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新世界發展有限公司
New World Development Company Limited
(incorporated in Hong Kong with limited liability)
**(Stock Code: 0017)**

# (1) PROPOSED RIGHTS ISSUE ON THE BASIS OF ELEVEN (11) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE ON A FULLY UNDERWRITTEN BASIS; (2) CONNECTED TRANSACTION RELATING TO THE UNDERWRITING AGREEMENT; (3) APPLICATION FOR WHITEWASH WAIVER; (4) CLOSURE OF REGISTER OF MEMBERS; AND (5) RESUMPTION OF TRADING

**Sole Global Coordinator, Placing Agent to the Company**

HSBC

**Joint Lead Underwriters to the Rights Issue**

CTFE HSBC

**Joint Underwriters to the Rights Issue**

CTFE HSBC DBS 星展集團

**Joint Financial Advisers to the Company**

HSBC Deutsche Bank 中銀國際 BOCI

**OVERVIEW OF RECAPITALISATION PROPOSAL**

The Board proposes to implement a recapitalisation plan with a view to raising aggregate proceeds of approximately HK$24.9 billion and improving the maturity profile under the Group's key bank loans (the "**Recapitalisation Proposal**").

The Recapitalisation Proposal involves the following:

(1) the Rights Issue, being a proposed issue of 27,682,964,881 Rights Shares on the basis of eleven (11) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$0.90 per Rights Share on a fully underwritten basis, to raise gross proceeds of approximately HK$24.9 billion (before costs and expenses); and

(2) the proposal in relation to the Target Facilities, which have an aggregate outstanding principal amount of approximately HK$82.0 billion, pursuant to which 10% of the outstanding principal amount will be prepaid with proceeds from the Rights Issue and the final maturity dates applicable to the remaining 90% will fall two years after the respective existing final maturity dates. It is a Rights Issue Condition that all lenders with an outstanding principal amount under the Target Facilities have entered into binding agreement(s) to implement such proposal.

In connection with the Rights Issue, on 13 November 2026, the following agreements and undertakings were entered into by the Company or given in favour of the Company:

(1) the Underwriting Agreement between the Company and the Underwriters, pursuant to which the Underwriters have conditionally agreed to underwrite the Underwritten Shares;

(2) the Placing Agreement between the Company and the Placing Agent, pursuant to which the Placing Agent has agreed to procure, on a best effort basis, Independent Placees to subscribe for the Unsubscribed Rights Shares; and

(3) the Irrevocable Undertaking from the Controlling Shareholder, pursuant to which the Controlling Shareholder has irrevocably undertaken to the Company and the Independent Underwriters to, among others, subscribe for (or procure the subscription for), at the Subscription Price, all of the Rights Shares to be provisionally allotted to the Relevant Controlling Shareholder Group Member pursuant to the Rights Issue.

Further details of the Recapitalisation Proposal are set out in this announcement.

**RIGHTS ISSUE**

The Company proposes to implement the Rights Issue on the basis of eleven (11) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$0.90 per Rights Share, to raise gross proceeds of approximately HK$24.9 billion before costs and expenses by issuing 27,682,964,881 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). The Rights Issue is available to the Qualifying Shareholders only.

The estimated net proceeds from the Rights Issue after deducting the estimated costs and expenses will be approximately HK$24.1 billion. Details of the use of proceeds are set out in the section headed "8. Use of Proceeds of the Rights Issue" of this announcement.

**IRREVOCABLE UNDERTAKING FROM THE CONTROLLING SHAREHOLDER**

As at the date of this announcement, the Relevant Controlling Shareholder Group Members are interested in 1,140,728,609 Shares in aggregate, representing approximately 45.33% of the issued share capital of the Company.

Pursuant to the Irrevocable Undertaking, the Controlling Shareholder has irrevocably undertaken to the Company and the Independent Underwriters, among others, (i) to subscribe for (or procure the subscription for), at the Subscription Price, all of the Rights Shares to be provisionally allotted to the Relevant Controlling Shareholder Group Member pursuant to the Rights Issue (being 12,548,014,699 Committed Rights Shares); and (ii) that the Controlling Shareholder and the other Relevant Controlling Shareholder Group Members will not dispose of or transfer (directly or indirectly) their beneficial interests in any of the Shares owned by them as at the date of the Irrevocable Undertaking and shall procure that there shall be no change to the beneficial and/or registered owners of such Shares from the date of the Irrevocable Undertaking up to 5:00 p.m. on the Record Date.

**PLACING AGREEMENT**

On 13 November 2026, the Company entered into the Placing Agreement with the Placing Agent. Pursuant to the Placing Agreement, the Placing Agent has agreed to procure Independent Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Placing Agreement are set out in the section headed "2. The Placing Agreement" in this announcement.

## UNDERWRITING AGREEMENT

On 13 November 2026, the Company entered into the Underwriting Agreement with the Controlling Shareholder and the Independent Underwriters as underwriters. Pursuant to the Underwriting Agreement, the Rights Shares (other than the Committed Rights Shares) will be fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement. Details of the Underwriting Agreement are set out in the section headed "3. The Underwriting Agreement" in this announcement.

### Potential third-party investment

The Controlling Shareholder is engaged in ongoing discussions with Potential Investors, who the Company understands are not Shareholders, regarding potential investments in the Company. The shareholding of the Controlling Shareholder and the Controlling Shareholder Concert Parties in the Company will remain above 30% of the enlarged issued share capital of the Company and the Controlling Shareholder would remain the single largest Shareholder immediately following completion of the Rights Issue and the relevant investment.

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the Takeovers Code, the SFO and/or other applicable laws and regulations relating to update on agreement(s) between the Controlling Shareholder and any Potential Investor(s).

## TARGET FACILITIES PROPOSAL

The Company has commenced discussions with the relevant lenders regarding a proposal (the "**Target Facilities Proposal**") in relation to the offshore financial indebtedness under the Target Facilities, which is scheduled to mature between March 2027 and December 2029. The Target Facilities comprise bank loans with an aggregate outstanding principal amount of approximately HK$82.0 billion.

Under the Target Facilities Proposal, the Company will enter into binding agreement(s) with all the lenders with an outstanding principal amount under the Target Facilities. Pursuant to such agreement(s), subject to the successful completion of the Rights Issue and other customary conditions precedent for transactions of such nature, 10% of the outstanding principal amount under the Target Facilities will be prepaid using proceeds from the Rights Issue, while the final maturity dates applicable to the remaining 90% will fall two years after the respective existing final maturity dates, with no material change to the pricing and security package applicable to the Target Facilities.

## REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The proposed recapitalisation is intended to address the Group's liquidity and refinancing pressures and provide additional time to realise the intrinsic value of its assets through continued development and completion, ramp-up, operation and monetisation. The Company considers the Rights Issue to be the most appropriate option for the Company to raise the proposed funding of the envisaged magnitude with certainty, while allowing Qualifying Shareholders to participate on a pro-rata basis.

(i) **Reset capital structure and improve liquidity position:** The Rights Issue will materially enhance the Group's capital structure and liquidity position on a sustainable basis, while preserving the Group's asset base.

(ii) **Extend the debt maturity profile:** Upon the Target Facilities Proposal becoming effective following the completion of the Rights Issue, the Group's debt maturity profile will be improved immediately as follows: (a) 10% of the outstanding principal amount of the Target Facilities will be prepaid with proceeds from the Rights Issue; and (b) the remaining approximately HK$73.8 billion, which is currently scheduled to fall due within the next 36 months, will have final maturity dates falling two years after the respective existing final maturity dates.

(iii) **Clear funding runway catalyses growth:** The Rights Issue will provide the funding needed to execute the Group's development project pipeline, enhance financial flexibility to execute orderly asset disposals at commercially attractive price and extend the Group's funding runway, maximising the long-term value of the Group's assets for the benefit of all Shareholders.

(iv) **Strengthen access to capital and loan markets:** The Group is expected to achieve a more sustainable capital structure following an equity injection of this magnitude which, in turn, could help unlock meaningful refinancing support from the Group's lending banks on commercially acceptable terms. The Company will also have greater flexibility to pursue liability management exercises in respect of its outstanding senior bonds and perpetual securities, as well as clearing deferred arrears under all series of the Company's perpetual securities which will in turn remove dividend restrictions, restoring the Company's flexibility to declare dividends, subject to satisfaction of the applicable conditions.

(v) **Preserve shareholder value and enable pro-rata participation:** The Rights Issue allows the Group to meet its funding needs without accelerating large-scale asset disposals that could require material discounts, helping to protect long-term earnings potential and preserve shareholder value.

Following completion of the Rights Issue, the Company does not envisage undertaking another rights issue within the next 36 months. In the absence of any material adverse changes, the Company does not currently anticipate any need for a further rights issue beyond that 36-month period.

## CLOSURE OF REGISTER OF MEMBERS FOR EGM

The register of members of the Company will be closed from Wednesday, 30 December 2026 to Tuesday, 5 January 2027 (both days inclusive) for determining the entitlements of the Shareholders to attend and vote at the EGM. In order to be registered as a member of the Company on the EGM Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by no later than 4:30 p.m. (Hong Kong time) on Tuesday, 29 December 2026. No transfer of the Shares will be registered during the above book closure period.

## CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

The register of members of the Company will be closed from Monday, 11 January 2027 to Thursday, 14 January 2027 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

## LISTING RULES IMPLICATIONS

### Rights Issue

The Rights Issue, if proceeded with, will increase the issued Shares by more than 50%. In accordance with Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is conditional on the approval of the Independent Shareholders (comprising both the Qualifying Shareholders and the Non-Qualifying Shareholders) at the EGM by way of poll at which any controlling Shareholders and their respective associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue.

As at the date of this announcement, the Controlling Shareholder holds 1,035,392,823 Shares, representing approximately 41.14% of the issued share capital of the Company and is a controlling Shareholder. The Controlling Shareholder and its associates (including the other Relevant Controlling Shareholder Group Members) shall abstain from voting in favour of the Rights Issue at the EGM.

### Connected transactions in relation to the Underwriting Agreement

As at the date of this announcement, the Controlling Shareholder, one of the Underwriters under the Underwriting Agreement, is a controlling Shareholder and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to reporting, announcement and the approval of the Independent Shareholders under the Listing Rules.

The Controlling Shareholder and its associates (including the other Relevant Controlling Shareholder Group Members) shall abstain from voting on the resolution(s) in relation to the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

**Theoretical dilution effect of the Rights Issue and exceptional circumstances**

The Rights Issue would result in a theoretical dilution effect (as defined under the Listing Rules) of approximately 75.3%.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placing that would result in a theoretical dilution effect of 25% or more, unless the listed issuer can demonstrate that there are exceptional circumstances.

On the basis of the factors set out in the section headed "7. Reasons for and Benefits of the Rights Issue" of this announcement, the Company is of the view that there are exceptional circumstances for the Rights Issue to proceed for the purpose of Rule 7.27B of the Listing Rules, and it is reasonable (i) for the Subscription Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the allotment and issue of the Rights Shares would result in a relatively significant theoretical dilution effect of approximately 75.3%.

Pursuant to Note 2 to Rule 7.27B of the Listing Rules, the Company has consulted the Stock Exchange regarding the implementation of the Rights Issue. The Stock Exchange has agreed that the Company has demonstrated that there are exceptional circumstances for the purpose of Rule 7.27B, and the Company may proceed with the Rights Issue.

## TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

**Whitewash Waiver**

As at the date of this announcement, the Controlling Shareholder and the Controlling Shareholder Concert Parties are interested in 1,147,211,719 Shares, representing approximately 45.59% of the issued share capital of the Company. Together with the person(s) considered by the Executive to be acting in concert with the Controlling Shareholder, their aggregate interests amount to 1,203,716,788 Shares, representing approximately 47.83% of the issued share capital of the Company.

As illustrated in the table under the section headed "9. Effect on the Shareholding Structure of the Company arising from the Rights Issue" of this announcement, assuming (i) there is no change in the number of issued Shares from the date of this announcement up to and including the date of completion of the Rights Issue; (ii) none of the Qualifying Shareholders have taken up their entitlements under the Rights Issue (other than those subscriptions pursuant to the Irrevocable Undertaking); (iii) none of the Unsubscribed Rights Shares have been placed by the Placing Agent; and (iv) up to 8,214,208,962 Untaken Rights Shares are subscribed by the Controlling Shareholder pursuant to the Underwriting Agreement and the Remaining Underwritten Shares are subscribed by the other Underwriters pursuant to the Underwriting Agreement, the Controlling Shareholder and the Controlling Shareholder Concert Parties will, immediately after completion of the Rights Issue, be interested in aggregate in approximately 72.55% of the issued share capital of the Company as enlarged by the issue of the Rights Shares. Together with the person(s) considered by the Executive to be acting in concert with the Controlling Shareholder, their aggregate interests will represent approximately 72.74% of such enlarged issued share capital.

Accordingly, the Controlling Shareholder and the Controlling Shareholder Concert Parties may, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares and other securities not already owned or agreed to be acquired by it and parties acting in concert with it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, subject to, among other things, (i) the approval by at least 75% of the votes casted by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes casted by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the respective transactions contemplated thereunder. The Controlling Shareholder, the Controlling Shareholder Concert Parties and those who are interested in (other than as Shareholders), involved in or have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively, and/or the Whitewash Waiver are required to abstain from voting in favour of the proposed resolution approving the Whitewash Waiver at the EGM.

The Rights Issue will not proceed if the Whitewash Waiver is not approved by the Independent Shareholders at the EGM.

**If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders and the Rights Issue becomes unconditional, the aggregate shareholding of the Controlling Shareholder and the Controlling Shareholder Concert Parties in the Company may exceed 50% immediately upon completion of the Rights Issue, and hence, the Controlling Shareholder and the Controlling Shareholder Concert Parties may further increase their shareholding in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.**

**Others**

As at the date of this announcement, the Company does not believe that the Rights Issue, the Placing Agreement and/or the Underwriting Agreement give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue, the Placing Agreement and/or the Underwriting Agreement do not comply with other applicable rules and regulations.

