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(Stock Code: 0017)

INSIDE INFORMATION UPDATE ON 1HFY2025 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 six months ended 31 December 2024 (“**1HFY2025**”), it is expected that the Group may record core operating profit from continuing operations (the “**COP**”) in a range of approximately HK\$4,350 million to HK\$4,550 million, representing a decrease of 15% to 19% as compared to the six months ended 31 December 2023 (“**1HFY2024**”). 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 and rights-of-use assets.

Taking into account the changes in the impairment loss and the share of impairment loss on development properties and the fair value of investment properties totalling approximately HK\$4,700 million to HK\$5,100 million which are non-cash in nature, it is expected that the Group may record a loss attributable to shareholders of the Company from continuing operations for 1HFY2025 (the “**Loss for 1HFY2025**”) in a range of approximately HK\$6,600 million to HK\$6,800 million, as compared to a profit attributable to shareholders of the Company from continuing operations for 1HFY2024. The Loss for 1HFY2025 was mainly owing to (i) the impairment loss and the share of impairment loss on development properties held by the Group’s subsidiaries and joint ventures of approximately HK\$3,300 million to

HK\$3,500 million, reflecting the lower expected realisable prices with the Group's development properties, notwithstanding an improvement in transaction volume in both the Hong Kong and Mainland China property markets as well as a general stabilization of property prices; (ii) the increase in fair value loss of investment properties held by the Group's subsidiaries and joint ventures in 1HFY2025 to approximately HK\$1,400 million to HK\$1,600 million as compared to HK\$376 million in 1HFY2024; (iii) the significant drop in gain on redemption of fixed rate bonds to approximately HK\$15 million in 1HFY2025 from HK\$690 million in 1HFY2024; and (iv) the lack of one-off gain on transfer to investment properties in 1HFY2025, which amounted to HK\$1,257 million in 1HFY2024.

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 neither been reviewed nor audited by the independent auditors of the Company and may be subject to change. Further details of the Group's financial results and performance for 1HFY2025 will be disclosed in the interim results announcement of the Company scheduled to be published on 28 February 2025.

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, 21 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.