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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)

**CONNECTED TRANSACTIONS
AND
CONTINUING CONNECTED TRANSACTIONS**

CONNECTED TRANSACTIONS

On 26 September 2024 (after trading hours), the Vendors and the Purchaser (a wholly-owned company of Dr. Adrian Cheng) entered into the Disposal Agreements in respect of the sale of the Target Companies and the grant of the Rights by the respective Vendors to the Purchaser by way of the sale of all the issued shares in, and the assignment of shareholders loans (if any) of, each Target Company and the grant of the Rights (as the case may be) at the consideration as set out in each Disposal Agreement on and subject to the terms and conditions in each Disposal Agreement.

CONTINUING CONNECTED TRANSACTIONS

On 26 September 2024 (after trading hours), the Company and the Purchaser entered into the 2024 Master Services Agreement in relation to the Transactions with an initial term of three years commencing from the Effective Date.

On 26 September 2024, Licensor A and Vendor A, both indirect wholly-owned subsidiaries of the Company, as Licensors, entered into the Trademark Licensing Agreement with the Purchaser, pursuant to which the Licensors agree to grant to the Purchaser an exclusive, irrevocable, sub-licensable and non-transferable licence to use the Trademark for the purposes set out in the Trademark Licensing Agreement in the Territory subject to the terms of the Trademark Licensing Agreement. The Trademark Licensing Agreement shall have a term of 30 years commencing from 1 October 2024, and shall be automatically renewed for another term of 30 years upon its expiry, subject to compliance with the Listing Rules, unless terminated earlier pursuant to the terms of the Trademark Licensing Agreement.

LISTING RULES IMPLICATIONS

As the Purchaser is a company directly wholly-owned by Dr. Adrian Cheng, a director of the Company, the Purchaser is an associate of a director of the Company and a connected person of the Company and the transactions contemplated under the

Disposals and the CCT Agreements constitute connected transactions and continuing connected transactions, respectively, of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals, calculated on an aggregated basis, exceeds 0.1% but is below 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Services Caps under the 2024 Master Services Agreement, calculated on an annual basis, exceeds 0.1% but is below 5%, the 2024 Master Services Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

As each of the percentage ratios (as defined under the Listing Rules) for the royalty fee income expected to be received by the Group under the Trademark Licensing Agreement in the 9 months ending 30 June 2025, financial years ending 30 June 2026 and 30 June 2027 and 3 months ending 30 September 2027 is, on an annual basis, less than 0.1%, the Trademark Licensing Agreement is fully exempt from reporting, announcement, annual review, circular and independent shareholders' approval requirements under Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark Licensing Agreement exceeds three years, the Company has appointed the Independent Financial Adviser as the independent financial adviser to explain the reason for a longer term and to confirm that it is a normal business practice for agreements of this type to be of such duration.

I. CONNECTED TRANSACTIONS

Background

On 26 September 2024 (after trading hours), the Vendors and the Purchaser (a wholly-owned company of Dr. Adrian Cheng) entered into the Disposal Agreements in respect of the sale of the Target Companies and the grant of the Rights by the respective Vendors to the Purchaser by way of the sale of all the issued shares in, and the assignment of shareholders loans (if any) of, each Target Company and the grant of the Rights (as the case may be) at the consideration as set out in each Disposal Agreement on and subject to the terms and conditions in each Disposal Agreement, the major terms of which are set out below.

A. Major terms of the Target A SPA

Date

26 September 2024

Parties

- (a) Vendor: Vendor A
- (b) Purchaser: the Purchaser

Assets to be disposed of

Pursuant to the Target A SPA, Vendor A conditionally agreed to sell the Target A Shares, representing the entire issued share capital of Target A, and assign the benefit of the Target A Loan (if any) and the Purchaser conditionally agreed to acquire the Target A Shares and take assignment of the Target A Loan (if any), on and subject to the terms and conditions contained in the Target A SPA.

Consideration and basis for determination

The Target A Consideration is HK\$26.3 million (or HK\$ equivalent) payable in cash by the Purchaser to Vendor A in accordance with the section headed “Terms of Payment of the Disposal Agreements” in this announcement.

The Target A Consideration was determined after arm’s length negotiations between Vendor A and the Purchaser on normal commercial terms with reference to, amongst others, (a) the appraised value of the Target A Group determined by an independent valuer based on the asset approach, being approximately HK\$26.3 million and (b) the unaudited consolidated net asset value of the Target A Group as at 31 August 2024, being approximately HK\$26.3 million.

Target A Conditions

Target A Completion is conditional upon the satisfaction or waiver of the Target A SPA Conditions:

- (a) the Trademark Licensing Agreement having been entered into by the Purchaser and the relevant Group Companies; and
- (b) Vendor A having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Target A SPA and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the date of Target A Completion.

Vendor A and the Purchaser shall procure the fulfilment of the Target A SPA Condition set out in (a) above, which may be waived by mutual agreement between Vendor A and the Purchaser. Vendor A shall procure the fulfilment of the Target A SPA Condition set out in (b) above, which may be waived by the Purchaser.

If all the Target A SPA Conditions have not been satisfied or waived in accordance with the Target A SPA by the Long Stop Date, the Target A SPA shall automatically

terminate with immediate effect. Each of Vendor A and the Purchaser's further rights and obligations cease immediately on termination, but termination does not affect Vendor A and the Purchaser's accrued rights and obligations at the date of termination.

Target A Completion

Target A Completion shall take place on the date agreed by Vendor A and the Purchaser or to be agreed in writing after the date on which the last of the Target A SPA Conditions to be satisfied or waived is satisfied or waived or any other date which Vendor A and the Purchaser may agree in writing, in each case, not being later than the Long Stop Date.

Information on the Target A Group

Principal business activities of the Target A Group

Target A is an investment holding vehicle holding, directly or indirectly, the other members of the Target A Group. The Target A Group is principally engaged in the provision of property asset management service for commercial property branding, technical advisory, leasing and operational management and advisory services.

Financial information of the Target A Group

The unaudited consolidated net asset value of the Target A Group as at 31 August 2024 was approximately HK\$26.3 million.

Set out below is the unaudited financial information of the Target A Group for the two financial years ended 30 June 2023 and 2024 and for the six months ended 31 December 2023 prepared in accordance with HKFRS:

	For the six months ended	For the financial year ended	
	31 December 2023	30 June 2024	30 June 2023
	HK\$'000	HK\$'000	HK\$'000
Consolidated (loss) / profit before taxation	(853.9)	14,814.8	829.2
Consolidated (loss) / profit after taxation	(853.9)	14,314.3	829.2

B. Major terms of the Target B SPA

Date

26 September 2024

Parties

- (a) Vendor: Vendor A
- (b) Purchaser: the Purchaser

Assets to be disposed of

Pursuant to the Target B SPA, Vendor A conditionally agreed to sell the Target B Shares, representing the entire issued share capital of Target B, and assign the benefit of the Target B Loan (if any) and the Purchaser conditionally agreed to acquire the Target B Shares and take assignment of the Target B Loan (if any), on and subject to the terms and conditions contained in the Target B SPA.