**GENERAL**

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the EGM Matters. The Circular containing, among other things, (i) further details of the EGM Matters; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the EGM Matters; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regard to the aforesaid; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Friday, 4 December 2026.

In order to be registered as a member of the Company on the EGM Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by no later than 4:30 p.m. (Hong Kong time) on Tuesday, 29 December 2026.

Subject to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver having been approved by the Independent Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, including information on acceptances of the Rights Shares, to the Qualifying Shareholders on the Prospectus Posting Date. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Non-Qualifying Shareholders outside the United States for their information only, but will not send any PAL to them.

**INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

According to Rule 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive Directors who have no direct or indirect interest in EGM Matters other than as the Shareholder. Each of Dr. Cheng Kar-Shun, Henry, Mr. Ho Gilbert Chi-Hang, Mr. Cheng Kar-Shing, Peter and Mr. Cheng Chi-Heng is a director of the Controlling Shareholder. Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. Having regard to their family relationship and/or their directorships in the Controlling Shareholder, each of Dr. Cheng Kar-Shun, Henry, Ms. Cheng Chi-Man, Sonia, Mr. Ho Gilbert Chi-Hang, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian was considered to have material interests in the EGM Matters. As such, the Independent Board Committee comprising 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, being all the non-executive Directors other than those considered to have material interests in the EGM Matters and all being independent non-executive Directors, has been established to give recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser, to the Independent Shareholders in respect of whether the terms of the EGM Matters are fair and reasonable, and as to the voting action therefor.

Pursuant to the Listing Rules, the Independent Board Committee will also give recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser, to the Independent Shareholders in respect of whether the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and accordingly, are in the interests of the Company and the Shareholders as a whole, and as to the voting action therefor.

The Company will appoint the Independent Financial Adviser with the approval of the Independent Board Committee in due course to advise the Independent Board Committee and the Independent Shareholders in respect of the EGM Matters, and in each case as to the voting action therefor. A further announcement will be made after the Independent Financial Adviser has been appointed.

**WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES**

**Shareholders, holders of the debt and other securities and potential investors should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed "3. The Underwriting Agreement — (c) Termination of the Underwriting Agreement" in this announcement). Accordingly, the Rights Issue may or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Thursday, 7 January 2027. Dealing in the Rights Shares in nil-paid form are expected to take place from Tuesday, 19 January 2027 to Tuesday, 26 January 2027. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

**Shareholders, holders of the debt and other securities and potential investors are advised not to rely on market rumours in relation to the Group. Any information concerning the Group should only be based on the Company's official announcements. Shareholders, holders of the debt and other securities and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## 1. RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of eleven (11) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK$0.90 per Rights Share, to raise gross proceeds of approximately HK$24.9 billion before costs and expenses by issuing 27,682,964,881 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date). The estimated net proceeds from the Rights Issue after deducting the estimated costs and expenses will be approximately HK$24.1 billion.

The principal terms of the Rights Issue are set out below:

**(a) Rights Issue Statistics**

| | | |
|---|---|---|
| Basis of the Rights Issue | : | Eleven (11) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date |
| Subscription Price | : | HK$0.90 per Rights Share |
| Net price per Rights Share (i.e. Subscription Price less estimated costs and expenses incurred in the Rights Issue on a per Rights Share basis) | : | Approximately HK$0.87 per Rights Share |
| Number of issued Shares as at the date of this announcement | : | 2,516,633,171 Shares |
| Number of Rights Shares to be issued pursuant to the Rights Issue | : | 27,682,964,881 Rights Shares (assuming no change in the number of issued Shares on or before the Record Date) |
| Enlarged number of Shares in issue upon completion of the Rights Issue | : | 30,199,598,052 Shares (assuming no change in the number of issued Shares on or before the Record Date) |
| Gross proceeds from the Rights Issue (before costs and expenses) | : | Approximately HK$24.9 billion (assuming no change in the number of issued Shares on or before the Record Date) |
| Net proceeds from the Rights Issue | : | Approximately HK$24.1 billion (assuming no change in the number of issued Shares on or before the Record Date) |
| Rights of excess application | : | There will be no excess application arrangements in relation to the Rights Issue |
| Compensatory Arrangements | : | Any Unsubscribed Rights Shares (if any) will be placed to the Independent Placees on a best effort basis under the Compensatory Arrangements |

| | | |
|---|---|---|
| | | Any Untaken Rights Shares will be fully underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement |
| Number of Rights Shares undertaken to be subscribed by the Relevant Controlling Shareholder Group Members | : | Pursuant to the Irrevocable Undertaking, the Controlling Shareholder has irrevocably undertaken to the Company and the Independent Underwriters, among others, to subscribe for (or procure the subscription for), at the Subscription Price, all of the Rights Shares to be provisionally allotted to the Relevant Controlling Shareholder Group Member pursuant to the Rights Issue (being 12,548,014,699 Committed Rights Shares), representing approximately 45.33% of the total Rights Shares |
| Number of Underwritten Shares | : | Up to 15,134,950,182 Rights Shares, representing approximately 54.67% of the total Rights Shares, to be underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement |

As at the date of this announcement, the Company does not hold any treasury shares and does not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Assuming there is no change in the number of issued Shares on or before the Record Date, the 27,682,964,881 Rights Shares proposed to be allotted and issued pursuant to the terms of the Rights Issue represent (i) approximately 1,100.0% of the total number of existing issued Shares as at the date of this announcement and (ii) approximately 91.7% of the total number of issued Shares as enlarged immediately upon completion of the Rights Issue.

**(b) Subscription Price**

The Subscription Price of HK$0.90 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 26.9% to the theoretical ex-rights price of approximately HK$1.23 per Share, which is calculated based on the closing price of HK$4.87 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a discount of approximately 81.5% to the closing price of HK$4.87 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 82.2% to the average closing prices of the Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK$5.06 per Share;

(iv) a discount of approximately 82.4% to the average closing prices of the Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK$5.12 per Share;

(v) a discount of approximately 98.5% to the audited consolidated net asset value of the Company of HK$59.50 per Share, calculated based on the audited consolidated net assets of the Company attributable to Shareholders of approximately HK$149,737.7 million as at 30 June 2026 and 2,516,633,171 Shares in issue as at the date of this announcement; and

(vi) a discount of approximately 84.4% to the adjusted consolidated net asset value of the Company of HK$5.78 per Share, calculated based on the audited consolidated net assets of the Company attributable to Shareholders of approximately HK$149,737.7 million as at 30 June 2026 and 2,516,633,171 Shares in issue as at the date of this announcement and adjusted by the gross proceeds and new shares to be issued pursuant to the Rights Issue.

The net price per Rights Share (after deducting the relevant expenses) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK$0.87.

The Rights Issue would result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 75.3% to the existing Shareholders if they elect not to participate in the Rights Issue, which is based on the theoretical diluted price (as defined under Rule 7.27B of the Listing Rules) of approximately HK$1.25 per Share calculated by reference to the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK$5.06 per Share.

The Subscription Price was determined by the Directors following discussion with the Independent Underwriters having considered various factors including: (i) the size of funding needs based on the financial condition of the Group; (ii) discount to the theoretical ex-rights price of the Shares calculated based on the closing price of the Shares and the prevailing market conditions up to and including the Last Trading Day; and (iii) to increase the attractiveness of the Rights Issue by offering Qualifying Shareholders the opportunity to participate in the Rights Issue at a considerable discount to the market price of the Shares and benefit from the Company's recovery and future growth.

After taking into account the terms of the Rights Issue and the reasons for the Rights Issue as disclosed in the section headed "7. Reasons for and Benefits of the Rights Issue" of this announcement, the Excluded Board considers that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Pursuant to Note 2 to Rule 7.27B of the Listing Rules, the Company has consulted the Stock Exchange regarding the implementation of the Rights Issue. The Stock Exchange has agreed that the Company has demonstrated that there are exceptional circumstances for the purpose of Rule 7.27B, and the Company may proceed with the Rights Issue.

**(c) Rights Issue Conditions**

The Rights Issue is conditional upon the fulfilment of each of the following conditions:

(i) the passing by the Independent Shareholders at the EGM of (a) ordinary resolutions to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either voting in person or by proxy at the EGM by way of poll); and (b) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders either voting in person or by proxy at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code;

(ii) the Executive having granted the Whitewash Waiver to the Controlling Shareholder and the satisfaction of all condition(s) (if any) attached to the Whitewash Waiver granted;

(iii) the Stock Exchange issuing a certificate authorising the registration of the Prospectus with the Hong Kong Companies Registry under Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) not later than the Business Day before the Prospectus Date and, following the registration of the Prospectus

as referred to in (iv) below, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Prospectus Date;

(iv) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Business Day before the Prospectus Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Business Day before the Prospectus Date;

(v) the Listing Approval (subject only to the allotment and despatch of the appropriate documents of title) having been obtained by no later than: (a) (in the case of the nil-paid Rights Shares) the Business Day before the commencement of trading of the nil-paid Rights Shares on the Stock Exchange; and (b) (in the case of the Rights Shares in their fully-paid form) the Latest Time for Termination, and, in each case, such permission not being withdrawn or amended before the Latest Time for Termination;

(vi) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;

(vii) all lenders with an outstanding principal amount under the Target Facilities having entered into binding agreement(s) to implement the Target Facilities Proposal; and

(viii) the Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms thereof.

None of the above conditions may be waived. If any of the above conditions is not satisfied by the Latest Time for Termination, the Rights Issue will not proceed. As at the date of this announcement, none of the above conditions has been fulfilled.

**(d) Status of the Rights Shares**

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares.

**(e) Basis of provisional allotments**

The basis of the provisional allotments shall be eleven (11) Rights Shares (in nil-paid form) for every one (1) existing Share held by a Qualifying Shareholder as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

**(f) Qualifying Shareholders**

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder (other than PRC Southbound Trading Investors) must be registered as a member of the Company, and not be a Non-Qualifying Shareholder, as at the close of business on the Record Date.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as members of the Company prior to the close of business on the Record Date so as to qualify for the Rights Issue, all transfers of the Shares (together with the relevant share certificate(s) and/or the instrument(s) of transfer) must be lodged with the Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 8 January 2027. The rights of the PRC Southbound Trading Investors have been set out in the section headed "1. Rights Issue — (h) Rights of PRC Southbound Trading Investors" of this announcement. Shareholders and investors should consult their professional advisers if they are in doubt as to their status and action to be taken.

Subject to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder and the Whitewash Waiver having been approved by the Independent Shareholders at the EGM, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Non-Qualifying Shareholders

outside the United States for their information only. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

**(g) Closure of register of members**

The register of members of the Company will be closed from Monday, 11 January 2027 to Thursday, 14 January 2027 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

**(h) Rights of PRC Southbound Trading Investors**

According to the "Stock Connect Southbound Shareholding Search" available on the Stock Exchange's website, as of 13 November 2026, China Clear held 110,612,519 Shares, representing approximately 4.40% of the total number of issued Shares.

The Board was advised that, the PRC Southbound Trading Investors who hold Shares through China Clear as nominee under Shenzhen-Hong Kong Stock Connect or Shanghai-Hong Kong Stock Connect can participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors.

**The PRC Southbound Trading Investors should consult their intermediaries (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear and provide such intermediary with instructions on the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated under the section headed "5. Expected Timetable" of this announcement and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.**

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice and the Trial Administrative Measures, the Rights Shares to be issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the Chinese Mainland to any person or entity, unless through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, or such person or entity has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant Chinese Mainland authorities in accordance with the applicable Chinese Mainland laws and regulations.

The Company will complete the necessary filing procedures in accordance with the CSRC Notice and the Trial Administrative Measures.

**(i) Rights of the Overseas Shareholders (other than PRC Southbound Trading Investors) (if any)**

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong and the Chinese Mainland (in accordance with the CSRC Notice and the Trial Administrative Measures). Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make necessary enquiries as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of extending the issue of the Rights Shares to Overseas Shareholders whose address on the register of members of the Company is in a place outside Hong Kong on the Record Date. If, after making such enquiries and having obtained legal advice in the relevant jurisdictions, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to such Overseas Shareholders, the Rights Issue will not be extended to such Overseas Shareholders. The results of the enquiries and the basis of exclusion of the Non-Qualifying Shareholders, if any, from the Rights Issue will be included in the Prospectus.

The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Non-Qualifying Shareholders outside the United States for their information only, but will not send any PAL to them.

**Overseas Shareholders (other than PRC Southbound Trading Investors) should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

**(j) Arrangements for the NQS Rights Shares**

The Company will arrange for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, if any, to be sold in the market in their nil-paid form as soon as practicable after the commencement of dealings on the Stock Exchange and in any event before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. In the event that and to the extent that such nil-paid Rights Shares can be sold, the Company will then distribute such proceeds in Hong Kong dollars (after deducting the expenses of sale (if any)) to the Non-Qualifying Shareholders pro rata (but rounded down to the nearest cent) to their shareholdings on the Record Date, except that individual amount of HK$100 or less shall not be so distributed but shall be retained for the benefit of the Company. Any such unsold entitlements of Rights Shares which would

otherwise have been provisionally allotted to the Non-Qualifying Shareholders will be offered for subscription by the Placing Agent to the Independent Placees under the Placing Agreement.

**(k) Share certificates of the Rights Shares and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Friday, 5 February 2027 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. Each allottee will receive one share certificate for all allotted Rights Shares.

If the Rights Issue does not become unconditional, refund cheques will be despatched on or before Friday, 5 February 2027 by ordinary post, at the respective Shareholders' own risk, to their registered addresses.

**(l) Fractional entitlement to the Rights Shares**

On the basis of provisional allotment of eleven (11) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise from the Rights Issue.

