executive Director and the chairman of the Company. The Purchaser is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of Transaction A and Transaction B constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Since both Agreement A and Agreement B were entered into with the same purchaser on the same day, Transaction A shall be aggregated with Transaction B for the purpose of calculating the applicable percentage ratios pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of Transaction A and Transaction B, on an aggregate basis, is more than 0.1% but less than 5%, Transaction A and Transaction B are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SALE

On 11 February 2025 (after trading hours), the Vendor, an indirect subsidiary of the Company, accepted Tender A, and entered into Agreement A with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase Property A at a consideration of HK\$7,500,000.

On 11 February 2025 (after trading hours), the Vendor, an indirect subsidiary of the Company, accepted Tender B, and entered into Agreement B with the Purchaser, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase Property B at a consideration of HK\$7,369,000.

THE AGREEMENTS

The principal terms of Agreement A are set out below:

Date: 11 February 2025

Parties: (a) the Vendor; and
(b) the Purchaser.

The Property: Flat B8 on 6th Floor at 283 King's Road, North Point, Hong Kong (name of the residential redevelopment project: STATE PAVILIA) with a flat roof and a car parking space (B1/F P91) ("**Property A**").

Details of Property A are disclosed in the section headed "Information on Property A and Property B" in this announcement.

Consideration: HK\$7,500,000 ("**Consideration A**").

Payment manner: (i) A deposit of HK\$375,000 (representing 5% of Consideration A) shall be paid to the Vendor by the Purchaser upon the date of Letter of Acceptance A; and
(ii) the remaining amount of HK\$7,125,000 (representing 95% of Consideration A) shall be paid to the Vendor by the Purchaser within 14 days after the date of the Vendor's written notification to the Purchaser that the Vendor is in a position to validly assign Property A to the Purchaser.

Cash rebate in case of early completion: Provided that (i) the Purchaser completes the sale and purchase of Property A and fully pays and settles Consideration A on a date earlier than the completion date and the due date(s) of payment as specified in Agreement A and the subsequent formal agreement for the sale and purchase of Property A as set out below; and (ii) the Purchaser serves a written notice to the Vendor in person in the designated form at least 30 days before the actual completion date and full payment of Consideration A, the Purchaser shall be entitled to a cash rebate payable by the Vendor in the amount and manner as set out below:

Date of completion of the sale and purchase of Property A	Amount of cash rebate
Within 90 days after the date of Letter of Acceptance A	10% of Consideration A
Within 120 days after the date of Letter of Acceptance A	7% of Consideration A
Within 300 days after the date of Letter of Acceptance A	5% of Consideration A
Within 480 days after the date of Letter of Acceptance A	3% of Consideration A

Cash rebate in case of bulk purchase:

Provided that the Purchaser (i) purchases more than one specified residential property of STATE PAVILIA at the same time (collectively referred to as the “**Purchased Properties**”); and (ii) completes the sale and purchase of all Purchased Properties in accordance with the terms of the relevant formal agreements for the sale and purchase of the Purchased Properties, the Purchaser shall be entitled to a cash rebate of an amount that equals to 5% of the purchase price of each of the Purchased Properties as set out in the relevant formal agreements for the sale and purchase of the Purchased Properties.

The principal terms of Agreement B are set out below:

Date: 11 February 2025

Parties: (a) the Vendor; and
(b) the Purchaser.

The Property: Flat B9 on 6th Floor at 283 King’s Road, North Point, Hong Kong (name of the residential redevelopment project: STATE PAVILIA) with a flat roof (the “**Property B**”).

Details of Property B are disclosed in the section headed “Information on Property A and Property B” in this announcement.

Consideration: HK\$7,369,000 (the “**Consideration B**”).

Payment manner: (i) A deposit of HK\$368,450 (representing 5% of Consideration B) shall be paid to the Vendor by the Purchaser upon the date of Letter of Acceptance B; and
(ii) the remaining amount of HK\$7,000,550 (representing 95% of Consideration B) shall be paid to the Vendor by the Purchaser within 14 days after the date of the Vendor’s

written notification to the Purchaser that the Vendor is in a position to validly assign Property B to the Purchaser.