Consideration and basis for determination

The Target B Consideration is HK\$27,211,000 (or HK\$ equivalent) payable in cash by the Purchaser to Vendor A in accordance with the section headed “Terms of Payment of the Disposal Agreements” in this announcement.

The Target B Consideration was determined after arm’s length negotiations between Vendor A and the Purchaser on normal commercial terms with reference to, amongst others, (a) the appraised value of the Target B Group determined by an independent valuer based on the asset approach, being approximately HK\$27.2 million and (b) the unaudited consolidated net asset value of the Target B Group as at 31 August 2024, being approximately HK\$27.2 million.

Target B Conditions

Target B Completion is conditional upon the satisfaction or waiver of the Target B SPA Conditions:

- (a) a tenancy agreement for a fixed term of 3 years having been entered into by the Purchaser or its affiliate and the relevant Group Company in relation to the leasing of the Premise by the Purchaser or its affiliate after Target B Completion; and
- (b) Vendor A having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Target B SPA and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the date of Target B Completion.

Vendor A and the Purchaser shall procure the fulfilment of the Target B SPA Condition set out in (a) above, which may be waived by mutual agreement between Vendor A and the Purchaser. Vendor A shall procure the fulfilment of the Target B SPA Condition set out in (b) above, which may be waived by the Purchaser.

If all the Target B SPA Conditions have not been satisfied or waived in accordance with the Target B SPA by the Long Stop Date, the Target B SPA shall automatically terminate with immediate effect. Each of Vendor A and the Purchaser's further rights and obligations cease immediately on termination, but termination does not affect Vendor A and the Purchaser's accrued rights and obligations at the date of termination.

Target B Completion

Target B Completion shall take place on the date agreed by Vendor A and the Purchaser or to be agreed in writing after the date on which the last of the Target B SPA Conditions to be satisfied or waived is satisfied or waived or any other date which Vendor A and the Purchaser may agree in writing, in each case, not being later than the Long Stop Date.

Information on the Target B Group

Principal business activities of the Target B Group

Target B is a Hong Kong incorporated company engaged in clubhouse operation. The Target B Group is principally engaged in running of Gentry club operations in K11 MUSEA and potentially other K11 malls as tenants.

Financial information of the Target B Group

The unaudited consolidated net asset value of the Target B Group as at 31 August 2024 was approximately HK\$27.2 million.

Set out below is the unaudited financial information of the Target B Group for the two financial years ended 30 June 2023 and 2024 and for the six months ended 31 December 2023 prepared in accordance with HKFRS:

	For the six months ended	For the financial year ended	
	31 December 2023	30 June 2024	30 June 2023
	HK\$'000	HK\$'000	HK\$'000
Consolidated profit / (loss) before taxation	2,434.4	(53.7)	4,425.8
Consolidated profit / (loss) after taxation	2,434.4	(53.7)	4,425.8

C. Major terms of the Target C SPA

Date

26 September 2024

Parties

- (a) Vendor: the Company
- (b) Purchaser: the Purchaser

Assets to be disposed of

Pursuant to the Target C SPA, the Company conditionally agreed to sell the Target C Shares, representing the entire issued share capital of Target C, and assign the benefit of the Target C Loan (if any) and the Purchaser conditionally agreed to acquire the Target C Shares and take assignment of the Target C Loan (if any), on and subject to the terms and conditions contained in the Target C SPA.

Consideration and basis for determination

The Target C Consideration is HK\$489,000 (or HK\$ equivalent) payable in cash by the Purchaser to the Company in accordance with the section headed “Terms of Payment of the Disposal Agreements” in this announcement.

The Target C Consideration was determined after arm’s length negotiations between the Company and the Purchaser on normal commercial terms with reference to, amongst others, (a) the appraised value of Target C determined by an independent valuer based on the asset approach, being approximately HK\$0.5 million and (b) the unaudited net asset value of Target C as at 31 August 2024, being approximately HK\$0.5 million.

Target C Conditions

Target C Completion is conditional upon the satisfaction or waiver of the Target C SPA Conditions:

- (a) the Company having delivered to SFGF not less than 7 days prior to the date of the Target C SPA Completion, a written notice to withdraw from the membership of SFGF, duly executed by the Company;
- (b) the Purchaser or its affiliate having delivered to SFGF a duly completed application for membership of SFGF in the form approved by SFGF; and
- (c) the Company having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Target C SPA and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the date of Target C Completion.

The Company shall procure the fulfilment of the Target C SPA Conditions set out in (a) and (c) above. The Purchaser shall procure the fulfilment of the Target C SPA

Condition set out in (b) above. The Target C SPA Conditions (a) and (c) may be waived by the Purchaser and the Target C SPA Condition (b) may be waived by the Company.

If all the Target C SPA Conditions have not been satisfied or waived in accordance with the Target C SPA by the Long Stop Date, the Target C SPA shall automatically terminate with immediate effect. Each of the Company and the Purchaser's further rights and obligations cease immediately on termination, but termination does not affect the Company and the Purchaser's accrued rights and obligations at the date of termination.

Target C Completion

Target C Completion shall take place on the date agreed by the Company and the Purchaser or to be agreed in writing after the date on which the last of the Target C SPA Conditions to be satisfied or waived is satisfied or waived or any other date which the Company and the Purchaser may agree in writing, in each case, not being later than the Long Stop Date.

At Target C Completion, the Company shall withdraw as a member of SFGF and the Purchaser or its affiliate shall be approved as the sole member of SFGF.

Indemnity

Pursuant to the Target C SPA, the Company shall indemnify the Indemnified Persons against any Losses that the Indemnified Persons may at any time become subject to or liable for in connection with any liability, claim, action, demand, dispute or proceedings against Target C and SFGF to the extent that such Losses has arisen from or as a result of transactions or conducts of Target C and SFGF prior to Target C Completion. The Company's total liability in respect of all claims (including those made under the aforementioned indemnity) made by the Purchaser under this Agreement shall be limited to the aggregate amount of the Target C Consideration.

Information on the Target C

Principal business activities of the Target C

Target C is a Hong Kong incorporated company and is principally engaged in the provision of activities to support the operation of SFGF which targets to provide for relief of poverty and relief of needy people in Hong Kong.

Financial information of the Target C

The unaudited net asset value of the Target C as at 31 August 2024 was approximately HK\$0.5 million.