**(m) Odd lot arrangement**

Upon completion of the Rights Issue, the board lot of the Company will remain as 1,000 Shares. In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker will be appointed to provide odd lots matching services for the sale and purchase of odd lots of the Rights Shares arising from the Rights Issue, on a best efforts basis. Further details of the odd lot arrangement will be provided in the Prospectus.

Shareholders in odd lots should note that the matching services mentioned above will be on a "best efforts" basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being an adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

**(n) Irrevocable Undertaking from the Controlling Shareholder**

As at the date of this announcement, the Relevant Controlling Shareholder Group Members are interested in 1,140,728,609 Shares in aggregate, representing approximately 45.33% of the issued share capital of the Company.

Pursuant to the Irrevocable Undertaking, the Controlling Shareholder has irrevocably undertaken to the Company and the Independent Underwriters, among others, (i) to subscribe for (or procure the subscription for), at the

Subscription Price, all of the Rights Shares to be provisionally allotted to the Relevant Controlling Shareholder Group Member pursuant to the Rights Issue (being 12,548,014,699 Committed Rights Shares); and (ii) that the Controlling Shareholder and the other Relevant Controlling Shareholder Group Members will not dispose of or transfer (directly or indirectly) their beneficial interests in any of the Shares owned by them as at the date of the Irrevocable Undertaking and shall procure that there shall be no change to the beneficial and/or registered owners of such Shares from the date of the Irrevocable Undertaking up to 5:00 p.m. on the Record Date.

**(o) Application for listing of the Rights Shares**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms). No part of the securities (other than debt securities with no right of conversion into Shares attached thereto) of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed on, or dealt in, any stock exchange other than the Stock Exchange.

**(p) Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) are expected to be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms with their board lot size being the same (i.e. 1,000) as their underlying Shares on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Shareholders whose Shares are held through CCASS should seek advice from their stockbroker(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

**(q) Stamp duty and other applicable fees, and taxation**

Dealing in the Rights Shares (in both their nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy or any other applicable fees and charges in Hong Kong.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Rights Shares (in both their nil-paid and fully-paid forms), and for Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

**(r) Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements**

As at the date of this announcement, the Controlling Shareholder, together with the other Relevant Controlling Shareholder Group Members, held 1,140,728,609 Shares in aggregate, representing approximately 45.33% of the issued share capital of the Company, and hence, are controlling Shareholders. Pursuant to Rule 7.21(2) of the Listing Rules, as the Controlling Shareholder will be one of the Underwriters, the Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares, if any, by offering the Unsubscribed Rights Shares to Independent Placees for the benefit of the No Action Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

The Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares, if any, during the Placing Period to Independent Placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any related costs and expenses), that is realised from the Placing (the "**Net Gain**") will be paid to those No Action Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by no later than 4:00 p.m. on Tuesday, 2 February 2027, subscribers for all (or as many as possible) of those Unsubscribed Rights Shares, if any, at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement.

Net Gain (if any) will be paid (without interest) on a pro-rata basis to the No Action Shareholders (but rounded down to the nearest cent) as set out below:

(i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL;

(ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and

(iii) where an entitlement to the Rights Shares was not taken up by the Non-Qualifying Shareholders, to those Non-Qualifying Shareholders.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) mentioned above (i) is more than HK$100, the entire amount will be paid to them; or (ii) is HK$100 or less, such amount will be retained by the Company for its own benefit.

## 2. THE PLACING AGREEMENT

On 13 November 2026, the Company entered into the Placing Agreement with the Placing Agent. Pursuant to the Placing Agreement, the Placing Agent has agreed to procure Independent Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares.

The principal terms and conditions of the Placing Agreement are set out below:

| | | |
|---|---|---|
| Date | : | 13 November 2026 |
| Issuer | : | The Company |
| Placing Agent | : | HSBC has been appointed as the Placing Agent to procure, on a best effort basis, Independent Placee(s) to subscribe for the Unsubscribed Rights Shares during the Placing Period.<br><br>The Placing Agent is an Independent Third Party. |
| Placing Period | : | The period commencing from Tuesday, 2 February 2027 and ending at 4:00 p.m. on the same day |
| Placing Commission | : | Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission in an amount which is 1% of the gross proceeds from the subscription of the Unsubscribed Rights Shares actually placed by it under the Placing Agreement (the purchasers of which were first contacted by the Placing Agent). |

| | | |
|---|---|---|
| Placing price of the Unsubscribed Rights Shares | : | The placing price of the Unsubscribed Rights Shares shall be at least equal to the Subscription Price (exclusive of any brokerage (if any), Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy).<br><br>The final price will be determined based on the demand for and market conditions of the Unsubscribed Rights Shares during the process of placement. |
| Placees | : | The Unsubscribed Rights Shares shall only be offered by the Placing Agent to Independent Placee(s). |
| Ranking of the Unsubscribed Rights Shares | : | The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the Shares then in issue. |
| Conditions of the Placing Agreement | : | The completion of the Placing is conditional upon the Underwriting Agreement having become unconditional in all respects (save for any condition which is capable of being waived and has been waived in accordance with the terms of the Underwriting Agreement) and not having been terminated or otherwise ceased to have effect. Please refer to "3. The Underwriting Agreement — (b) Conditions of the Underwriting Agreement" for the details of the conditions.<br><br>If the above conditions is not satisfied on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination. |

Termination of the Placing Agreement : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may, by notice in writing to the Company served before the Latest Time for Termination, rescind or terminate the Placing Agreement upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, would make the placement of the Unsubscribed Rights Shares or the enforcement of contracts to purchase the Unsubscribed Rights Shares impracticable or inadvisable, or would materially prejudice trading of the Unsubscribed Rights Shares in the secondary market:

(i) the occurrence of a material adverse effect on/change in the financial condition, prospects, results of operations, business, operations, general affairs, assets or liabilities, or properties of the Company and any such other member of the Group taken as a whole, or an adverse effect on the ability of the Company to perform its obligations under the Placing Agreement or in connection with the Placing which is otherwise material in the context of the Placing;

(ii) the occurrence of a trading suspension or limitation in dealings in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded (other than pending the publication of any announcement relating to the Rights Issue) for a consecutive period of more than three trading days (or such longer period as the Placing Agent and the Company may agree); or generally on the New York Stock Exchange, the London Stock Exchange plc, the Stock Exchange and/or any other stock exchange on which the Company's securities are traded;

(iii) the occurrence of any outbreak or escalation of hostilities, act of terrorism, the declaration by the United States, Hong Kong, the Chinese Mainland, the United Kingdom or the European Union (or any member thereof) of a national emergency or war or other calamity or crisis;

(iv) the occurrence of any material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the Chinese Mainland, the United States, the United Kingdom or the European Union (or any member thereof) and/or a declaration of a general moratorium on commercial banking activities in Hong Kong, the Chinese Mainland, the United States, the United Kingdom or the European Union (or any member thereof);

(v) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in Hong Kong, the Chinese Mainland, the United States, the United Kingdom or the European Union (or any member thereof), or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation; or

(vi) any representation, warranty or undertaking given by the Company in the Placing Agreement is untrue, inaccurate or misleading, or the Company has materially breached any undertaking or any other provision of the Placing Agreement.

Upon such termination, the Placing Agent's obligations shall terminate, and neither party shall have any claim against the other for costs, damages, compensation or otherwise, without prejudice to rights in respect of any antecedent breach.

Completion date of the Placing : The day on which the Rights Shares (in fully-paid form) having been duly issued and allotted to the Qualifying Shareholders on the terms as set out in the Prospectus Documents.

The Placing Agent shall ensure that (i) the Unsubscribed Rights Shares are placed only to Independent Placee(s); (ii) no subscriber will be under any obligation to make a general offer under the Takeovers Code as a result of and immediately following completion of the Placing; and (iii) the subscription of the Placing Shares by any subscriber will not result in the Company being incapable of complying with the Public Float Requirements immediately following the Placing, unless otherwise agreed with the prior written consent of the Company in respect of (ii) to (iii) above.

The terms of the Placing Agreement (including the placing commission payable thereof) were determined after arm's length negotiation between the Company and the Placing Agent with reference to the size of the Rights Issue and the prevailing market rate of commission and are on normal commercial terms. The Excluded Board considers that the terms of the Placing Agreement are fair and reasonable.

Given that the Compensatory Arrangements would provide a compensatory mechanism for the No Action Shareholders, the Excluded Board considers that the Compensatory Arrangements are in the interest of the Company and the Shareholders as a whole.

## 3. THE UNDERWRITING AGREEMENT

On 13 November 2026, the Company entered into the Underwriting Agreement with the Controlling Shareholder and the Independent Underwriters as underwriters. Pursuant to the Underwriting Agreement, the Rights Shares (other than the Committed Rights Shares) will be fully underwritten by the Underwriters in accordance with the terms of the Underwriting Agreement.

### (a) Principal terms and conditions of the Underwriting Agreement

The principal terms and conditions of the Underwriting Agreement are set out below:

| | | |
|---|---|---|
| **Date** | : | 13 November 2026 |
| **Issuer** | : | the Company |
| **Underwriters** | : | The Controlling Shareholder, HSBC and DBS<br><br>The Controlling Shareholder is a controlling Shareholder, which together with the other Relevant Controlling Shareholder Group Members, are interested in 1,140,728,609 Shares in aggregate, representing approximately 45.33% of the issued share capital of the Company as at the date of this announcement. Therefore, the Controlling Shareholder is a connected person of the Company according to Chapter 14A of the Listing Rules. It is not in the ordinary course of business of the Controlling Shareholder to underwrite securities. The Controlling Shareholder complies with Rule 7.19(1)(b) of the Listing Rules.<br><br>Each of the Independent Underwriters is an Independent Third Party. |

| | | |
|---|---|---|
| **Number of Rights Shares to be underwritten by the Underwriters** | : | All of the Rights Shares (other than the Committed Rights Shares), being 15,134,950,182 Rights Shares (assuming no new Shares will be issued or repurchased on or before the Record Date) in the following order and manner:<br><br>(i) first, underwritten by the Controlling Shareholder up to 8,214,208,962 Rights Shares (comprising approximately 29.67% of the total number of Rights Shares); and<br><br>(ii) then, underwritten by the Independent Underwriters as to the Remaining Underwritten Shares (being 6,920,741,220 Rights Shares, comprising 25% of the total number of Rights Shares). |
| **Underwriting commission** | : | Subject to completion of the Rights Issue, the Company shall pay to HSBC an underwriting commission in an amount which is 4.0% of the multiple of the Subscription Price and the number of Underwritten Shares, out of which HSBC shall pay the Controlling Shareholder an amount equal to 4% of the multiple of the Subscription Price and the number of Underwritten Shares comprising its commitment; and subject to the allocation among the Independent Underwriters, to DBS an amount equal to 3.5% of the multiple of the Subscription Price and the number of Underwritten Shares comprising its commitment, and the remainder shall be retained by HSBC for its own account. |

Pursuant to the Underwriting Agreement, the Independent Underwriters shall ensure that (i) each of the subscribers of the Remaining Underwritten Shares procured by it shall be an Independent Third Party; (ii) neither the Independent Underwriters nor any subscriber will be under any obligation to make a general offer under the Takeovers Code as a result of and immediately following completion of the Rights Issue; and (iii) the subscription of the Remaining Underwritten Shares will not result in the Company being incapable of complying with the Public Float Requirements immediately following completion of the Rights Issue, unless otherwise agreed with the prior written consent of both the Company and the Controlling Shareholder in respect of (ii) to (iii) above.

The underwriting commission of 4.0% was determined by the Company and the Independent Underwriters after arm's length negotiation with reference to the size of the Rights Issue as an absolute amount and in comparison to the Company's market capitalisation, the current and expected market conditions, the underwriting period, the trading liquidity of the Shares, the Subscription Price as a discount to the theoretical ex-rights price of the Shares calculated based on the closing price of the Shares on the Last Trading Day and the prevailing market rate of commission, and are on normal commercial terms. The rate to be paid to the Controlling Shareholder is the same as that to be paid to the sole global coordinator. Such rate has taken into account the larger portion of Underwritten Shares to be underwritten by the Controlling Shareholder.

Taking the above into account, the Excluded Board considers that the terms of the underwriting commission are fair and reasonable and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

**(b) Conditions of the Underwriting Agreement**

The obligations of the Underwriters under the Underwriting Agreement are conditional upon the fulfilment (or waiver, if applicable, by the Underwriters) of, among others, the following conditions:

(i) the passing by the Independent Shareholders at the EGM of (a) ordinary resolutions to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the respective transactions contemplated thereunder (more than 50% of the Independent Shareholders either voting in person or by proxy at the EGM by way of poll); and (b) a special resolution to approve the Whitewash Waiver (at least 75% of the Independent Shareholders either voting in person or by proxy at the EGM by way of poll) in accordance with the Listing Rules and the Takeovers Code;

(ii) the Whitewash Waiver having been granted by the Executive to the Controlling Shareholder and the satisfaction of all condition(s) (if any) attached to the Whitewash Waiver granted;

(iii) all lenders with an outstanding principal amount under the Target Facilities having entered into binding agreement(s) to implement the Target Facilities Proposal not later than 15 January 2027;

(iv) the Stock Exchange issuing a certificate authorising the registration of the Prospectus with the Hong Kong Companies Registry under Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Business Day before the Prospectus Date and, following the

registration of the Prospectus, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Prospectus Date;

(v) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Business Day before the Prospectus Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Business Day before the Prospectus Date;

(vi) Listing Approval (subject only to the allotment and despatch of the appropriate documents of title) having been obtained by no later than: (1) (in the case of the nil-paid Rights Shares) the Business Day before the commencement of trading of the nil-paid Rights Shares on the Stock Exchange; and (2) (in the case of the Rights Shares in their fully-paid form) the Latest Time for Termination, and, in each case, such permission not being withdrawn or amended before the Latest Time for Termination;

(vii) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the Business Day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus, and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;

(viii) in respect of the representations, warranties and undertakings given by the Company under the Underwriting Agreement, (1) such representations and warranties being true, complete, accurate and not misleading and no such undertakings being breached in any respect on and as of the date of the Underwriting Agreement and at any time before the Latest Time for Termination, as though they had been given and made at such time by reference to the facts and circumstances then subsisting; and (2) no matter having arisen which has given rise to, or would reasonably be expected to give rise to, any breach of such warranties, representations or undertakings on and as of the date of the Underwriting Agreement or at any time before the Latest Time for Termination;

(ix) all necessary consents, approvals, permits, authorisations or clearances (as the case may be) required to be obtained by the Company or any other member of the Group under applicable laws, regulations or rules for the completion of the Rights Issue and the transactions contemplated hereunder have been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to the Latest Time for Termination;

(x) compliance by the Company with its obligations under the Underwriting Agreement, including (without limitation) the following:

(1) to provisionally allot the Rights Shares in accordance with the Underwriting Agreement by the time specified therein;

(2) to despatch the Prospectus Documents to the Qualifying Shareholders in accordance with the Underwriting Agreement by the time specified therein; and

(3) to deliver to the Independent Underwriters the documents as set out in the Underwriting Agreement in accordance with the timing set out therein; and

(xi) the Placing Agreement not having been terminated pursuant to the terms thereof and remains in full force and effect;

(xii) the Company having consulted the Stock Exchange regarding the implementation of the Rights Issue pursuant to Rule 7.27B of the Listing Rules and the Stock Exchange having agreed that the Company may proceed with the Rights Issue; and

(xiii) the compliance with and performance of the undertakings and obligations of the Controlling Shareholder under the Irrevocable Undertaking.