Cash rebate in case of early completion:

Provided that (i) the Purchaser completes the sale and purchase of Property B and fully pays and settles Consideration B on a date earlier than the completion date and the due date(s) of payment as specified in Agreement B and the subsequent formal agreement for sale and purchase of Property B as set out below; and (ii) the Purchaser serves a written notice to the Vendor in person in the designated form at least 30 days before the actual completion date and full payment of Consideration B, the Purchaser shall be entitled to a cash rebate payable by the Vendor in the amount and manner as set out below:

Date of completion of the sale and purchase of Property B	Amount of cash rebate
Within 90 days after the date of Letter of Acceptance B	10% of Consideration B
Within 120 days after the date of Letter of Acceptance B	7% of Consideration B
Within 300 days after the date of Letter of Acceptance B	5% of Consideration B
Within 480 days after the date of Letter of Acceptance B	3% of Consideration B

Cash rebate in case of bulk purchase:

Provided that the Purchaser (i) purchases more than one specified residential property of STATE PAVILIA at the same time (collectively referred to as the “**Purchased Properties**”); and (ii) completes the sale and purchase of all Purchased Properties in accordance with the terms of the relevant formal agreements for the sale and purchase of the Purchased Properties, the Purchaser shall be entitled to a cash rebate of an amount that equals to 5% of the purchase price of each of the Purchased Properties as set out in the relevant formal agreements for the sale and purchase of the Purchased Properties.

Information on Property A and Property B

The Vendor is an indirect subsidiary of the Company, which engages in a residential redevelopment project, which is named STATE PAVILIA and situated at State Pavilia, 283 King’s Road, North Point, Hong Kong (the “**Project**”). As at 10 February 2025, 26 residential units and 53 car parking spaces were available for pre-sale by way of tender. As at the date of this announcement, the Project is still under construction.

Property A is a new residential unit with a flat roof, being Flat B8 on 6th Floor, with a saleable floor area of 314 square feet for the residential unit and 87 square feet for the flat roof and a

car parking space (B1/F P91) under the Project.

Property B is a new residential unit with a flat roof, being Flat B9 on 6th Floor, with a saleable floor area of 306 square feet for the residential unit and 88 square feet for the flat roof under the Project.

On 28 January 2025, being the closing date of the tenders for Property A and Property B, Ms. Ip Mei-Hing, Katherine submitted Tender A and Tender B, which were accepted by the Vendor on 11 February 2025.

Completion

Completion of Transaction A and Transaction B shall take place according to the terms and conditions under the formal sale and purchase agreements to be entered into by the Vendor and the Purchaser in accordance with the terms and conditions under Agreement A and Agreement B respectively.

Basis of determination of Consideration A and Consideration B

Property A and Property B were sold under pre-sale by way of tender in the ordinary and usual course of business of the Group. According to the best knowledge of the Directors after due and careful enquiry, the Purchaser submitted Tender A and Tender B based on the information in relation to the tenders of Property A and Property B and the relevant tender rules, which were published by the Vendor publicly online. No information relating to the tenders of Property A and Property B that were not available to the general public were provided to the Purchaser on or before the date of submission of Tender A and Tender B to the Vendor.

The Vendor accepted Tender A and Tender B after considering various factors, including but not limited to the current property market of residential properties in Hong Kong, the market price and average price per square foot of similar properties near the Project, the orientation and view of Property A and Property B, the bidding prices of other accepted tenders of other properties of the Project and the discounts available to the purchasers of other properties of the Project that are available for pre-sale other than by way of tender.

FINANCIAL IMPACT OF TRANSACTION A AND TRANSACTION B AND USE OF PROCEEDS

As at the date of this announcement, the Company cannot ascertain the financial impact of Transaction A or Transaction B because (i) the Project, Property A and Property B were still under construction and additional expenses will be incurred as the Project continues to advance; and (ii) the Purchaser may later be eligible for the cash rebates as disclosed in the section headed “The Agreements” in this announcement. All the aforementioned factors will in turn lead to changes in the calculation of the expected financial impact of each of Transaction A and Transaction B. The Company will provide further updates on the financial impact of Transaction A and Transaction B as soon as reasonably practicable after the Company has received further information, including a more updated construction cost of the Project, and, in any event, such updates will be provided no later than the date of publication of the 2025 annual report of the Company for the financial year ending 30 June 2025.

The net proceeds from the sale of Property A and Property B are intended to supplement the

general working capital of the Group.

GENERAL INFORMATION OF THE PARTIES

The Vendor is a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company. The Vendor has been set up for the purpose of developing the Project. The Company is a company incorporated in Hong Kong with limited liability and whose issued Shares are listed on the main board of the Stock Exchange. The Group is principally engaged in property development, property investment, and investment in and/or operation of hotels and other strategic businesses.