Set out below is the unaudited financial information of the Target C for the two financial years ended 30 June 2023 and 2024 and for the six months ended 31 December 2023 prepared in accordance with HKFRS:

	For the six months ended	For the financial year ended	
	31 December 2023	30 June 2024	30 June 2023
	HK\$'000	HK\$'000	HK\$'000
Profit / (loss) before taxation	14.7	644.2	(4.5)
Profit / (loss) after taxation	14.7	539.2	(4.5)

D. Major terms of the Target D SPA

Date

26 September 2024

Parties

- (a) Vendor: Vendor A
- (b) Purchaser: the Purchaser

Assets to be disposed of

Pursuant to the Target D SPA, Vendor A conditionally agreed to sell the Target D Shares, representing the entire issued share capital of Target D, and assign the benefit of the Target D Loan (if any) and the Purchaser conditionally agreed to acquire the Target D Shares and take assignment of the Target D Loan (if any), on and subject to the terms and conditions contained in the Target D SPA.

Consideration and basis for determination

The Target D Consideration is HK\$4.0 million (or HK\$ equivalent) payable in cash by the Purchaser to Vendor A in accordance with the section headed “Terms of Payment of the Disposal Agreements” in this announcement.

The Target D Consideration was determined after arm’s length negotiations between Vendor A and the Purchaser on normal commercial terms with reference to, amongst others, (a) the appraised value of the Target D Group determined by an independent valuer based on the asset approach, being approximately HK\$3.9 million and (b) the unaudited consolidated net deficit of the Target D Group as at 31 August 2024, being approximately HK\$0.3 million.

Target D Conditions

Target D Completion is conditional upon the satisfaction or waiver of the Target D SPA Conditions:

- (a) Vendor A having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Target D SPA and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the date of Target D Completion; and
- (b) the Vendor having transferred to Target D, if not already owned by Target D, certain websites, domain name, or any accounts that are necessary for the operation of certain applications and websites.

Vendor A shall procure the fulfilment of the Target D SPA Conditions set out in (a) and (b) above, which may be waived by the Purchaser.

If all the Target D SPA Conditions have not been satisfied or waived in accordance with the Target D SPA by the Long Stop Date, the Target D SPA shall automatically terminate with immediate effect. Each of Vendor A and the Purchaser's further rights and obligations cease immediately on termination, but termination does not affect Vendor A and the Purchaser's accrued rights and obligations at the date of termination.

Target D Completion

Target D Completion shall take place on the date agreed by Vendor A and the Purchaser or to be agreed in writing after the date on which the last of the Target D SPA Conditions to be satisfied or waived is satisfied or waived or any other date which Vendor A and the Purchaser may agree in writing, in each case, not being later than the Long Stop Date.

Information on the Target D Group

Principal business activities of the Target D Group

Target D is an investment holding vehicle engaged in the provision of marketing and promotion services. The Target D Group comprises of enterprise customer relationship management and loyalty solution companies utilizing customer data analysis to maintain brand stickiness, evaluate consumer preference, and attract new customers for their clients.

Financial information of the Target D Group

The unaudited consolidated net deficit of the Target D Group as at 31 August 2024 was approximately HK\$0.3 million.

Set out below is the unaudited financial information of the Target D Group for the two financial years ended 30 June 2023 and 2024 and for the six months ended 31 December 2023 prepared in accordance with HKFRS:

	For the six months ended	For the financial year ended	
	31 December 2023	30 June 2024	30 June 2023
	HK\$'000	HK\$'000	HK\$'000
Consolidated profit before taxation	25.9	0.5	81.2
Consolidated profit / (loss) after taxation	25.9	(2,999.5)	81.2

E. Major terms of the Target E SPA

Date

26 September 2024

Parties

- (a) Vendor: Vendor B
- (b) Purchaser: the Purchaser

Assets to be disposed of

Pursuant to the Target E SPA, Vendor B conditionally agreed to sell the Target E Shares, representing the entire issued share capital of Target E, and assign the benefit of the Target E Loan (if any) and the Purchaser conditionally agreed to acquire the Target E Shares and take assignment of the Target E Loan (if any), on and subject to the terms and conditions contained in the Target E SPA.

Consideration and basis for determination

The Target E Consideration is HK\$1.0 million (or HK\$ equivalent) payable in cash by the Purchaser to Vendor B in accordance with the section headed “Terms of Payment of the Disposal Agreements” in this announcement.

The Target E Consideration was determined after arm’s length negotiations between Vendor B and the Purchaser on normal commercial terms with reference to, amongst others, (a) the appraised value of Target E determined by an independent valuer based on the asset approach, being approximately HK\$1.0 million and (b) the unaudited net asset value of Target E as at 31 August 2024, being approximately HK\$1 million.

Target E Conditions

Target E Completion is conditional upon the satisfaction or waiver of the Target E SPA Conditions:

- (a) Vendor B having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Target E SPA and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the date of Target E Completion; and
- (b) the Purchaser having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Target E SPA and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the date of Target E Completion.

Vendor B shall procure the fulfilment of the Target E SPA Condition set out in (a) above, which may be waived by the Purchaser. The Purchaser shall procure the fulfilment of the Target E SPA Condition set out in (b) above, which may be waived by Vendor B.

If all the Target E SPA Conditions have not been satisfied or waived in accordance with the Target E SPA by the Long Stop Date, the Target E SPA shall automatically terminate with immediate effect. Each of Vendor B and the Purchaser's further rights and obligations cease immediately on termination, but termination does not affect Vendor B and the Purchaser's accrued rights and obligations at the date of termination.

Target E Completion

Target E Completion shall take place on the date agreed by Vendor B and the Purchaser or to be agreed in writing after the date on which the last of the Target E SPA Conditions to be satisfied or waived is satisfied or waived or any other date which Vendor B and the Purchaser may agree in writing, in each case, not being later than the Long Stop Date.

Information on the Target E

Principal business activities of the Target E

Target E is a licensed HK-based travel agency which is principally engaged in organizing local tours in Hong Kong to different tourist spots, selling tourism products to overseas tourists including offerings from mall tenants, and providing tourist customer relationship management offers.

Financial information of the Target E

The unaudited net asset value of the Target E as at 31 August 2024 was approximately HK\$1.0 million.

Set out below is the unaudited financial information of the Target E for the two financial years ended 30 June 2023 and 2024 and for the six months ended 31 December 2023 prepared in accordance with HKFRS:

	For the six months ended	For the financial year ended	
	31 December 2023	30 June 2024	30 June 2023
	HK\$'000	HK\$'000	HK\$'000
Loss before taxation	(893.3)	(1,736.2)	(1,794.2)
Loss after taxation	(893.3)	(1,736.2)	(1,794.2)

F. Major terms of the Rights Agreement

Date

26 September 2024

Parties

- (a) Vendor: the Company
- (b) Purchaser: the Purchaser

Right to be disposed of

Pursuant to the Rights Agreement, the Company conditionally agreed to grant or procure to be granted to the Purchaser Group the exclusive right to enter into will enter into of the Definitive Agreements in relation to the provision of Project Management and Consultancy Services for the Property Projects, on and subject to the terms and conditions contained in the Rights Agreement.

Consideration and basis for determination

The consideration of the Rights Agreement is HK\$150.0 million (or HK\$ equivalent) payable in cash by the Purchaser to the Company in accordance with the section headed "Terms of Payment of the Disposal Agreements" in this announcement.