HSBC, as the sole global coordinator (for itself and on behalf of the Independent Underwriters) may at any time in writing waive any of the conditions set out in above other than the condition (i) to (vii) and (x) to (xiii) above or extend the time or date for fulfilment of any of the conditions (in which case a reference in the Underwriting Agreement to the satisfaction of such condition shall be to its fulfilment by the time or date as so extended) and such waiver or extension may be made subject to such terms and conditions as are determined by HSBC (for itself and on behalf of the Independent Underwriters).

If any of the above conditions is not fulfilled or becomes incapable of fulfilment, or waived (if applicable), on or before the Latest Time for Termination, all liabilities of the Company and the Underwriters under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement, and the Rights Issue will not proceed.

As at the date of this announcement, other than condition (xii), none of the conditions have been satisfied.

**(c) Termination of the Underwriting Agreement**

HSBC, as the sole global coordinator (for itself and on behalf of the Independent Underwriters), shall have the right to rescind or terminate the Underwriting Agreement (as to the Independent Underwriters) by notice in writing given to the Company at any time prior to the Latest Time for Termination, if there shall develop, occur, arise, exist or come into effect any of the following:

(i) any matter or circumstance arises as a result of which any of the conditions set out in the section above headed "3. The Underwriting Agreement — (b) Conditions of the Underwriting Agreement" is not satisfied, or has become incapable of satisfaction, as at the required time;

(ii) the fact that any of the representations, warranties or undertakings contained in the Underwriting Agreement is untrue, inaccurate or misleading or has been breached comes to the knowledge of the Independent Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement;

(iii) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given pursuant to the Underwriting Agreement, would have rendered, or would reasonably be expected to render, any of those representations or warranties untrue, inaccurate, incomplete or misleading or any of those undertakings being breached in a material respect;

(iv) any statement contained in this announcement, the Circular or any Prospectus Document has become or been discovered to be untrue, inaccurate or incomplete in a material respect or misleading, or any matter arises or is discovered which would, if this announcement, the Circular or the relevant Prospectus Document were to be issued at the time, constitute an omission of material fact therefrom;

(v) any condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS is not satisfied or notification is received by the Company from HKSCC that such admission or facility for holding and settlement has been or is to be refused;

(vi) there is a material adverse change in the financial condition, prospects, results of operations, business, operations, general affairs, or properties of the Company and any such other member of the Group taken as a whole, or

an adverse effect on the ability of the Company to perform its obligations under the Underwriting Agreement or in connection with the Rights Issue which is otherwise material in the context of the Rights Issue;

(vii) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities in the Underwriting Agreement; or

(viii) (a) there shall have occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable): (A) a moratorium, trading halt, suspension, restriction or limitation in trading in securities generally, or the establishment of minimum prices, on the New York Stock Exchange, the London Stock Exchange plc, the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (B) a trading suspension or limitation in dealings in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded (other than pending the publication of any announcement relating to the Rights Issue) for a consecutive period of more than three trading days (or such longer period as the Underwriters and the Company may agree); (C) a declaration of a general moratorium or a disruption in commercial banking activities in the United States, Hong Kong, the Chinese Mainland, the United Kingdom or the European Union (or any member thereof) or a disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the Chinese Mainland, the United Kingdom or the European Union (or any member thereof); or (D) a change or development involving a prospective significant change in or affecting taxation or exchange or currency control (or the implementation of any exchange or currency control) or currency exchange rates affecting the Company, the Group and the Rights Shares;

(b) there shall have occurred any event or circumstance or series of events or circumstances (including, without limitation, the occurrence of any local, national or international outbreak or escalation of disaster or hostilities (whether or not war is or has been declared), riot, earthquake, public disorder, civil commotion, fire, flood, explosion, outbreak of an infectious disease, calamity, crisis, strike, lock-out, insurrection, armed conflict, act of terrorism (whether or not responsibility has been claimed), act of God or epidemic);

(c) there shall have occurred any change in, or any event or series of events likely to result in any change in, (whether or not permanent) local, national or international financial, political, economic, military,

industrial, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including, without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in or affecting United States, Hong Kong, the Chinese Mainland, the United Kingdom or the European Union (or any member thereof);

(d) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgements, decrees or rulings of any governmental authority (the "**Laws**") are implemented or there are any changes or developments involving prospective changes in existing Laws or in the interpretation or application thereof by any court or other competent authority in Hong Kong, the Chinese Mainland or any other place in which any member of the Group conducts or carries on business;

(e) the Company publishes or is required to publish any supplementary prospectus in accordance with the Listing Rules, as a result of a significant change affecting any matter contained in the Prospectus Documents or a significant new matter having arisen the inclusion of information in respect of which would have been required in the Prospectus Documents if it had arisen before the date thereof, or otherwise, unless the Company has obtained the prior consent from the Underwriters for such publication (such consent not to be unreasonably withheld or delayed); or

(f) an authority or a political body or organisation in any relevant jurisdiction commences any investigation or other legal action, or announces an intention to investigate or take other legal action, against any Director,

which, individually or in the aggregate, in the reasonable opinion of HSBC (for itself and on behalf of the Independent Underwriters):

A. is or will be, or is likely to be, materially adverse to, or prejudicially affects or would prejudicially affect, the results of operation, general affairs, management, business, properties, financial or trading condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;

B. has or will have, or is likely to have, a material adverse impact on, or prejudicially affects or would prejudicially affect, the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or

C. makes or may make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in this announcement, the Circular and the Prospectus Documents.

Any such notice shall be served by HSBC (for itself and on behalf of the Independent Underwriters) prior to the Latest Time for Termination.

**If the Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriters.**

**(d) Potential third-party investment**

The Controlling Shareholder is engaged in ongoing discussions with potential investors (the "**Potential Investors**"), who the Company understands are not Shareholders, regarding potential investments in the Company. Any such investment may be implemented through (i) a transfer of nil-paid Rights Shares by the Controlling Shareholder to the relevant Potential Investor, followed by that Potential Investor's exercise of the nil-paid rights to subscribe for the corresponding Rights Shares; (ii) a transfer of Rights Shares by the Controlling Shareholder to the relevant Potential Investor immediately following completion of the Rights Issue; (iii) a direction by the Controlling Shareholder to the Registrar to allot and issue certain Underwritten Shares directly to the relevant Potential Investor; or (iv) such other arrangements as may be agreed between the Controlling Shareholder and the relevant Potential Investor. The Company has consulted the Executive, and confirmed that the actions described in (i), (ii) and (iii) above would not constitute disqualifying transactions under Schedule VI of the Takeovers Code. The shareholding of the Controlling Shareholder and the Controlling Shareholder Concert Parties in the Company will remain above 30% of the enlarged issued share capital of the Company and the Controlling Shareholder would remain the single largest Shareholder immediately following completion of the Rights Issue and the relevant investment.

The Company will make further announcement(s) as and when appropriate in accordance with the requirements of the Listing Rules, the Takeovers Code, the SFO and/or other applicable laws and regulations relating to update on agreement(s) between the Controlling Shareholder and any Potential Investor(s).

## 4. TARGET FACILITIES PROPOSAL

The Company has commenced discussions with the relevant lenders regarding the Target Facilities Proposal in relation to the offshore financial indebtedness under the Target Facilities, which is scheduled to mature between March 2027 and December 2029. The Target Facilities comprise bank loans with an aggregate outstanding principal amount of approximately HK$82.0 billion.

Under the Target Facilities Proposal, the Company will enter into binding agreement(s) with all lenders with an outstanding principal amount under the Target Facilities. Pursuant to such agreement(s), subject to the successful completion of the Rights Issue and other customary conditions precedent for transactions of such nature, 10% of the outstanding principal amount under the Target Facilities will be prepaid using proceeds from the Rights Issue, while the final maturity dates applicable to the remaining 90% (equivalent to approximately HK$73.8 billion) will fall two years after the respective existing final maturity dates. There will be no material change to the pricing and security package applicable to the Target Facilities.

## 5. EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

| **Event** | **Date (Hong Kong)** |
|---|---|
| Publication and despatch of the Circular with proxy form and notice of EGM | Friday, 4 December 2026 |
| Latest time for lodging transfer documents of the Shares to qualify for attendance and voting at the EGM | 4:30 p.m. on Tuesday, 29 December 2026 |
| Closure of register of members of the Company to determine entitlement to attend and vote at the EGM (both days inclusive) | Wednesday, 30 December 2026 to Tuesday, 5 January 2027 |
| Latest time for lodging proxy forms for the EGM | 11:45 a.m. on Sunday, 3 January 2027 |
| EGM Record Date | Tuesday, 5 January 2027 |
| Expected time and date of the EGM | 11:45 a.m. on Tuesday, 5 January 2027 |

| Event | Date (Hong Kong) |
|---|---|
| Announcement of poll results of the EGM | Tuesday, 5 January 2027 |
| Last day of dealings in the Shares on a cum-rights basis | Wednesday, 6 January 2027 |
| First day of dealings in the Shares on an ex-rights basis | Thursday, 7 January 2027 |
| Latest time for lodging transfer of Shares in order to be qualified for the Rights Issue | 4:30 p.m. on Friday, 8 January 2027 |
| Closure of register of members of the Company to determine the entitlement to the Rights Issue (both days inclusive) | Monday, 11 January 2027 to Thursday, 14 January 2027 |
| Record Date | Thursday, 14 January 2027 |
| Despatch of the Prospectus Documents (including the PAL and Prospectus) (in case of the Non-Qualifying Shareholders, the Prospectus only) | Friday, 15 January 2027 |
| First day of dealings in nil-paid Rights Shares | Tuesday, 19 January 2027 |
| Latest time for splitting of PALs | 4:30 p.m. on Thursday, 21 January 2027 |
| Last day of dealings in nil-paid Rights Shares | Tuesday, 26 January 2027 |
| Latest Time for Acceptance | 4:00 p.m. on Friday, 29 January 2027 |
| Announcement of the number of Unsubscribed Rights Shares subject to Compensatory Arrangements | Monday, 1 February 2027 |
| Commencement of placing of Unsubscribed Rights Shares by the Placing Agent | Tuesday, 2 February 2027 |
| Latest time of placing of Unsubscribed Rights Shares by the Placing Agent | 4:00 p.m. on Tuesday, 2 February 2027 |

| Event | Date (Hong Kong) |
|---|---|
| Latest Time for Termination and latest time for the Rights Issue to become unconditional | 4:00 p.m. on Tuesday, 2 February 2027 |
| Announcement of results of the Rights Issue including the results of the Placing and the Net Gain | Thursday, 4 February 2027 |
| Despatch of share certificates of fully-paid Rights Shares and/or refund cheques, if any, in respect of wholly or partially unsuccessful applications or if the Rights Issue does not become unconditional | Friday, 5 February 2027 |
| Commencement of dealings in fully-paid Rights Shares | 9:00 a.m. on Wednesday, 10 February 2027 |
| Designated broker starts to stand in the market to provide matching services for odd lots of the Rights Shares | 9:00 a.m. on Wednesday, 10 February 2027 |
| Payment of Net Gain to relevant No Action Shareholders (if any) | Friday, 19 February 2027 |
| Designated broker ceases to provide matching services for odd lots of the Rights Shares | 4:00 p.m. on Tuesday, 2 March 2027 |

*Notes:*

1. All times and dates stated in this announcement refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement as and when appropriate.

2. Effect of bad weather and/or extreme conditions:

   The Latest Time for Acceptance will not take place if a tropical cyclone warning signal no. 8 or above, or "extreme conditions" or a "black" rainstorm warning is:

   (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day;

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the expected timetable may be affected. The Company will notify Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

## 6. FUNDRAISING EXERCISE IN THE PAST TWELVE MONTHS

The Company has not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

## 7. REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Company has acted prudently and proactively, deploying available levers to address the Group's financial position. Despite the Company's continuous progress in indebtedness reduction, as further detailed in the sub-section headed "Background" below, the quantum of near-term maturities remains substantial.

The Company has considered various fundraising alternatives, including additional debt financing and asset disposals. These alternatives are not feasible on the scale and within the timeframe required, would be materially more value-destructive for Shareholders (in particular through disorderly disposals of core assets), or would not address the Group's structural balance sheet constraints.