The Purchaser is Ms. Ip Mei-Hing, Katherine, the spouse of Dr. Cheng Kar-Shun, Henry, who is an executive Director and the chairman of the Company. The Purchaser is also the mother of Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, the sister-in-law of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the aunt of Mr. Cheng Chi-Heng, all of whom are Directors.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is principally engaged in property development, property investment, and investment in and/or operation of hotels and other strategic businesses. The Project, STATE PAVILIA, is to be developed into 388 residential units and 91 car parking spaces and, as at the date of this Announcement, the Project was still under construction. As at 10 February 2025, 26 residential units and 53 car parking spaces were available for pre-sale by way of tender, of which tenders for 14 residential units and 20 car parking spaces under the Project were accepted by the Vendor. The Board is of the view that Transaction A and Transaction B represent a good opportunity for the Group to realise the value of its land reserve and/or properties held by it, generate additional working capital and strengthen the Group's liquidity and financial position.

The Directors (including all the independent non-executive Directors) are of the view that the terms of Agreement A and Agreement B are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

(i) Dr. Cheng Kar-Shun, Henry, being the spouse of the Purchaser; (ii) Ms. Cheng Chi-Man, Sonia, being the daughter of the Purchaser; (iii) Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, being the brothers-in-law of the Purchaser; (iv) Dr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Ming, Brian, being the sons of the Purchaser; and (v) Mr. Cheng Chi-Heng, being the nephew of the Purchaser, did not vote on the relevant Board resolutions approving Transaction A and Transaction B. Save as disclosed above, no other Director is regarded as having a material interest in Transaction A and Transaction B and has abstained from voting on such Board resolutions.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is Ms. Ip Mei-Hing, Katherine, the spouse of Dr. Cheng Kar-Shun, Henry, who is an executive Director and the chairman of the Company. The Purchaser is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, each of Transaction A and Transaction B constitutes a connected

transaction of the Company under Chapter 14A of the Listing Rules.

Since both Agreement A and Agreement B were entered into with the Purchaser on the same day, Transaction A shall be aggregated with Transaction B for the purpose of calculating the applicable percentage ratios pursuant to Rule 14A.81 and Rule 14A.82 of the Listing Rules.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of Transaction A and Transaction B, on an aggregate basis, is more than 0.1% but less than 5%, Transaction A and Transaction B are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“Agreement A”	the tender document submitted by the Purchaser on 28 January 2025 and Letter of Acceptance A in relation to Transaction A
“Agreement B”	the tender document submitted by the Purchaser on 28 January 2025 and Letter of Acceptance B in relation to Transaction B
“Board”	board of Directors
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability and whose issued Shares are listed on the main board of the Stock Exchange
“Completion of Transaction A and Transaction B”	completion of Transaction A and Transaction B pursuant to Agreement A and Agreement B respectively, and the subsequent formal agreements for the sale and purchase of Property A and Property B respectively, to be entered into between the Vendor and the Purchaser
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Letter of Acceptance A”	a letter dated 11 February 2025 and issued by the Vendor to the Purchaser to indicate the Vendor’s acceptance to Tender A
“Letter of Acceptance B”	a letter dated 11 February 2025 and issued by the Vendor to the Purchaser to indicate the Vendor’s acceptance to Tender B
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Ms. Ip Mei-Hing, Katherine, being the spouse of Dr. Cheng Kar-Shun, Henry, who is an executive Director and the chairman of the Company
“Sale”	Transaction A and Transaction B

“Share(s)”	share(s) of the Company
“Shareholder(s)”	registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender A”	the form of tender (with the tender notice, the conditions of the tender sale and the annexes attached thereto) submitted by the Purchaser to the Vendor for the purchase of Property A
“Tender B”	the form of tender (with the tender notice, the conditions of the tender sale and the annexes attached thereto) submitted by the Purchaser to the Vendor for the purchase of Property B
“Transaction A”	the sale of the Property A by the Vendor to the Purchaser
“Transaction B”	the sale of the Property B by the Vendor to the Purchaser
“Vendor”	Orient Sea Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect subsidiary of the Company
“%”	per cent

By order of the Board of
New World Development Company Limited
(新世界發展有限公司)
Wong Man-Hoi
Company Secretary

Hong Kong, 11 February 2025

As at the date of this announcement, the Board of the Company comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Ms. Huang Shaomei, Echo, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Chiu Wai-Han, Jenny, Mr. Ho Gilbert Chi-Hang and Mr. Lau Fu-Keung; (b) five non-executive directors, namely, Mr. Doo Wai-Hoi, William, Dr. Cheng Chi-Kong, Adrian, 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.