The consideration of the Rights Agreement was determined after arm's length negotiations between the Company and the Purchaser on normal commercial terms with reference to, amongst others, the appraised value of the right granted under the Rights Agreement determined by an independent valuer based on the income approach, being approximately HK\$148.4 million.

Conditions of the Rights Agreement

Completion of the Rights Agreement is conditional upon the satisfaction or waiver of the conditions of the Rights Agreement:

- (a) the 2024 Master Services Agreement in agreed form having been entered into by the Company and the Purchaser; and
- (b) the Company having obtained, if any, all consents, approvals, permits, authorisations or clearances (as the case may be) pursuant to applicable laws, regulations or rules for its execution, implementation and completion of the Rights Agreement and the transactions contemplated therein, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to and including the completion of the Rights Agreement.

The Company and the Purchaser shall procure the fulfilment of the condition set out in (a) above. The Company shall procure the fulfilment of the condition set out in (b) above, which may be waived by the Purchaser.

If all the conditions of the Rights Agreement have not been satisfied or waived in accordance with the Rights Agreement by the Long Stop Date, the Rights Agreement shall automatically terminate with immediate effect. Each of the Company and the Purchaser's further rights and obligations cease immediately on termination, but termination does not affect the Company and the Purchaser's accrued rights and obligations at the date of termination.

Completion

Completion of the Rights Agreement shall take place on the date agreed by the Company and the Purchaser or to be agreed in writing after the date on which the last of the conditions to the Rights Agreement to be satisfied or waived is satisfied or waived or any other date which the Company and the Purchaser may agree in writing, in each case, not being later than the Long Stop Date.

Information on the Rights

Prior to the completion of the disposal of the Target Companies, the Project Management and Consultancy Services were and are provided by the members of the Group internally. Following the Disposals, such Services are to be provided by the Purchaser Group. As such, the Company and the Purchaser entered into the Rights Agreement for the purpose of granting the exclusive right to enter into and will enter into the Definitive Agreements in relation to the Project Management and Consultancy Services for Property Projects.

G. The Guarantee

On 26 September 2024, Dr. Adrian Cheng has entered into a guarantee in favour of the Vendors to unconditionally and irrevocably guarantee the due and punctual performance and observance by the Purchaser of its payment obligations of the considerations under or pursuant to the Disposal Agreements.

TERMS OF PAYMENT OF THE DISPOSAL AGREEMENTS

The aggregate consideration of the Target SPAs is payable by the Purchaser to the relevant member of the Group pursuant to the Target SPAs in the following manner:

- (a) on the completion of the disposal of the relevant Target Company, the amount equivalent to 30% of the consideration set out in the relevant Target SPA;
- (b) on the first anniversary of the completion of the disposal of the relevant Target Company, the amount equivalent to 35% of the consideration set out in the relevant Target SPA; and
- (c) on the second anniversary of the completion of the disposal of the relevant Target Company, the balance of the consideration of the relevant Target SPA.

The consideration of the Rights Agreement is payable by the Purchaser to the Company in 180 equal instalments of HK\$833,333 (or HK\$ equivalent) in the following manner:

- (a) the first monthly instalment shall be become payable on the completion of the Rights Agreement and shall be paid upon the earlier of (i) the signing of all the TAMAs in respect of the Property Projects or (ii) the Long Stop Date, provided that all accrued payments of the monthly instalments up to the date of payment shall be paid at the same time as the first monthly instalment; and
- (b) thereafter each subsequent monthly instalment (as adjusted below) shall be payable by no later than the 21st day of each calendar month following the payment of the first monthly instalment.

In the event that a TAMA is terminated or not renewed pursuant to the terms as disclosed in the subsection headed “Termination of TAMAs” in this announcement, the monthly instalment shall be adjusted in accordance with the Rights Agreement.

The aggregate consideration of the Disposal Agreements is HK\$209.0 million.

REASONS FOR AND BENEFITS OF THE DISPOSALS AND USE OF PROCEEDS

The Group's core businesses are development of properties and investments in properties and based on the Company's current assessment of the market, it would like to rebalance its resource allocation to prioritise on its core business so as to strengthen its capital deployment strategy in the businesses with greater profit margins. Through the Disposals, the Group will transfer the business in the Target Companies to

the Purchaser, which will optimise the Group's cost structure to reduce general operating expenses. The Purchaser Group, through Dr. Adrian Cheng, will have access to established good business connections all over the world with manpower and resources in brand building.

Following the completions of the Disposals, the Purchaser Group will continue to grow the brand of “K11” worldwide which will in turn benefit the Group as the Group will continue to receive royalty payment based on the revenue of the third party management business using the “K11” brand. Further, through the Rights Agreement, the Group can improve its return on assets through outsourcing management capabilities in return for operational efficiencies and obtain the flexibility to adjust to the evolving market conditions.

The Group intends to apply the proceeds from the Disposals to fund its general working capital with a view to enhancing the shareholder value of the Company.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal Agreements are on normal commercial terms, fair and reasonable and within the ordinary and usual course of business of the Group, and the entering into of the Disposal Agreements is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSALS

Upon completion of the Target SPAs, the Company will cease to have any equity interest in the Target Companies and the financial results and assets and liabilities of the Target Companies will cease to be consolidated into the accounts of the Group.

For illustration purpose only, before deducting the estimated transaction costs directly attributable to the Disposals (including but not limited to professional and other related expenses and relevant taxes), it is expected that there will be immaterial gain / loss to be derived from the Disposals. The actual amount of the gain or loss to be recognized by the Group can only be determined when the consolidated net asset value of the Target Companies as at the date of completion of the Target SPAs and the transaction costs attributable to the Disposals are ascertained, and therefore may be different from the aforesaid amount.

II. CONTINUING CONNECTED TRANSACTIONS

Background

In light of the Disposals,

- (a) on 26 September 2024, the Company and the Purchaser entered into the 2024 Master Services Agreement in relation to the Transactions with an initial term of three years commencing from the Effective Date; and
- (b) on 26 September 2024, Licensor A and Vendor A, both wholly-owned subsidiaries of the Company, as Licensors, entered into the Trademark Licensing Agreement with the Purchaser, pursuant to which the Licensors

agreed to grant to the Purchaser an exclusive, irrevocable, sub-licensable and non-transferable licence to use the Trademark for the purposes set out in the Trademark Licensing Agreement in the Territory subject to the terms of the Trademark Licensing Agreement. The Trademark Licensing Agreement shall have a term of 30 years commencing from 1 October 2024, and shall be automatically renewed for another term of 30 years upon its expiry, subject to compliance with the Listing Rules, unless otherwise terminated by the Licensors or the Purchaser.