The sizing of the Rights Issue has taken into account, among other factors, the need to maintain an appropriate liquidity buffer in the event of significant market volatility or deteriorating market conditions, without assuming the successful completion of any liability management exercise. A recapitalisation of this magnitude creates a stronger foundation for, and materially facilitates, the Company's refinancing discussions with lenders, including those relating to the Target Facilities Proposal.

Based on the above assessment, the Company considers the Rights Issue to be the most appropriate option for the Company to raise the proposed funding of the envisaged magnitude with certainty, while allowing Qualifying Shareholders to participate on a pro-rata basis. Accordingly, the Directors believe that it is in the best interests of the Company and its Shareholders as a whole to enlarge the Company's capital base through the Rights Issue in order to reset its capital structure and address its liquidity and refinancing risks.

**Background**

The Group's development property assets, in particular, properties under development and a substantial agricultural landbank in the Northern Metropolis, require time to realise their full value. The Group also holds a sizeable investment property portfolio in Hong Kong and the Chinese Mainland, with a relatively high concentration in large-scale, high-quality investment properties. A significant number of these properties have only recently been completed and have yet to reach their full income-generating capability. As a result, the Group's asset base is particularly sensitive to accelerated disposals; any premature disposal would likely result in value destruction, which would be highly suboptimal and not in the best interest of shareholders and other stakeholders. A stable funding platform is therefore essential to allow these assets to mature and deliver their intended income-generating potential.

The Company has taken proactive measures to improve the Group's financial and liquidity position, including (i) disciplined asset disposal programme with focus on orderly sales and value preservation, generating aggregate proceeds of approximately HK$26 billion in the financial year ended 30 June 2025 and approximately HK$30 billion in the financial year ended 30 June 2026 from development property sales and other asset disposals; (ii) successful refinancing and alignment of key terms of approximately HK$88.2 billion of offshore unsecured financial indebtedness in June 2025; (iii) completion of a liability management exercise in December 2025, reducing over HK$9 billion of senior bonds and perpetual securities; (iv) completion of bond exchange offers in October 2026, exchanging approximately HK$1.6 billion of senior bonds; and (v) continuous evaluation of debt and equity funding options available to the Group to further improve the Group's net debt position.

Additionally, over the past few years, the Group has continued to exercise stringent control over capital expenditure spending, as well as general administrative and other operating expenses. For the year ended 30 June 2026, the Group achieved a 6% reduction in capital expenditure and a 19% reduction in general administrative and other operating expenses when compared with the year ended 30 June 2025, and a 38% reduction in capital expenditure and a 44% reduction in general administrative and other operating expenses when compared with the year ended 30 June 2023.

Despite the Company's continuous progress in indebtedness reduction, achieving a net debt reduction of approximately HK$1.9 billion from December 2024 position to December 2025 position, net debt increased by approximately HK$3.6 billion from December 2025 position to June 2026 position due to timing of cash collection and joint venture accounting, and the quantum of near-term maturities remains substantial, with total debt maturing from 1 July 2026 to 30 June 2028 amounting to approximately HK$65.0 billion.

The Group is at a critical inflection point in its development cycle. The Group has a scarce and high-quality portfolio of trophy assets, a proven expertise and track record in the premium residential property development, as well as in successfully developing and operating large-scale investment properties to deliver growing recurring yields, and multiple pathways to unlock value while preserving core franchises. The proposed recapitalisation is intended to address the Group's liquidity and refinancing pressures and provide additional time to realise the intrinsic value of its assets through continued development and completion, ramp-up, operation and monetisation.

**Reasons for and Benefits of the Rights Issue**

***(i) Reset capital structure and improve liquidity position***

The Rights Issue will materially enhance the Group's capital structure and liquidity position on a sustainable basis, while preserving the Group's asset base. It will help address the Group's near-term obligations and restore financial stability, thereby preventing financial difficulties.

***(ii) Extend the debt maturity profile***

Upon the Target Facilities Proposal becoming effective following the completion of the Rights Issue, the Group's debt maturity profile will be improved immediately as follows: (a) 10% of the outstanding principal amount of the Target Facilities will be prepaid with proceeds from the Rights Issue; and (b) the remaining approximately HK$73.8 billion, which is currently scheduled to fall due within the next 36 months, will have final maturity dates falling two years after the respective existing final maturity dates. These will be achieved without material change to the pricing or security package, and will provide the Group with greater liquidity flexibility.

***(iii) Clear funding runway catalyses growth***

The Rights Issue will provide the funding needed to execute the Group's development project pipeline, supporting accelerated sales of development projects, unlocking value from the existing landbank, and capturing short-cycle opportunities to drive sustainable growth.

It will also enhance financial flexibility to execute orderly asset disposals at commercially attractive price, preserving and maximising the long-term value of the Group's assets for the benefit of all Shareholders.

In addition, the Rights Issue will extend the Group's funding runway, enabling the ramp up of newly completed investment properties and optimization of leasing and tenant mix across investment property portfolio to realise its full income-generating potential.

*(iv) Strengthen access to capital and loan markets*

The Group is expected to achieve a more sustainable capital structure following an equity injection of this magnitude which, in turn, could help unlock meaningful refinancing support from the Group's lending banks on commercially acceptable terms.

The Company will also have greater flexibility to pursue liability management exercises in respect of its outstanding senior bonds and perpetual securities, as well as clearing deferred arrears under all series of the Company's perpetual securities which will in turn remove dividend restrictions, restoring the Company's flexibility to declare dividends, subject to satisfaction of the applicable conditions.

The Rights Issue helps support the improvement of the Group's funding costs and strengthens the Group's access to debt capital market and other funding channels by improving market and creditors' confidence.

*(v) Preserve shareholder value and enable pro-rata participation*

Considering the scale of the fund-raising, the required timeframe, execution certainty and prevailing market conditions, the Excluded Board is of the view that the Rights Issue is in the Shareholders' best interests relative to alternative fund-raising options.

The Rights Issue allows the Group to meet its funding needs without accelerating large-scale asset disposals that could require material discounts, helping to protect long-term earnings potential and preserve shareholder value.

The Rights Issue also allows all Qualifying Shareholders to participate on a pro-rata basis and benefit from the Group's expected recovery and future growth.

**Business Strategy and Future Plans**

The Group's strategic objective is to strengthen its financial position and liquidity, restore sustainable cash generation, preserve the intrinsic value of its assets and enhance long-term shareholder value. The Group intends to achieve this objective through a coordinated set of strategic initiatives across (i) property development, (ii) asset disposals, (iii) investment property management, and (iv) deleveraging and capital management.

The Group believes that these initiatives are mutually reinforcing. Accelerating cash collection from property development and recycling capital through orderly asset disposals are expected to enhance liquidity and financial flexibility, while the ramp-up and active management of investment properties are expected to strengthen recurring income. Together with disciplined capital deployment and operating cost control, these measures are intended to support progressive debt reduction and long-term value creation.

By the end of 2031, the Group is targeting aggregate contracted sales from property development and proceeds from asset disposals of HK$150–200 billion, together with a reduction in gross debt of approximately HK$40–50 billion.

Following completion of the Rights Issue, the Company does not envisage undertaking another rights issue within the next 36 months. In the absence of any material adverse changes, the Company does not currently anticipate any need for a further rights issue beyond that 36-month period.

***(i) Accelerate Sale of Residential Properties and Development***

Property development will remain the Group's principal source of cash generation. The Group plans to adopt a three-pronged approach to support cash generation over the short, medium and long term:

- *Accelerate sales of development projects in Hong Kong and the Chinese Mainland to maximise near-term cash*

  The Group intends to accelerate the sales of residential inventory across Hong Kong and the Chinese Mainland to sustain sales momentum and expedite cash collection. In Hong Kong, the Group will leverage on improved market sentiment and the strong take-up achieved by its recent launches. In the Chinese Mainland, the Group will prioritize cash realization from projects in resilient sub-markets.

- *Unlock the value of high-margin agricultural land to replenish the pipeline*

  The Government reaffirmed the Northern Metropolis as an important element of Hong Kong's future economic development in its 2026 policy address and in its first five-year plan for economic and social development (2026–2030). The Northern Metropolis is a major long-term urban development initiative which is expected to give rise to material development activity in the relevant districts. The location and scale of the Group's landholdings within the Northern Metropolis mean that the Group is well placed to participate in projects arising from this initiative and can benefit from accelerating conversion of this agricultural land into saleable development resources.

The Group intends to focus on the conversion and development of its ample agricultural land bank in the New Territories, which represents strategic development opportunities covering approximately 10.6 million square feet attributable gross floor area across successive conversion phases. Where commercially beneficial, the Group intends to cooperate with strategic partners, including Chinese state-owned enterprises, in executing the development plans. The Group believes that this land bank has the potential to unlock attractive development value and replenish its medium- to long-term development pipeline to provide abundant saleable resources.

- *Selectively pursue fast-churn projects to drive quicker capital recycling*

  The Group intends to identify and selectively undertake cash-flow driven, fast-churn development projects with typical development cycles of one to three years. Where practicable, such projects will be structured as joint development with partners, to generate appropriate risk-adjusted returns while limiting the Group's own capital expenditure. The Group intends to focus new development projects primarily on resilient core markets, including Hong Kong, Shanghai, Shenzhen, Guangzhou and Hangzhou.

***(ii) Orderly Asset Disposals***

The Group intends to recycle capital through orderly disposal of mature assets and resumption of agricultural land by the Government, while avoiding distressed disposals that could impair the intrinsic value of the Group's assets and long-term shareholder value.

- *Disposal of mature assets*

  The Group has identified a potential disposal list which will be regularly reviewed, taking into account market conditions and execution readiness, to support orderly disposals at competitive pricing. The Group intends to focus on mature assets with limited further upside. The objective is to improve capital efficiency and support its deleveraging objectives, while balancing value realisation against timing considerations.

- *Agricultural land resumption*

  A portion of the Group's agricultural land bank in the New Territories is expected to be resumed by the Government to implement public works, infrastructure, and new development areas, for which statutory compensation is payable. Resumption is expected to follow a comparatively visible timetable set out in published Government programmes and generate compensation at an attractive spread over the Group's historical acquisition cost.

- *China REIT spin-off*

  The Group is also establishing a China REIT platform to access domestic capital in the Chinese Mainland. As disclosed in the Company's announcements dated 17 September 2026 and 21 September 2026, the Company has announced the proposed China REIT spin-off and separate listing on the Shanghai Stock Exchange with Shanghai Hong Kong New World Tower, comprising Shanghai K11 Art Mall and Shanghai K11 ATELIER NWT, as its underlying asset. The China REIT platform will enable the Group to free up resources on its balance sheet to fund its operations and support future growth.

***(iii) Maximise Investment Property Cashflow***

Following investment in earlier years, the vast majority of the Group's major investment property projects have now been completed and are entering the earnings ramp-up and value realisation phase. Accordingly, the Group doesn't intend to deploy major capital expenditure on new investment property projects in the near term. Instead, the Group will prioritise enhancing net operating income from its core investment properties through effective asset management, including:

- *Tenant mix upgrade for stabilised assets*

  For stabilised assets such as Victoria Dockside, K11 Art Mall and New World Tower, the Group will proactively refine the leasing strategy by rebalancing the tenant mix towards higher-performing and more resilient sectors, capturing reversionary potential on renewals, and improving occupancy quality to support more stable and higher net operating income.

- *Ramp-up of new projects*

  For recently completed projects such as Shenzhen K11 ECoast and Guangzhou Hanxi K11, and upcoming new projects such as Shanghai K11 Elysea and Hangzhou New World Art Centre, the Group will accelerate leasing, with a focus on shortening the ramp-up period, improving take-up momentum and bringing assets to steady-state earnings more quickly.

- *Cost optimization and margin enhancement*

  Across the investment properties portfolio, the Group will strengthen cost discipline through tighter procurement and contract management, energy and facilities efficiency initiatives, and more streamlined operating processes. These measures are intended to protect operating margins while maintaining service quality, thereby supporting a higher and more resilient net operating income profile.

***(iv) Deleveraging for Financial Stability***

The Group is targeting a reduction in gross debt of approximately HK$40–50 billion by the end of 2031, to enhance financial stability, improve funding flexibility, reduce interest costs and restore a sustainable long-term capital structure. The Group intends to optimise its financing profile through a combination of:

- ***The proposed transaction initiatives***, including the proposed rights issue, bank loan refinancing and liability management exercise, intended to extend and rebalance maturities and reduce refinancing pressure;

- ***The operating strategies described above***, including accelerated cash collection from property development, improved recurring cashflow from investment properties, and net proceeds from orderly asset disposals, which collectively support liquidity and facilitate progressive debt reduction; and

- ***Ongoing operating discipline***, including operating expense optimisation and disciplined capital expenditure, to support debt reduction.

Ongoing debt reduction will in turn lower the Group's interest expenses, thereby improving the Group's profitability and financial stability.

**Assumptions and forward-looking statements**

The business plan and the targets set out above have been prepared on the basis of a number of assumptions, including continued recovery in the greater China residential market and retail consumption; the Group's ability to achieve expected selling prices and absorption rates across its development pipeline; timely government approval of land exchanges and settlement of land premium; the availability of buyers for identified disposal assets at acceptable valuations and within expected timeframes; the achievement of expected occupancy and rental levels across recently completed investment properties; and continued access to bank and capital markets financing.

The targets set out in this section are internal planning objectives reflecting management's current intentions as of the date of this announcement. They do not constitute profit forecasts, guidance or any representation as to the Group's future financial performance or financial position and are subject to the risks described in the section headed "Risk Factors" to be set out in the Prospectus. Actual outcomes may differ materially, and investors should not place undue reliance on any forward-looking statement in this section.

