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(Stock Code: 0017)

ANNOUNCEMENT

**UPDATE OF PROPERTY CONTRACTED SALES IN MAINLAND CHINA
FOR THE FIRST HALF OF FY2020
AND
FUTURE DEVELOPMENT STRATEGY**

The board of directors (the “Board”) of New World Development Company Limited (新世界發展有限公司) (the “Company”) hereby announces the unaudited data of property sales in Mainland China of the Company, together with its subsidiaries and affiliated companies (the “Group”) for the six months ended 31 December 2019 (“first half of FY2020”) as follows:

The overall property contracted sales in Mainland China amounted to approximately RMB11.6 billion, accounting for 57% of RMB20 billion sales target of FY2020. The average selling price of overall residential contracted sales is approximately RMB32,000 per square metre. With the new dynamics of real estate market and the sales target increased by RMB4 billion compared with the prior year, this remarkable achievement of the Group was a testimony to our effective execution of the strategy that focuses on the dual-core engine of property investment and property development, a steady growth in business was maintained. Among the overall property contracted sales in the first half of FY2020, Southern China region was the largest contributor, accounting for 49%. It demonstrates the Group’s forward-looking strategy in the Guangdong-Hong Kong-Macao Greater Bay Area (the “Greater Bay Area”) is starting to bear fruit.

In response to the social and economic development needs of different cities in the Greater Bay Area, the Group has devised strategic plans for its development in Guangzhou, Foshan and Shenzhen to develop multiple high-quality landmarks, covering large-scale mixed-use complexes, skyscrapers, hotels and residential neighbourhoods before the Greater Bay Area concept was promulgated. Among these projects are the international community Guangzhou Central Park-view in Zhujiang New Town, Foshan Canton First Estate featuring the design concept of “sponge city” and the high-end villa project of Shenzhen New World Signature Hill in Shenzhen Jiangang Mountain. Over the years, the Group has deeply engaged in the development in the Pearl River Delta city clusters. With a focus in the first- and second-tiers cities in the Greater Bay Area, the Group’s performance has been boosted sustainably, while facilitating the development of the Greater Bay Area and injecting distinctive vitality to the life of the locals.

The Greater Bay Area constitutes a focal point of the Group’s development strategies in the upcoming five years. As the property flagship of the Group in Mainland China, New World China Land Limited (“New World China”) had a landbank of approximately 2.67 million square metres excluding carpark in the Greater Bay Area, as at 30 June 2019. In September of the same year, it obtained a land parcel in Tagang Village of Zengcheng in Guangzhou, spanning a total area of approximately 254,000 square metres. A series of projects including Shenzhen Qianhai CTF Finance Tower and Shenzhen Prince Bay Project, as well as Guangzhou Zengcheng Comprehensive Development Project, Guangzhou Panyu Hanxi Development Project and Guangzhou Zengcheng International Community Project have commenced construction. The Group will continue to expand its landbank through old village redevelopment, further unlocking land resources, continuously expanding and developing in the Greater Bay Area. At the date hereof, New World China has successfully become the intended cooperative enterprise for a number of old village redevelopment projects, including Xili Project in Nanshan District of Shenzhen, Shancun Project in Liwan District of Guangzhou, Nanji Village Project in Haizhu District of Guangzhou, and Tagang Village Project in Zengcheng District of Guangzhou. Simultaneously, a number of other projects are under in-depth negotiation.

Furthermore, the Group will continue to optimise its assets portfolio in Mainland China and focus on the development of first- and second-tier cities and those with great potential. Resource optimisation is not only a fulfilment of the Group's commitment to invest in the Greater Bay Area and Mainland China by giving full play to our strengths, but also a mean to mobilise New World China to sustain growth in sales performance, sales quality and to promote high-quality development.

The above property sales data is unaudited and is based on preliminary internal information of the Group. As such, the above data is provided for investors' reference only. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 6 January 2020

As at the date of this announcement, the Board of the Company comprises (a) six executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia, Mr. Au Tak-Cheong and Mr. Sitt Nam-Hoi; (b) three non-executive directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter and Ms. Ki Man-Fung, Leonie; and (c) six independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Cha Mou-Sing, Payson (alternate director to Mr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John, Mr. Liang Cheung-Biu, Thomas and Mr. Ip Yuk-Keung.