The principal terms of the 2024 Master Services Agreement and the Trademark Licensing Agreement are summarised below:

Major terms of the 2024 Master Services Agreement

Date

26 September 2024

Parties

- (1) the Company; and
- (2) the Purchaser

General terms for the Transactions

The relevant members of the Purchaser Group may from time to time enter into Definitive Agreement(s) with the relevant members of the Group in relation to any Transaction(s) in respect of any country worldwide upon, and subject to, the terms and conditions in compliance with the 2024 Master Services Agreement as may be agreed between the relevant members of the Purchaser Group and the relevant members of the Group.

With effect from the Effective Date, the Transactions shall be conducted:

- (a) in the ordinary and usual course of business of the Purchaser Group and the Group;
- (b) on normal commercial terms or better (as defined in the Listing Rules) and based on the then prevailing market rates; and
- (c) in compliance with all applicable provisions of the Listing Rules (including the Services Caps), the applicable laws, the 2024 Master Services Agreement and the relevant Definitive Agreement.

Pricing Policy

The consideration for each Definitive Agreement will be determined in the following manner:

- (a) in respect of the General and Rental Services:
- for lessor, the lessor will provide the lessee a quote after it has, at its best endeavour, obtained two market comparative quotes for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or reviewed two comparable transactions with independent third parties;
 - for lessee, the lessee will, at its best endeavour, obtain two market comparative quotes for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or review two comparable transactions with independent third parties before deciding whether to accept the quote provided by the lessor and proceed further; and
 - for the provision of procurement services: the consideration will be fixed on the basis of the member(s) of the Group performing a thorough analysis on the specific project
- (b) in respect of the Administrative Services: the service fee will be fixed at a monthly fee based on the estimated amount of work to be done. The fee will be determined with reference to at least one market comparable obtained at the best endeavour of the parties from time to time;
- (c) in respect of the Project Management and Consultancy Services: depending on the size, location, status and nature of the project management project, the service fee will be charged in one of the following basis:
- 0.75% to 1% of total project costs over the development period subject to adjustment agreed by the parties based on the prevailing market conditions from time to time; or
 - 3% of gross rental income (including office rental income, mall rental income, carpark rental income and license income) of the sites of the Company plus 8% of core profit which means operating profit minus property tax and share of common area expense; or
 - annual fixed fee plus 1.5% of earnings before interests, tax, depreciation and amortisation “EBITDA”
- (d) in respect of General Management and Advisory Services: the service fee will be fixed at a monthly fee based on the estimated amount of work to be done. The fee will be determined with reference to at least one market comparable obtained at the best endeavour of the parties from time to time; and
- (e) in respect of the other Services: the service fee will be fixed at an amount with reference to the prevailing market rate compared to the relevant immediately expired Definitive Agreement(s). Such prevailing market rate will be

determined with reference to at least one market comparable obtained at the best endeavour of the parties from time to time.

Duration

The 2024 Master Services Agreement shall commence on the Effective Date for a term of three years unless terminated earlier in accordance with the 2024 Master Services Agreement. Subject to re-compliance with the relevant requirements of the rules of any stock exchange to which either of the parties to the 2024 Master Services Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waiver obtained from strict compliance with such requirements, and subject to the Board approval, upon expiration of the initial term or subsequent renewal term, the 2024 Master Services Agreement will be renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules).

Payment terms

The terms in relation to the time and method of payment will be stated in the relevant Definitive Agreements and will be no less favourable to the Group than terms available to and/or from independent third parties.

Termination of TAMAs

Without prejudice to the Company and the Purchaser's rights to terminate the 2024 Master Services Agreement, the Company and the Purchaser agree that a TAMA shall be renewed or terminated by the Company as follows:

- (a) subject to compliance with the necessary requirements under the Listing Rules, the term of a TAMA shall be three (3) years commencing on its effective date and may not be terminated prior to the first anniversary of its effective date;
- (b) the Company shall have the right to give written notice to the Purchaser and/or the Service Provider (as the case may be):
 - (i) on the first anniversary of the effective date of a TAMA, to terminate such TAMA by giving twenty-four (24) months' written notice, in which case, after the expiry of the term of such TAMA and in accordance with the terms of such TAMA, the Company shall pay a termination fee to the Purchaser which shall be an amount equivalent to the actual amount of fees received by the Service Provider under such TAMA for the preceding twelve (12) months (calculated from the date of the written notice);
 - (ii) on or after the second anniversary of the effective date of a TAMA and by no later than the end of the 27th month of a TAMA, to renew a TAMA on the same terms and conditions upon the expiry of its then existing term for a successive period of three (3) years, subject to compliance with the necessary requirements under Listing Rules;

- (c) if a TAMA is not renewed for any reason other than terminated (i) pursuant to subparagraph (d), (e) or (f) below or (ii) due to the default of the Service Provider, the Company shall pay compensation to the Purchaser which shall be an amount equivalent to the actual amount of fees received by the Service Provider under such TAMA for the preceding twelve (12) months (calculated from the expiry of the term);
- (d) notwithstanding subparagraphs (a), (b) and (c) above and subject to subparagraph (e) below, any TAMA may be terminated by the Company in the event of a change of control of a Service Recipient or a Property Project by giving six (6) months' written notice or payment in lieu of notice (if so requested by the relevant purchaser to terminate such TAMA) and paying a termination fee to the Service Provider which shall be an amount equivalent to (i) the amount of fees actually received (or if not actually received, the amount of fees receivable) by the Service Provider under such TAMA for the preceding six (6) months (calculated from the date of termination), if such TAMA has been in effect for six (6) months or more; or (ii) the average amount of fees receivable for the months that the TAMA has been in effect multiplied by six (6) months, if the TAMA has been in effect for less than six (6) months; or
- (e) notwithstanding subparagraphs (a), (b) and (c) above, in the event of the termination of a TAMA in respect of a JV Property Project, the termination fee payable under subparagraph (d) above shall be the lower of (i) (A) the amount of fees actually received (or if not actually received, the amount of fees receivable) by the Service Provider under such TAMA for the preceding six (6) months (calculated from the date of termination) or (B) the average amount of fees actually received (or if not actually received, the amount of fees receivable) for the months that the TAMA has been in effect multiplied by six (6) months, if the TAMA has been in effect for less than six (6) months; and (ii) the amount of the termination fee actually received (or if not actually received, the termination fee receivable) by the Group pursuant to the relevant joint venture agreement in respect of such JV Property Project;
- (f) notwithstanding subparagraph (a) above, the Purchaser shall give written notice to the Company as soon as possible upon the occurrence of a change of control of a Service Provider under a TAMA. After the receipt of such notice, the Company shall have the right, but not the obligation, to give six (6) months' written notice to the Service Provider to terminate the relevant TAMA and the Purchaser shall pay a termination fee to the Company which shall be an amount equivalent to (i) the amount of fees actually received (or if not actually received, the amount of fees receivable) by the Service Provider under such TAMA for the preceding six (6) months (calculated from the date of termination), if such TAMA has been in effect for six (6) months or more; or (ii) the average amount of fees actually received (or if not actually received, the amount of fees receivable) for the months that the TAMA has been in effect multiplied by six (6) months, if the TAMA has been in effect for less than six (6) months.