**Shareholders and potential investors should note that the Rights Issue is subject to the fulfilment (or, where applicable, waiver) of the conditions set out in the paragraph headed "1. Rights Issue — (c) Rights Issue Conditions" in this announcement, and that the Rights Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## 8. USE OF PROCEEDS OF THE RIGHTS ISSUE

The estimated net proceeds of the Rights Issue will be approximately HK$24.1 billion. The Company intends to apply the net proceeds of the Rights Issue for Target Facilities Proposal, debt servicing and liability management, and if the Group is able to refinance maturing indebtedness on commercially reasonable terms and achieve liability management outcomes that reduce its immediate cash requirements, a portion of the net proceeds from the Rights Issue that is not required for repayment of existing indebtedness may then be applied towards other purposes such as funding and accelerating the development of the Group's projects pipeline.

Having regard to the foregoing, the Company currently intends to use the net proceeds from the Rights Issue as follows:

- approximately 34% of the net proceeds from the Rights Issue (approximately HK$8.2 billion) will be used for prepayment of 10% of the outstanding principal amount under the Target Facilities for the implementation of the Target Facilities Proposal;

- approximately 36% of the net proceeds from the Rights Issue (approximately HK$8.7 billion) will be used for debt servicing including senior notes, bank loans and interest payments as well as deferred distribution of the perpetual securities; and

- approximately 30% of the net proceeds from the Rights Issue (approximately HK$7.2 billion) will be used for funding and accelerating the development of the Group's projects pipeline.

## 9. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

Assuming there is no change in the number of issued Shares from the date of this announcement up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Shareholders; (iii) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares have been placed by the Placing Agent, all the Untaken Rights Shares (if any) were subscribed by the Underwriters pursuant to the Underwriting Agreement, for illustrative purpose:

| | **As at the date of this announcement** | | **Immediately upon completion of the Rights Issue assuming full acceptance by all Shareholders** | | **Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares and the NQS Rights Shares (if any) have been placed by the Placing Agent** | | **Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares (if any) have been placed by the Placing Agent, all the Untaken Rights Shares (if any) were subscribed by the Underwriters pursuant to the Underwriting Agreement** | |
|---|---|---|---|---|---|---|---|---|
| | *Number of Shares* | *Approx. %* | *Number of Shares* | *Approx. %* | *Number of Shares* | *Approx. %* | *Number of Shares* | *Approx. %* |
| **(A) The Controlling Shareholder and the Controlling Shareholder Concert Parties** | | | | | | | | |
| The Controlling Shareholder | 1,035,392,823 | 41.14 | 12,424,713,876 | 41.14 | 12,424,713,876 | 41.14 | 20,638,922,838 | 68.34 |
| ***Other Relevant Controlling Shareholder Group Members*** | | | | | | | | |
| Chow Tai Fook Capital Limited[(1)] | 2,300,000 | 0.09 | 27,600,000 | 0.09 | 27,600,000 | 0.09 | 27,600,000 | 0.09 |
| Anderson & Kirkwood Limited[(2)] | 52,470,268 | 2.08 | 629,643,216 | 2.08 | 629,643,216 | 2.08 | 629,643,216 | 2.08 |
| Fook Hop Securities Limited[(3)] | 1,596,368 | 0.06 | 19,156,416 | 0.06 | 19,156,416 | 0.06 | 19,156,416 | 0.06 |
| Wing Fung Development Company, Limited[(4)] | 44,204,448 | 1.76 | 530,453,376 | 1.76 | 530,453,376 | 1.76 | 530,453,376 | 1.76 |
| Yu Yek Enterprises Company Limited[(5)] | 4,764,702 | 0.19 | 57,176,424 | 0.19 | 57,176,424 | 0.19 | 57,176,424 | 0.19 |
| ***Other Controlling Shareholder Concert Parties*** | | | | | | | | |
| Dr. Cheng Kar-Shun, Henry[(6)] | 5,168,909 | 0.21 | 62,026,908 | 0.21 | 5,168,909 | 0.02 | 5,168,909 | 0.02 |
| Mr. Cheng Kar-Shing, Peter[(7)] | 355,085 | 0.01 | 4,261,020 | 0.01 | 355,085 | 0.00 | 355,085 | 0.00 |
| Mr. Cheng Chi-Heng[(8)] | 133,444 | 0.01 | 1,601,328 | 0.01 | 133,444 | 0.00 | 133,444 | 0.00 |
| Ms. Cheng Chi-Man, Sonia[(9)] | 825,672 | 0.03 | 9,908,064 | 0.03 | 825,672 | 0.00 | 825,672 | 0.00 |
| **(A) Sub-total** | **1,147,211,719** | **45.59** | **13,766,540,628** | **45.59** | **13,695,226,418** | **45.35** | **21,909,435,380** | **72.55** |

| | As at the date of this announcement | | Immediately upon completion of the Rights Issue assuming full acceptance by all Shareholders | | Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and all the Unsubscribed Rights Shares and the NQS Rights Shares (if any) have been placed by the Placing Agent | | Immediately upon completion of the Rights Issue, assuming none of the Qualifying Shareholders have taken up any entitled Rights Shares (other than those subscriptions pursuant to the Irrevocable Undertaking) and none of the Unsubscribed Rights Shares (if any) have been placed by the Placing Agent, all the Untaken Rights Shares (if any) were subscribed by the Underwriters pursuant to the Underwriting Agreement | |
|---|---|---|---|---|---|---|---|---|
| | *Number of Shares* | *Approx. %* | *Number of Shares* | *Approx. %* | *Number of Shares* | *Approx. %* | *Number of Shares* | *Approx. %* |
| **(B) Persons who are considered by the Executive to be acting in concert with the Controlling Shareholder** | | | | | | | | |
| Kinding Nominees Limited and shareholder of its holding company, Firstrate Enterprises Limited[10] | 56,505,069 | 2.25 | 678,060,828 | 2.25 | 56,505,069 | 0.19 | 56,505,069 | 0.19 |
| **(A) + (B) Sub-total** | **1,203,716,788** | **47.83** | **14,444,601,456** | **47.83** | **13,751,731,487** | **45.54** | **21,965,940,449** | **72.74** |
| **(C) Other Directors** | | | | | | | | |
| Ms. Chiu Wai-Han, Jenny | 29,899 | 0.00 | 358,788 | 0.00 | 29,899 | 0.00 | 29,899 | 0.00 |
| Mr. Lau Fu-Keung | 1,000 | 0.00 | 12,000 | 0.00 | 1,000 | 0.00 | 1,000 | 0.00 |
| **(D) Independent Placees** | — | — | — | — | 15,134,950,182 | 50.12 | — | — |
| **(E) Independent Underwriters[11]** | — | — | — | — | — | — | 6,920,741,220 | 22.92 |
| **(F) Other public shareholders** | 1,312,885,484 | 52.17 | 15,754,625,808 | 52.17 | 1,312,885,484 | 4.35 | 1,312,885,484 | 4.35 |
| **Total** | **2,516,633,171** | **100** | **30,199,598,052** | **100** | **30,199,598,052** | **100** | **30,199,598,052** | **100** |

*Notes:*

1. Chow Tai Fook Capital Limited holds 90.52% direct interest in Chow Tai Fook (Holding) Limited, which in turn holds 100% direct interest in the Controlling Shareholder.

2. Anderson & Kirkwood Limited is a direct wholly-owned subsidiary of the Controlling Shareholder.

3. Fook Hop Securities Limited is a direct wholly-owned subsidiary of the Controlling Shareholder.

4. Wing Fung Development Company, Limited is a direct wholly-owned subsidiary of the Controlling Shareholder.

5. Yu Yek Enterprises Company Limited is a direct wholly-owned subsidiary of the Controlling Shareholder.

6. Dr. Cheng Kar-Shun, Henry is a director of the Controlling Shareholder and the chairman and an executive Director of the Company; and the Controlling Shareholder is a majority-controlled company and therefore an associate of, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

7. These shares were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse. Mr. Cheng Kar-Shing, Peter is a non-executive Director of the Company; and the Controlling Shareholder is a majority-controlled company and therefore an associate of, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

8. Mr. Cheng Chi-Heng is a director of the Controlling Shareholder and a non-executive Director. He is the son, and therefore an associate and a close relative, of Mr. Cheng Kar-Shing, Peter; and the Controlling Shareholder is a majority-controlled company and an associate of, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

9. Ms. Cheng Chi-Man, Sonia is an executive Director of the Company. She is the daughter, and therefore an associate and a close relative, of Dr. Cheng Kar-Shun, Henry; and the Controlling Shareholder is a majority-controlled company and an associate of, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

10. The Company understands that Firstrate Enterprises Limited's shareholder and its subsidiary, Kinding Nominees Limited, are considered by the Executive to be persons acting in concert with the Controlling Shareholder.

11. Details of Shares held by HSBC and DBS as at the date of this announcement will be obtained after the date of this announcement and disclosed in the Circular.

12. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

## 10. INFORMATION ON THE RELEVANT PARTIES

### (a) Information on the Company

The Company is a company incorporated in Hong Kong with limited liability whose 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.

### (b) Information on The Controlling Shareholder

As at the date of this announcement, the Controlling Shareholder is a wholly-owned subsidiary of Chow Tai Fook (Holding) Limited, which is held as to approximately 90.52% by Chow Tai Fook Capital Limited, which is in turn held as to approximately 48.98% and approximately 46.65% by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, respectively. Each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited is majority-controlled by Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy. The Controlling Shareholder is principally engaged in investment holding.

## 11. LISTING RULES IMPLICATIONS

### (a) Rights Issue

The Rights Issue, if proceeded with, will increase the issued Shares by more than 50%. In accordance with Rules 7.19A and 7.27A of the Listing Rules, the Rights Issue is conditional on the approval of the Independent Shareholders (comprising both the Qualifying Shareholders and the Non-Qualifying Shareholders) at the EGM by way of poll at which any controlling Shareholders and their respective associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Rights Issue.

As at the date of this announcement, the Controlling Shareholder is interested in 1,035,392,823 Shares, representing approximately 41.14% of the issued share capital of the Company and is a controlling Shareholder. The Controlling Shareholder and its associates (including the other Relevant Controlling Shareholder Group Members) shall abstain from voting in favour of the Rights Issue at the EGM.

### (b) Connected transactions in relation to the Underwriting Agreement

As at the date of this announcement, the Controlling Shareholder, one of the Underwriters under the Underwriting Agreement, is a controlling Shareholder and therefore a connected person of the Company. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction for the Company under the Listing Rules and the Underwriting Agreement is subject to reporting, announcement and the approval of the Independent Shareholders under the Listing Rules.

The Controlling Shareholder and its associates (including the other Relevant Controlling Shareholder Group Members) shall abstain from voting on the resolution(s) in relation to the Underwriting Agreement and the transactions contemplated thereunder at the EGM.

### (c) Theoretical dilution effect of the Rights Issue and exceptional circumstances

The Rights Issue would result in a theoretical dilution effect (as defined under the Listing Rules) of approximately 75.3%.

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placing that would result in a theoretical dilution effect of 25% or more, unless the listed issuer can demonstrate that there are exceptional circumstances.

On the basis of the factors set out in the section headed "7. Reasons for and Benefits of the Rights Issue" of this announcement, the Company is of the view that there are exceptional circumstances for the Rights Issue to proceed for the purpose of Rule 7.27B of the Listing Rules, and it is reasonable (i) for the Subscription Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the allotment and issue of the Rights Shares would result in a relatively significant theoretical dilution effect of approximately 75.3%.

Pursuant to Note 2 to Rule 7.27B of the Listing Rules, the Company has consulted the Stock Exchange regarding the implementation of the Rights Issue. The Stock Exchange has agreed that the Company has demonstrated that there are exceptional circumstances for the purpose of Rule 7.27B, and the Company may proceed with the Rights Issue.

## 12. TAKEOVERS CODE IMPLICATIONS AND APPLICATION FOR WHITEWASH WAIVER

### (a) Whitewash Waiver

As at the date of this announcement, the Controlling Shareholder and the Controlling Shareholder Concert Parties are interested in 1,147,211,719 Shares, representing approximately 45.59% of the issued share capital of the Company. Together with the person(s) considered by the Executive to be acting in concert with the Controlling Shareholder, their aggregate interests amount to 1,203,716,788 Shares, representing approximately 47.83% of the issued share capital of the Company.

As illustrated in the table under the section headed "9. Effect on the Shareholding Structure of the Company arising from the Rights Issue" of this announcement, assuming (i) there is no change in the number of issued Shares from the date of this announcement up to and including the date of completion of the Rights Issue; (ii) none of the Qualifying Shareholders have taken up their entitlements under the Rights Issue (other than those subscriptions pursuant to the Irrevocable Undertaking); (iii) none of the Unsubscribed Rights Shares have been placed by the Placing Agent; and (iv) up to 8,214,208,962 Untaken Rights Shares are subscribed by the Controlling Shareholder pursuant to the Underwriting Agreement and the Remaining Underwritten Shares are subscribed by the other Underwriters pursuant to the Underwriting Agreement, the Controlling Shareholder and the Controlling Shareholder Concert Parties will, immediately after completion of the Rights Issue, be interested in aggregate in approximately 72.55% of the issued share capital of the Company as enlarged by the issue of the Rights Shares. Together with the person(s) considered by the Executive to be acting in concert with the Controlling Shareholder, their aggregate interests will represent approximately 72.74% of such enlarged issued share capital.

Accordingly, the Controlling Shareholder and the Controlling Shareholder Concert Parties may, in the absence of the Whitewash Waiver, be obliged to make a mandatory general offer for all the Shares and other securities not already owned or agreed to be acquired by it and parties acting in concert with it pursuant to Rule 26 of the Takeovers Code, unless the Whitewash Waiver is granted.

An application will be made to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code, subject to, among other things, (i) the approval by at least 75% of the votes casted by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Whitewash Waiver; and (ii) the approval by more than 50% of the votes casted by the Independent Shareholders either in person or by proxy at the EGM by way of poll in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the respective transactions contemplated thereunder. The Controlling Shareholder, the Controlling Shareholder Concert Parties and those who are interested in (other than as Shareholders), involved in or have a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively, and/or the Whitewash Waiver are required to abstain from voting in favour of the proposed resolution approving the Whitewash Waiver at the EGM.