Historical figures and the Services Caps

There have been no previous transactions in respect of any provision of Services between the Group and the Purchaser Group.

It is proposed to set the Services Caps for the 9 months ending 30 June 2025, two financial years ending 30 June 2026 and 2027 and 3 months ending 30 September 2027 as follows:

	For the nine months ending	For the financial year ending		For the three months ending
	30 June 2025	30 June 2026	30 June 2027	30 September 2027
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Service Caps	279.5	372.7	372.7	93.2

Each of the Services Caps has been determined by reference to:

- (a) the historical annual or annualised amounts in respect of the Services provided among fellow subsidiaries during the past financial years; and
- (b) the projected annual or annualised amounts in respect of the Services to be provided by the Group to the Purchaser Group, and vice versa, in the 9 months ending 30 June 2025, two financial years ending 30 June 2026 and 2027 and 3 months ending 30 September 2027.

The above-mentioned projected figures are determined based on the above-mentioned pricing policy, the anticipated business growth and have also taken into account the development cycle and completion status of the relevant property projects, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Purchaser Group and/or the Group; and the service industries in which the Group operates will have steady growth.

Major terms of the Trademark Licensing Agreement

Date

26 September 2024

Parties

- (a) Licensor A;
- (b) Vendor A (together with Licensor A, as Licensors); and
- (c) the Purchaser (as licensee)

Term

The licence granted under the Trademark Licensing Agreement shall commence on Effective Date for a term of thirty (30) years and shall be automatically renewed for another term of thirty (30) years upon its expiry, subject to compliance with the Listing Rules, unless terminated earlier pursuant to the terms of the Trademark Licensing Agreement.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark Licensing Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to explain the reason for a longer term and to confirm that it is a normal business practice for agreements of this type to be of such duration. See the section headed “Opinion from the Independent Financial Adviser on the term of the Trademark Licensing Agreement” below for details.

Licence

The Licensors agree to (and shall on behalf of their subsidiaries) grant to the Purchaser an exclusive (subject to the reserved rights of the Licensors), irrevocable, sub-licensable and non-transferable licence to use the Trademark for the following purposes in the Territory subject to the terms of the Trademark Licensing Agreement.

The Purchaser may use the Trademark exclusively anywhere in the Territory in:

- (1) the Light Assets Business and any ancillary business;
- (2) in the business of sale, lease, design, operation and management of any premises or properties owned or controlled by the Purchaser; and
- (3) the Other Businesses.

Subject to the Licensors’ reserved rights in the Trademark Licensing Agreement, the Licensee may use the Trademark for any business in relation to any types of landed properties and premises, including but not limited to the design, development, operation, management and leasing of the properties that not related to the Light Assets Business or owned or controlled by the Purchaser, in Hong Kong and the PRC, and any ancillary business.

The licence granted to the Purchaser under the Trademark Licensing Agreement is subject to the reservation of the Licensors’ reserved right to, whether by itself or by their Affiliates in the Group, or by joint venture entities to which the Group are in control of, use and apply the Trademark on the properties that not related to the Light Assets Business or owned or controlled by the Purchaser, in Hong Kong and the PRC and in the business of leasing and management of retail malls.

Licensing fees

The Licensee shall pay the Licensors licensing fees in the form of royalties for the grant of licence under the Trademark Licensing Agreement and as follows:

- (1) 5% of revenue (after tax) plus RMB200,000 per project per year for Light Assets Projects; and
- (2) 5% of revenue (after tax) for Other Businesses.

Royalties payable under the Trademark Licensing Agreement shall be paid in cash within 60 days of the end of each successive year.

Opinion from the Independent Financial Adviser on the term of the Trademark Licensing Agreement

Pursuant to Rule 14A.52 of the Listing Rules, the Independent Financial Adviser has formulated its opinion based on its research and analysis, relied on the information set out in this announcement and has referred to the term of the Trademark Licensing Agreement, which has a duration of 30 years. The Independent Financial Adviser has taken into consideration the following factors for a duration exceeding three years for the Trademark Licensing Agreement, including:

- (i) the longer licensed term takes into account the time required for the construction and development of new shopping malls under the light assets projects before they commence operation;
- (ii) a longer license term reduces the risk of interruptions, ensuring a smooth and continuous provision of services to the shopping malls. This continuity is directly tied to the revenue of the shopping malls and the amount of the royalty is determined based on the sustained performance and success of the shopping mall operation;
- (iii) a longer-term license ensures stability and consistency in brand representation. This can contribute to building a strong brand identity and recognition over time; and
- (iv) a longer license term provides stability and certainty, enabling both the Company and the licensee to engage in long-term strategic planning, fostering sustained growth and development.

Based on the above considerations, the Independent Financial Adviser is of the opinion that the duration of 30 years under the Trademark Licensing Agreement is on normal commercial term for a transaction of this nature and it is normal business practice for agreement of this type to be of such duration.

Reasons for and benefits of entering into the CCT Agreements

The transactions contemplated under the 2024 Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Purchaser Group and the Group. The 2024 Master Services Agreement is intended to streamline the continuing connected transactions between members of the Purchaser Group and members of the Group. The 2024 Master Services Agreement provides a single basis on which the Company will

comply with the requirements under the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the agreements in respect of the provision of the Services.

The Licensors are both subsidiaries in the Group. The Group intends to streamline its K11 business to focus on the property leasing business but also intends to grow the brand of “K11” worldwide. Following the completion of the Disposals, the Group will transfer to the Purchaser the business in the Target A Group. The Trademark Licensing Agreement governs the use and further exploitation of the K11 brand globally. The Purchaser Group, through Dr. Adrian Cheng, will be able to utilise the established good business connections all over the world backed by an experienced management team with a strong track record of delivering results and enabling faster and more agile innovations. The transactions contemplated under the Trademark Licensing Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Purchaser and the Group. This licensing arrangement is highly beneficial to the Group as the Group shall receive licensing fees. Such licensing fee broadens a source of income of the Group which would not adversely impact the Group’s business.

The Directors (including the independent non-executive Directors who have provided their views after considering the opinion of the Independent Financial Adviser in relation to the Trademark Licencing Agreement as set out in this announcement) consider that the 2024 Master Services Agreement and the Trademark Licensing Agreement have been negotiated on an arm’s length basis and within the ordinary and usual course of business of the Group, on normal commercial terms or better (as defined in the Listing Rules) and are fair and reasonable and in the interests of the Group and the Shareholders as a whole and that the Services Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE PURCHASER

The Purchaser is a company directly wholly-owned by Dr. Adrian Cheng.

The Purchaser is an investment holding vehicle holding the above-mentioned Target Companies and their subsidiaries upon completion of the Disposal Agreements. The principal business of the Purchaser Group shall be the principal business of the Target Companies and their subsidiaries as disclosed in this announcement.

INFORMATION ON THE GROUP

The Group is principally engaged in property development, property investment and investment in and/or operation of hotels and other strategic businesses.

LISTING RULES IMPLICATIONS

As the Purchaser is a company directly wholly-owned by Dr. Adrian Cheng, a director of the Company, the Purchaser is an associate of a director of the Company and a connected person of the Company and the transactions contemplated under the Disposals and the CCT Agreements constitute connected transactions and continuing

connected transactions, respectively, of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals, calculated on an aggregated basis, exceeds 0.1% but is below 5%, the Disposals are subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under the Listing Rules.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Services Caps under the 2024 Master Services Agreement, calculated on an annual basis, exceeds 0.1% but is below 5%, the 2024 Master Services Agreement is subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements under the Listing Rules.

As each of the percentage ratios (as defined under the Listing Rules) for the royalty fee income expected to be received by the Group under the Trademark Licensing Agreement in the 9 months ending 30 June 2025, financial years ending 30 June 2026 and 30 June 2027 and 3 months ending 30 September 2027 is, on an annual basis, less than 0.1%, the Trademark Licensing Agreement is fully exempt from reporting, announcement, annual review, circular and independent shareholders' approval requirements under Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Trademark Licensing Agreement exceeds three years, the Company has appointed the Independent Financial Adviser as the independent financial adviser to explain the reason for a longer term and to confirm that it is a normal business practice for agreements of this type to be of such duration.

APPROVAL BY THE BOARD

As Dr. Adrian Cheng is the ultimate beneficial owner of the Purchaser, he has a material interest in the Disposals and the CCT Agreements and therefore he has abstained from voting on the relevant Board resolutions to consider and approve the Disposals and the CCT Agreements. Dr. Cheng Kar-Shun, Henry, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian, being associates of Dr. Adrian Cheng, have voluntarily abstained from voting on the relevant Board resolutions. Mr. Doo Wai-Hoi, William (being uncle of Dr. Adrian Cheng), Mr. Cheng Kar-Shing, Peter (being uncle of Dr. Adrian Cheng) and Mr. Cheng Chi-Heng (being cousin of Dr. Adrian Cheng), have also voluntarily abstained from voting on the relevant Board resolutions.

Save as disclosed, none of the Directors has a material interest in the Disposals and the CCT Agreements and is required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“2024 Master Services Agreement”	the master services agreement in relation to the Transactions entered into between the Purchaser and the Company on 26 September 2024
“Administrative Services”	the provision of administrative support, data support and information technology system and other ancillary administrative services
“Affiliate”	in respect of a company (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and/or (b) any other company in the equity capital of which the company and such other companies referred to in (a) above taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day other than a Saturday, Sunday or other day on which commercial banks in Hong Kong are required or authorised by law or executive order to be closed or on which a tropical cyclone warnings no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. Hong Kong time
“CCT Agreements”	the 2024 Master Services Agreement and the Trademark Licensing Agreement
“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 shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0017)

“connected person”	has the meaning ascribed to it under the Listing Rules
“CTFE”	Chow Tai Fook Enterprises Limited (周大福企業有限公司), a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company
“Definitive Agreement(s)”	definitive agreement(s) which may be entered into between any member(s) of the Purchaser Group and any member(s) of the Group from time to time in relation to any of the Transactions at any time during the term of the 2024 Master Services Agreement
“Directors”	the directors of the Company
“Disposals”	the disposal of the Target Companies under the Target SPAs and the grant of the Rights under the Rights Agreement
“Disposal Agreements”	the Target SPAs and the Rights Agreement
“Dr. Adrian Cheng”	Dr. Cheng Chi-Kong, Adrian, the non-executive director and non-executive vice-chairman of the Company
“Effective Date”	1 October 2024
“General and Rental Services”	the provision of hiring, procurement and supply of plant, machinery, equipment and materials, property management and related accounting services, property sales and letting agency services, provision of car parking management and related services, rental and licensing of the rights to use properties, spare spaces, other spaces and car-parking spaces, buying and procurement services for sourcing goods, provision of supply chain management and consultancy services, design, marketing and sourcing services, merchandising agent services, general trading of merchandise, advertising, branding, marketing, loyalty and rewards program and promotion-related services and related services

“General Management and Advisory Services”	(a) the provision of strategic advice including but not limited to general business operation and strategy, brand positioning and building, strategic marketing and promotion, leasing and tenancy operation; (b) the provision of budgeting, performance monitoring and reporting services; and (c) carrying out of such other activities beneficial for the promoting, leasing, licensing and tenancy operation, and which shall include the provision of General Management and Advisory Services in respect of the certain projects set out in the 2024 Master Services Agreement
“Group”	the Company and its subsidiaries from time to time and “ Group Company ” means any one of them
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Indemnified Persons”	the Purchaser and its respective officers, directors, shareholders, employees and authorised persons
“Independent Financial Adviser”	Ballas Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise in respect of the terms of the Trademark Licensing Agreement
“JV Property Projects”	certain Property Projects which are joint ventures of the Group as set out in the 2024 Master Services Agreement and Rights Agreement
“K11 Group”	means the companies which are Affiliates of the Licensors

“K11 Properties”	mean the properties which carry “K11” in their names and owned (whether wholly or partly by joint venture or otherwise) and/or operated by the K11 Group in Hong Kong and PRC whether now existing or in the future, including the properties listed in the Trademark Licensing Agreement
“Licensor A”	Glaze Fortune (HK) Limited, a company incorporated and registered in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Licensors”	Licensor A and Vendor A
“Light Assets Business”	the business for the design, leasing, operation and management of landed properties owned (whether solely or in joint venture) by third parties other than the K11 Group under and by reference of the Trademark, and each project under this Light Assets Business, a “ Light Assets Project ”
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	31 December 2024
“Losses”	collectively, losses, claims, damages, obligations, out of pocket expenses and liabilities of any kind or nature whatsoever, including but not limited to any investigative, legal and other expenses reasonably incurred in connection with, and any amounts paid in settlement of, any pending or threatened legal action(s) or proceeding(s)
“Other Businesses”	use the Trademark for commercial exploitation of the Trademark in any business, goods and/or services with a view to augment, add value, increase and elevate the brand image and reputation in the Trademark anywhere in the Territory and which shall be the secondary purpose of the licensed rights under the Trademark Licensing Agreement, including but not limited to: <ul style="list-style-type: none"> (i) collaboration with famous brands in crossing over the Trademark with

	famous brands in the field of luxury goods;
	(ii) commercialisation of the Trademark in various types of goods and services;
	(iii) any online business; and
	(iv) any other businesses
“PRC”	the People’s Republic of China
“Premise”	8/F, K11 MUSEA, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong
“Project Management and Consultancy Services”	<p>the provision of project management and consultancy services by the relevant members of the Purchaser Group to members of the Group in relation to the brand positioning and building, strategic marketing and promotion, planning, design, leasing operations and management of property projects developed, managed or owned by members of the Group from time to time, including but not limited to:</p> <p>Part A (pre-opening technical advisory services): the provision of advice on the overall positioning and strategy of the pre-opening project, including but not limited to general market research, design plans, tenant mix strategy, marketing and branding positioning, co-ordination with consultants related to the preparation of the pre-opening projects; and</p> <p>Part B (post-opening management advisory services) (a) the provision of strategic advice including but not limited to brand positioning and building, strategic marketing and promotion, leasing and tenancy operation; (b) the provision of budgeting, performance monitoring and reporting services; and (c) carrying out of such other activities beneficial for the promoting, leasing, licensing and tenancy operation , and which shall include the provision of Project Management and Consultancy Services in respect of the Property Projects</p>