The Rights Issue will not proceed if the Whitewash Waiver is not approved by the Independent Shareholders at the EGM.

**If the Whitewash Waiver is granted by the Executive and approved by the Independent Shareholders and the Rights Issue becomes unconditional, the aggregate shareholding of the Controlling Shareholder and the Controlling Shareholder Concert Parties in the Company may exceed 50% immediately upon completion of the Rights Issue, and hence, the Controlling Shareholder and the Controlling Shareholder Concert Parties may further increase their shareholding in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.**

**(b) Others**

As at the date of this announcement, the Company does not believe that the Rights Issue, the Placing Agreement and/or the Underwriting Agreement give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). The Company notes that the Executive may not grant the Whitewash Waiver if the Rights Issue, the Placing Agreement and/or the Underwriting Agreement do not comply with other applicable rules and regulations.

## 13. DEALINGS OF SHARES BY THE CONTROLLING SHAREHOLDER AND THE CONTROLLING SHAREHOLDER CONCERT PARTIES

As at the date of this announcement, the Controlling Shareholder and the Controlling Shareholder Concert Parties:

(i) save for the Shares as set out in the section headed "9. Effect on the Shareholding Structure of the Company arising from the Rights Issue" of this announcement, do not own, control or have control or direction over any voting rights or rights over Shares, outstanding options, warrants, or securities that are convertible into Shares;

(ii) have not received any irrevocable commitment to vote for or against any of the EGM Matters;

(iii) have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(iv) save for the Irrevocable Undertaking and the Underwriting Agreement, do not have any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the shares of the Controlling Shareholder or the Shares with any other persons, which might be material to the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver;

(v) save for the conditions to the Rights Issue, the Placing Agreement and the Underwriting Agreement, do not have any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue, the Underwriting Agreement and/or the Whitewash Waiver; and

(vi) have not entered into any derivative in respect of securities in the Company which are outstanding.

As at the date of this announcement:

(i) save for the underwriting commission payable by the Company to the Underwriters pursuant to the terms of the Underwriting Agreement, the Company has not paid and will not pay any other consideration, compensation or benefit in whatever form to the Controlling Shareholder and any Controlling Shareholder Concert Party in connection with the Rights Issue and the Underwriting Agreement;

(ii) the Rights Issue does not involve any sale of Shares; and

(iii) save for the Underwriting Agreement and the Irrevocable Undertaking, there is no other understanding, arrangement or agreement or special deal between (a) any Shareholder; and (b) (1) the Controlling Shareholder or any Controlling Shareholder Concert Party; or (2) the Company, its subsidiaries or associated companies.

During the six-month period preceding the date of this announcement, neither the Controlling Shareholder nor any Controlling Shareholder Concert Party have acquired any voting rights in the Company.

## 14. EGM

The register of members of the Company will be closed from Wednesday, 30 December 2026 to Tuesday, 5 January 2027 (both days inclusive) for determining the entitlements of the Shareholders to attend and vote at the EGM. In order to be registered as a member of the Company on the EGM Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by no later than 4:30 p.m. (Hong Kong time) on Tuesday, 29 December 2026.

No transfer of the Shares will be registered during the above book closure period. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the EGM Matters.

In accordance with the Listing Rules and the Takeovers Code, the Controlling Shareholder, the Controlling Shareholder's associates and the Controlling Shareholder Concert Parties and Shareholders who are interested in (other than as Shareholders), involved in or have a material interest in any of the EGM Matters will be required to abstain from voting on the relevant resolution(s) to approve the relevant EGM Matter(s) at the EGM.

As at the date of this announcement:

(i) the Controlling Shareholder and the other Relevant Controlling Shareholder Group Members are interested in 1,140,728,609 Shares in aggregate (representing approximately 45.33% of the issued share capital of the Company). The Controlling Shareholder and the other Relevant Controlling Shareholder Group Members (who are Controlling Shareholder Concert Parties) have a material interest in the EGM Matters and therefore, will be required to abstain from voting on the resolutions for approving the EGM Matters at the EGM;

(ii) Dr. Cheng Kar-Shun, Henry (a) is interested in 5,168,909 Shares (representing approximately 0.21% of the issued share capital of the Company); and (b) is a director of the Controlling Shareholder and the chairman and an executive Director; and (c) the Controlling Shareholder is a majority-controlled company and an associate of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy. By virtue of the above, Dr. Cheng Kar-Shun, Henry is a Controlling Shareholder Concert Party and has a material interest in the EGM Matters and therefore, will be required to abstain from voting on the resolutions for approving the EGM Matters at the EGM;

(iii) Mr. Cheng Kar-Shing, Peter (a) is interested in 213,444 Shares (representing approximately 0.01% of the issued share capital of the Company) and jointly held 141,641 Shares (representing approximately 0.01% of the issued share capital of the Company) with his spouse; and (b) is a director of the Controlling Shareholder and a non-executive Director; and as set out in paragraph (ii)(c) above, the Controlling Shareholder is a majority-controlled company and therefore an associate of, among others, Mr. Cheng Kar-Shing, Peter. By virtue of the above, Mr. Cheng Kar-Shing, Peter is a Controlling Shareholder Concert Party and has a material interest in the EGM Matters and therefore, will be required to abstain from voting on the resolutions at the EGM for approving the EGM Matters;

(iv) Ms. Cheng Chi-Man, Sonia (a) is interested in 825,672 Shares (representing approximately 0.03% of the issued share capital of the Company); (b) is an executive Director; (c) is the daughter, and therefore an associate and a close relative, of Dr. Cheng Kar-Shun, Henry; and (d) as set out in paragraph (ii)(c) above, the Controlling Shareholder is a majority-controlled company and an associate of, among others, Dr. Cheng Kar-Shun, Henry. By virtue of the above, Ms. Cheng Chi-Man, Sonia is a Controlling Shareholder Concert Party and has a material interest in the EGM Matters and therefore, will be required to abstain from voting on the resolutions at the EGM for approving the EGM Matters;

(v) Mr. Cheng Chi-Heng (a) is interested in 133,444 Shares (representing approximately 0.01% of the issued share capital of the Company); (b) is a director of the Controlling Shareholder and a non-executive Director; (c) is the son, and therefore an associate and a close relative, of Mr. Cheng Kar-Shing, Peter; (d) as set out in paragraph (ii)(c) above, the Controlling Shareholder is a majority-controlled company and an associate of, among others, Mr. Cheng Kar-Shing, Peter. By virtue of the above, Mr. Cheng Chi-Heng is a Controlling Shareholder Concert Party and has a material interest in the EGM Matters and therefore, will be required to abstain from voting on the resolutions for approving the EGM Matters at the EGM; and

(vi) Mr. William Junior Guilherme Doo's spouse (Mrs. Doo Siu, Ka Yin Catherine) (a) is interested in 10,000 Shares (representing approximately 0.00% of the issued share capital of the Company); (b) is the daughter-in-law of Mrs. Doo Cheng Sau-Ha, Amy but Mrs. Doo Cheng Sau-Ha, Amy is not an associate of Mr. William Junior Guilherme Doo's spouse and Mr. William Junior Guilherme Doo's spouse is not a close relative of Mrs. Doo Cheng Sau-Ha, Amy; and (c) none of the Controlling Shareholder, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter and Mrs. Sun Cheng Lai-Ha, Cecilia is an associate of Mr. William Junior Guilherme Doo's spouse. Accordingly, Mr. William Junior Guilherme Doo's spouse is not a Controlling Shareholder Concert Party and does not have a material interest in, and will not be required to abstain from voting on the resolutions for approving the EGM Matters at the EGM. However, given (a) the Controlling Shareholder is a majority-controlled company and therefore an associate of, among others, Mrs. Doo Cheng Sau-Ha, Amy; and (b) the family relationship between Mrs. Doo Cheng Sau-Ha, Amy and Mr. William Junior Guilherme Doo's spouse, Mr. William Junior Guilherme Doo's spouse will voluntarily abstain from voting on the resolutions for approving the EGM Matters at the EGM.

As all lenders with an outstanding principal amount under the Target Facilities having entered into binding agreement(s) to implement the Target Facilities Proposal is a Rights Issue Condition, the lenders with an outstanding principal amount under the Target Facilities (together with members of its group) are considered by the Executive to have a material interest in the EGM Matters and therefore, shall abstain from voting on the relevant resolution(s) to approve the relevant EGM Matter(s) at the EGM. Notwithstanding such voting restriction:

(i) where the lender or its group entities hold securities as a simple custodian for and on behalf of non-discretionary clients who are eligible to vote on the relevant EGM Matter(s), they could vote those securities in accordance with those clients' instructions;

(ii) where the lender or any of its group entities is also a financial adviser to the Company, Shares held by exempt principal traders within the lender group shall not be voted on the EGM Matters at the EGM, unless (A) the relevant exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (B) there are contractual arrangements in place between the relevant exempt principal trader and its clients that strictly prohibit the relevant exempt principal traders from exercising any discretion over the relevant Shares. In such circumstances, the relevant exempt principal traders may vote those Shares on the EGM Matters at the EGM, subject to compliance with paragraph 6.8B of Practice Note 9 of the Takeovers Code and receipt of the Executive's consent thereunder.

The Company understands that, as at the date of this announcement, Kinding Nominees Limited, a subsidiary of Firstrate Enterprises Limited, holds 56,474,769 Shares. The shareholder of Firstrate Enterprises Limited is entitled to inherit a further 30,300 Shares currently held in an estate. The Company further understands that Kinding Nominees Limited and the shareholder of Firstrate Enterprises Limited are considered by the Executive to be persons acting in concert with the Controlling Shareholder and accordingly, they shall abstain from voting on the resolutions approving the EGM Matters at the EGM in respect of the aggregate 56,505,069 Shares held by them.

Save as disclosed in this announcement, no other Shareholder is involved or interested in or has a material interest in the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively and the Whitewash Waiver and, hence, is required to abstain from voting on the resolution(s) to approve the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively and the Whitewash Waiver.

Each of Dr. Cheng Kar-Shun, Henry, Mr. Ho Gilbert Chi-Hang, Mr. Cheng Kar-Shing, Peter and Mr. Cheng Chi-Heng is a director of the Controlling Shareholder. Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. Having regard to their family relationship and/or their directorships at the Controlling Shareholder, each of Dr. Cheng Kar-Shun, Henry, Ms. Cheng Chi-Man, Sonia, Mr. Ho Gilbert Chi-Hang, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian was considered to have material interests in respect of the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively and/or the Whitewash Waiver. As such, all such interested Directors who attended the relevant Board meeting have abstained from voting on the resolutions approving such matters.

## 15. THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

According to Rule 2.8 of the Takeovers Code, the Independent Board Committee should comprise all non-executive Directors who have no direct or indirect interest in EGM Matters other than as the Shareholder. Each of Dr. Cheng Kar-Shun, Henry, Mr. Ho Gilbert Chi-Hang, Mr. Cheng Kar-Shing, Peter and Mr. Cheng Chi-Heng is a director of the Controlling Shareholder. Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. Having regard to their family relationship and/or their directorships in the Controlling

Shareholder, each of Dr. Cheng Kar-Shun, Henry, Ms. Cheng Chi-Man, Sonia, Mr. Ho Gilbert Chi-Hang, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian was considered to have material interests in the EGM Matters. As such, the Independent Board Committee, comprising 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, being all the non-executive Directors other than those considered to have material interests in the EGM Matters and all being independent non-executive Directors, has been established to give recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser, to the Independent Shareholders in respect of whether the terms of the EGM Matters are fair and reasonable, and as to the voting action therefor.

Pursuant to the Listing Rules, the Independent Board Committee will also give recommendation, after taking into account the advice and recommendation from the Independent Financial Adviser, to the Independent Shareholders in respect of whether the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and accordingly, are in the interests of the Company and the Shareholders as a whole, and as to the voting action therefor.

The Company will appoint the Independent Financial Adviser with the approval of the Independent Board Committee in due course to advise the Independent Board Committee and the Independent Shareholders in respect of the EGM Matters, and in each case as to the voting action therefor. A further announcement will be made after the Independent Financial Adviser has been appointed.

## 16. DESPATCH OF CIRCULAR AND PROSPECTUS DOCUMENTS

The Circular containing, among other things, (i) further details of the EGM Matters; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the EGM Matters; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders with regard to the aforesaid; and (iv) a notice convening the EGM, should be despatched to the Shareholders (including the Non-Qualifying Shareholders) within 15 Business Days from the date of this announcement pursuant to Rule 14A.68(11) of the Listing Rules and 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code, whichever is earlier. The Circular is expected to be despatched to the Shareholders on or before Friday, 4 December 2026. For the avoidance of doubt, the Non-Qualifying Shareholders are entitled to attend and vote at the EGM.

Subject to, among other things, the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively and the Whitewash Waiver having been approved by the Independent Shareholders at the EGM, the Company will despatch the Prospectus Documents containing, among other things, details of the Rights Issue, including information on acceptances of the Rights Shares, to the Qualifying Shareholders on the Prospectus Posting Date. The Company may, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, make available the Prospectus to the Non-Qualifying Shareholders outside the United States for their information only, but will not send any PAL to them.

## WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

**Shareholders, holders of the debt and other securities and potential investors should note that the Rights Issue is conditional upon, among other things, the Underwriting Agreement having become unconditional and the Underwriters not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed "3. The Underwriting Agreement — (c) Termination of the Underwriting Agreement" in this announcement). Accordingly, the Rights Issue may or may not proceed.**

**The Shares are expected to be dealt in on an ex-rights basis from Thursday, 7 January 2027. Dealing in the Rights Shares in nil-paid form are expected to take place from Tuesday, 19 January 2027 to Tuesday, 26 January 2027. Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).**

**Shareholders, holders of the debt and other securities and potential investors are advised not to rely on market rumours in relation to the Group. Any information concerning the Group should only be based on the Company's official announcements. Shareholders, holders of the debt and other securities and potential investors are reminded to exercise caution when dealing in the securities of the Company.**

## 17. RESUMPTION OF TRADING

At the request of the Company, trading in (i) the Shares, and(ii) the bonds issued by the Company's wholly-owned subsidiaries and guaranteed by the Company (codes: 5343, 5856, 40262, 40504, 40711, 5312, 4526, 5418, 40223, 40110, 40534, 40742, 5321 and 5149) on the Stock Exchange, was halted with effect from 9:00 a.m. on Friday, 13 November 2026 pending the release of this announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in such securities on the Stock Exchange with effect from 9:00 a.m. on Monday, 16 November 2026.

## DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

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| "acting in concert" | has the meaning ascribed to it under the Takeovers Code |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Beneficial Owner(s)" | owner(s) of Shares whose Shares are registered in the name of a registered Shareholder as shown in the register of members of the Company |
| "Board" | the board of Directors |
| "Business Day(s)" | any day(s) (other than a Saturday or Sunday or public holiday, or a day on which a tropical cyclone warning signal no. 8 or above, "extreme conditions" as announced by the Government and/or a "black" rainstorm warning signal is/are in force or remain(s) in effect between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business |
| "CCASS" | the Central Clearing and Settlement System established and operated by HKSCC |
| "CCASS Operational Procedures" | a document which stipulates the operation, services, available facilities of CCASS and the procedures to be followed by participants of CCASS |
| "China Clear" | China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司) |

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| "Chinese Mainland" | the People's Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan |
| "Circular" | the circular to be despatched by the Company to the Shareholders relating to, among other things, the EGM Matters |
| "close relative(s)" | has the meaning ascribed to it under the Takeovers Code |
| "Committed Rights Shares" | an aggregate of 12,548,014,699 Rights Shares to be subscribed for by the Relevant Controlling Shareholder Group Members pursuant to the Irrevocable Undertaking |
| "Company" | New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the issued share of which are listed on the Main Board of the Stock Exchange (stock code: 0017) |
| "Compensatory Arrangements" | the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "Controlling Shareholder" | Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, is an indirect subsidiary of Chow Tai Fook Capital Limited, which is in turn held by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited as to 48.98% and 46.65% respectively |
| "controlling shareholder(s)" | has the meaning ascribed to it under the Listing Rules |
| "Controlling Shareholder Concert Parties" | persons who are, or are presumed to be, acting in concert with the Controlling Shareholder, as determined in accordance with the Takeovers Code, and including Kinding Nominees Limited and shareholder of its holding company, Firstrate Enterprises Limited, which are considered by the Executive to be persons acting in concert with the Controlling Shareholder |
| "CSRC" | China Securities Regulatory Commission |

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| "CSRC Notice" | the "Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect" (關於港股通下香港上市公司向境內原股東配售股份的備案規定) (Announcement [2016] No. 21) promulgated by the CSRC |
| "DBS" | DBS Asia Capital Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities |
| "Director(s)" | director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and if thought fit, to approve, among other things, the EGM Matters |
| "EGM Matters" | the Rights Issue, the Placing Agreement, the Underwriting Agreement and the transactions contemplated thereunder respectively and the Whitewash Waiver |
| "EGM Record Date" | Tuesday, 5 January 2027 or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to attend and vote at the EGM |
| "Excluded Board" | the Board, other than members of the Independent Board Committee |
| "Excluded Jurisdiction" | any jurisdiction outside Hong Kong in respect of which the Company determines, in accordance with Rule 13.36(2)(a) of the Listing Rules that it is necessary or expedient not to offer the Rights Shares to Shareholders in such jurisdiction on account either of the legal restrictions under the laws of that jurisdiction or the requirements of a relevant regulatory body or stock exchange in that jurisdiction |
| "Executive" | the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director |
| "Government" | government of Hong Kong |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollar(s), the lawful currency of Hong Kong |

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| "HKSCC" | Hong Kong Securities Clearing Company Limited |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "HSBC" | The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO and registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) |
| "Independent Board Committee" | the independent board committee, comprising 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, being all the independent non-executive Directors, which has been established in accordance with the Listing Rules and Rule 2.8 of the Takeovers Code to give recommendation to the Independent Shareholders in respect of the EGM Matters, and as to the voting action therefor |
| "Independent Financial Adviser" | the independent financial adviser to be appointed by the Company, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in respect of the EGM Matters, and in each case as to the voting action therefor |
| "Independent Placee(s)" | professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and not acting in concert with the Controlling Shareholder, procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement |

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| "Independent Shareholder(s)" | Shareholder(s) other than (i) the Controlling Shareholder, its associates and the Controlling Shareholder Concert Parties (including each other Relevant Controlling Shareholder Group Member) and (ii) any Shareholder who are interested in (other than as Shareholders), involved in or have a material interest in any of the EGM Matters as required under the Listing Rules and/or the Takeovers Code (as the case may be) to abstain from voting on the relevant resolution(s) to approve the relevant EGM Matter(s) at the EGM, including lenders with an outstanding principal amount under the Target Facilities. Please refer to the section headed "14. EGM" for more details |
| "Independent Third Party(ies)" | person(s) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules |
| "Independent Underwriters" | HSBC and DBS |
| "Irrevocable Undertaking" | the irrevocable undertaking dated 13 November 2026 given by the Controlling Shareholder in favour of the Company, and the Independent Underwriters |
| "Last Trading Day" | 12 November 2026, being the last trading day of the Shares on the Stock Exchange immediately prior to the release of this announcement |
| "Latest Time for Acceptance" | 4:00 p.m. on Friday, 29 January 2027 or such later time or date as may be agreed between the Company and the Underwriters in writing, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents |
| "Latest Time for Termination" | 4:00 p.m. on Tuesday, 2 February 2027 or such later time or date as may be agreed between the Company and (i) the Underwriters in writing, which shall be the latest time for termination of the Underwriting Agreement or (ii) the Placing Agent in writing, which shall be the latest time for termination of the Placing Agreement |
| "Listing Committee" | has the meaning ascribed to it in the Listing Rules |
| "Listing Approval" | approval by the Listing Committee for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) on the Main Board of the Stock Exchange |

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| "Listing Rules" | the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited |
| "majority-controlled company(ies)" | has the meaning ascribed to it under the Listing Rules |
| "Net Gain" | has the meaning ascribed to it in the section headed "1. Rights Issue — (r) Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements" of this announcement |
| "No Action Shareholder(s)" | those Qualifying Shareholder(s) who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renouncees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, and/or the Non-Qualifying Shareholders (as the case may be) |
| "Non-Qualifying Shareholder(s)" | those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary or expedient not to offer the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction |
| "NQS Rights Share(s)" | the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form |
| "Overseas Shareholder(s)" | Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong and Shareholder(s) and Beneficial Owner(s) who is/are otherwise known to the Company to be resident outside Hong Kong (and, as applicable and to the extent of such Beneficial Owner's interests, the Shareholder(s) in whose name(s) Beneficial Owner's Shares are registered) |
| "PAL(s)" | the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue |
| "Placing" | the offer by way of private placing of the Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agent(s) to the Independent Placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement |

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| "Placing Agent" | HSBC |
| "Placing Agreement" | the placing agreement dated 13 November 2026 and entered into between the Company and the Placing Agent in relation to the Placing |
| "Placing Period" | the period commencing from Tuesday, 2 February 2027 and ending at 4:00 p.m. on Tuesday, 2 February 2027 |
| "Potential Investor(s)" | has the meaning ascribed to it in the section headed "3. The Underwriting Agreement — (d) Potential third-party investment" of this announcement |
| "PRC Southbound Trading Investor(s)" | the Chinese Mainland investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect |
| "Prospectus" | the prospectus to be issued by the Company to the Shareholders containing details of the Rights Issue |
| "Prospectus Date" | the date of despatch of the Prospectus |
| "Prospectus Documents" | the Prospectus and the PAL(s), among other documents |
| "Prospectus Posting Date" | Friday, 15 January 2027 or such other date as may be determined by the Company, being the date on which the Prospectus Documents are made available to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders |
| "Public Float Requirements" | the public float requirement under Rule 13.32B of the Listing Rules |
| "Qualifying Shareholder(s)" | Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s) |
| "Recapitalisation Proposal" | has the meaning ascribed to it in the section headed "Overview of Recapitalisation Proposal" of this announcement |
| "Record Date" | Thursday, 14 January 2027 or such other date as may be determined by the Company, being the date for determining entitlements of the Shareholders to participate in the Rights Issue |

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| "Registrar" | Tricor Investor Services Limited, the Company's share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong |
| "REIT" | real estate investment trust |
| "Relevant Controlling Shareholder Group Members" | the Controlling Shareholder, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited, Anderson & Kirkwood Limited, Fook Hop Securities Limited, Wing Fung Development Company, Limited and Yu Yek Enterprises Company Limited. Please refer to the section headed "9. Effect on the shareholding structure of the Company arising from the Rights Issue" for more details |
| "Remaining Underwritten Shares" | the 6,920,741,220 Untaken Rights Shares remaining after deducting the 8,214,208,962 Underwritten Shares to be underwritten by the Controlling Shareholder (if any) |
| "Rights Issue" | the proposed issue by way of rights on the basis of eleven (11) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents |
| "Rights Issue Condition(s)" | the conditions of the Rights Issue set out in the section headed "1. Rights Issue — (c) Rights Issue Conditions" of this announcement |
| "Rights Share(s)" | 27,682,964,881 Shares (assuming no change in the number of Shares in issue on or before the Record Date) to be allotted and issued pursuant to the Rights Issue |
| "SFC" | the Securities and Futures Commission of Hong Kong |
| "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| "Shanghai-Hong Kong Stock Connect" | the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange and China Clear |
| "Share(s)" | ordinary share(s) in the capital of the Company |
| "Shareholder(s)" | registered holder(s) of the Shares |

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| "Shenzhen-Hong Kong Stock Connect" | the securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited, Shenzhen Stock Exchange and China Clear |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscription Price" | the subscription price of HK$0.90 per Rights Share |
| "substantial shareholder(s)" | has the meaning ascribed to it under the Listing Rules |
| "Takeovers Code" | the Hong Kong Code on Takeovers and Mergers |
| "Target Facilities" | (i) the term loan facility entered into by the Company, the relevant Group entities and the relevant bank creditors on 30 June 2025, which refinanced certain of the Group's then existing offshore unsecured financial indebtedness on 30 June 2025 (the "New Bank Facility" as defined in the Company's announcement dated 30 June 2025); and (ii) the offshore bank loans under which certain of their terms were aligned with the terms of the New Bank Facility (the "Aligned Bank Facilities" as defined in the Company's announcement dated 30 June 2025) |
| "Target Facilities Proposal" | has the meaning ascribed to it in the section headed "4. Target Facilities Proposal" of this announcement |
| "Trial Administrative Measures" | the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies" (境內企業境外發行證券和上市管理試行辦法) (Announcement [2023] No. 43) promulgated by the CSRC |
| "Underwriters" | the Controlling Shareholder and the Independent Underwriters |
| "Underwriting Agreement" | the conditional underwriting agreement dated 13 November 2026 entered into between the Company and the Underwriters in relation to the underwriting of the Rights Shares |
| "Underwritten Shares" | the Rights Shares to be underwritten by the Underwriters, being up to all of the Rights Shares (other than the Committed Rights Shares), being 15,134,950,182 Rights Shares (assuming no new Shares will be issued or repurchased on or before the Record Date) |
| "United States" or "U.S." | the United States of America |

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| "Unsubscribed Rights Shares" | those Rights Shares that are not taken up by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company as described in the paragraph headed "1. Rights Issue — (j) Arrangements for the NQS Rights Shares" in this announcement |
| "Untaken Rights Share(s)" | all the Unsubscribed Rights Share(s) that are not placed by the Placing Agent under the Compensatory Arrangements or they have been placed but the Independent Placees have not paid therefor at 4:00 p.m. on the Latest Time for Termination |
| "U.S. Securities Act" | the United States Securities Act of 1933, as amended |
| "Whitewash Waiver" | a waiver to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code to waive the obligation of the Controlling Shareholder to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Controlling Shareholder and the Controlling Shareholder Concert Parties as a result of the taking up of the Underwritten Shares by the Controlling Shareholder pursuant to the Underwriting Agreement |
| "%" | per cent. |

By order of the board of
**New World Development Company Limited**
**(新世界發展有限公司)**
**Lau Fu-Keung Hui Ka-Wai**
*Joint Company Secretaries*

Hong Kong, 15 November 2026

*As at the date of this announcement, the board of directors of the Company comprises (a) eight 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, Mr. Lau Fu-Keung and Mr. Chan Yiu-Ho; (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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Controlling Shareholder and the Controlling Shareholder Concert Parties (save for the Group)) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Controlling Shareholder in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*As at the date of this announcement, the board of directors of the Controlling Shareholder comprises Dr. Cheng Kar-Shun, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia, Mrs. Doo Cheng Sau-Ha Amy, Mr. Cheng Chi-Heng, Mr. Cheng Chi-Leong, Christopher, Mr. Cheng Yu-Wai, Mr. Cheng Kam-Biu, Wilson, Mr. Tsang On-Yip, Patrick, Mr. Ho Gilbert Chi-Hang and Mr. Wong Siu-Kee.*

*The directors of the Controlling Shareholder (other than Mr. Cheng Yu-Wai*) jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

* *An application has been made to the Executive pursuant to Rule 9.4 of the Takeovers Code for exclusion of Mr. Cheng Yu-Wai from the responsibility statement due to health reasons and a consent has been granted.*