“Property Projects”	the property projects as set out in the 2024 Master Services Agreement and Rights Agreement and any other property projects as agreed between the Group and the Purchaser Group from time to time
“Purchaser”	AC Group Limited, a company incorporated and registered in the British Virgin Islands
“Purchaser Group”	the Purchaser and its Affiliates
“Rights”	the rights granted by the Company to the Purchaser pursuant to the Rights Agreement
“Rights Agreement”	the rights agreement in respect of the grant of the exclusive right to enter into and the entering into of the Definitive Agreements in relation to the provision of Project Management and Consultancy Services entered into between the Company and the Purchaser on 26 September 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Services”	the Administrative Services, General and Rental Services, General Management and Advisory Services, Project Management and Consultancy Services, and such other types of services as the Purchaser and the Company may agree upon from time to time in writing
“Services Caps”	the cap amounts payable by the Purchaser Group to the Group, and vice versa, in respect of the Transactions for the 9 months ending 30 June 2025, two financial years ending 30 June 2026 and 2027 and 3 months ending 30 September 2027
“Service Provider”	the member of the Purchaser Group providing the services under a TAMA
“Service Recipient”	the member of the Group receiving the services under a TAMA
“SFGF”	Share for Good Foundation Limited, a company incorporated under the laws of Hong Kong limited by guarantee which as at the date this announcement, the Company is its sole member

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“TAMAs”	the Definitive Agreements entered into by the Service Provider and the Service Recipient in respect of the provision of Project Management and Consultancy Services for the Property Projects
“Target Companies”	collectively, Target A, Target B, Target C, Target D and Target E and “ Target Company ” means any one of them
“Target A”	K11 Commercial Management Group Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Target A Completion”	completion of the Target A SPA
“Target A Consideration”	the total consideration for the sale of the Target A Shares and the assignment of the Target A Loan (if any)
“Target A Group”	Target A and its subsidiaries
“Target A Loan”	all the loans owing by Target A to Vendor A as at the date of Target A Completion, if any
“Target A Shares”	all the issued shares in Target A
“Target A SPA”	the share purchase agreement in respect of the sale and purchase of all the Target A Shares and the assignment of the Target A Loan (if any) entered into between Vendor A and the Purchaser on 26 September 2024
“Target A SPA Conditions”	the conditions precedent to Target A Completion and “ Target A SPA Condition ” means any one of them

“Target B”	K11 Gentry Club Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Target B Completion”	completion of the Target B SPA
“Target B Consideration”	the total consideration for the sale of the Target B Shares and the assignment of the Target B Loan (if any)
“Target B Group”	Target B and its subsidiaries
“Target B Loan”	all the loans owing by Target B to Vendor A as at the date of Target B Completion, if any
“Target B Shares”	all the issued shares in Target B
“Target B SPA”	the share purchase agreement in respect of the sale and purchase of all the Target B Shares and assignment of the Target B Loan (if any) entered into between Vendor A and the Purchaser on 26 September 2024
“Target B SPA Conditions”	the conditions precedent to Target B Completion and “ Target B SPA Condition ” means any one of them
“Target C”	Share for Good Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Target C Completion”	completion of the Target C SPA
“Target C Consideration”	the total consideration for the sale of the Target C Shares and the assignment of the Target C Loan (if any)
“Target C Loan”	all the loans owing by Target C to the Company as at the date of Target C Completion, if any
“Target C Shares”	all the issued shares in Target C
“Target C SPA”	the share purchase agreement in respect of the sale and purchase of all the Target C Shares and the assignment of the Target C Loan (if any) entered into between the Company and the Purchaser on 26 September 2024

“Target C SPA Conditions”	the conditions precedent to Target C Completion and “ Target C SPA Condition ” means any one of them
“Target D”	K11 Loyalty Program Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Target D Completion”	completion of the Target D SPA
“Target D Consideration”	the total consideration for the sale of the Target D Shares and the assignment of the Target D Loan (if any)
“Target D Loan”	all the loans owing by Target D to Vendor A as at the date of Target D Completion, if any
“Target D Group”	Target D and its subsidiaries
“Target D Shares”	all the issued shares in Target D
“Target D SPA”	the share purchase agreement in respect of the sale and purchase of all the Target D Shares and assignment of the Target D Loan (if any) entered into between Vendor A and the Purchaser on 26 September 2024
“Target D SPA Conditions”	the conditions precedent to Target D Completion and “ Target D SPA Condition ” means any one of them
“Target E”	Globo Travel Agency Limited, a company incorporated under the laws of Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Target E Completion”	completion of the Target E SPA
“Target E Consideration”	the total consideration for the sale of the Target E Shares and the assignment of the Target E Loan (if any)
“Target E Loan”	all the loans owing by Target E to Vendor B as at the date of Target E Completion, if any
“Target E Shares”	all the issued shares in Target E

“Target E SPA”		the share purchase agreement in respect of the sale and purchase of all the Target E Shares and assignment of the Target E Loan (if any) entered into between Vendor B and the Purchaser on 26 September 2024
“Target E SPA Conditions”		the conditions precedent to Target E Completion and “ Target E SPA Condition ” means any one of them
“Target SPA(s)”		collectively, the Target A SPA, the Target B SPA, the Target C SPA, the Target D SPA and the Target E SPA and “ Target SPA ” means any one of them
“Territory”		the territory which the licence granted under the Trademark Licensing Agreement covers and shall be worldwide
“Trademark”		the trademark, “K11”, in the word format and in other graphical representations, and any trademarks, marks, logos, signs, domain names and trade names which are related to and are used and applied on materials for the conduct of the business related to each of the K11 Properties where now existing or created and used in the past, and any mark, sign, logo, domain name or trade names which derive or are developed from “K11” anywhere in the world
“Trademark Agreement”	Licensing	the trademark licensing agreement entered into between the Licensors and the Purchaser on 26 September 2024
“Transactions”		all future transactions between members of the Purchaser Group and members of the Group in respect of provision of Services
“Vendor A”		K11 Group Limited, a company incorporated and registered in British Virgin Islands and a direct wholly-owned subsidiary of the Company
“Vendor B”		K11 Professional Company Limited, a company incorporated Hong Kong and a direct wholly-owned subsidiary of the Company

“Vendors” collectively, the Company, Vendor A and Vendor B

“%” per cent.

By Order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 26 September 2024

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