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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)

**POSSIBLE MAJOR TRANSACTION IN RELATION TO
PROPOSED SPIN-OFF AND SEPARATE LISTING OF THE REIT ON THE SSE
AND
POSSIBLE DISCLOSEABLE TRANSACTION IN RELATION TO THE REIT SUBSCRIPTION**

PROPOSED SPIN-OFF

Reference is made to the announcement of the Company dated 17 September 2026, in relation to the Proposed Spin-Off and separate listing of the REIT on the SSE.

After submitting the application materials in relation to the registration and listing of the REIT to the CSRC and the SSE on 17 September 2026, the SSE has provided the notice of acceptance for the Proposed Spin-Off on 19 September 2026.

The Proposed Spin-Off constitutes a spin-off under Practice Note 15. The Company has submitted the PN15 Application in relation to the Proposed Spin-Off to the Stock Exchange and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-Off.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15

As there is a PRC legal impediment, it is not feasible for the Company to provide its existing Shareholders with an assured entitlement to the Units in the REIT under the Proposed Spin-Off pursuant to paragraph 3(f) of Practice Note 15. Accordingly, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of Practice Note 15.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Group indirectly holds the entire equity interest in the Project Company, and in turn, the entire interest in the Asset. Upon completion of the Proposed Spin-Off, the Company's indirect interest in the Project Company, and in turn, the Asset will be reduced from 100% to 20%, the Project Company will cease to be a subsidiary of the Company and the financial results of the Asset will cease to be consolidated in the Group's consolidated financial statements.

Based on the latest information available to the Company as of the date of this announcement, the Asset Disposal, if materialised, will constitute a deemed disposal under Chapter 14 of the Listing Rules, and the highest applicable percentage ratio in respect of the Proposed Spin-Off may be 25% or more but less than 75%, therefore the Proposed Spin-Off may constitute a possible major transaction of the Company, and may be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules and Practice Note 15.

It is also expected that the Group will subscribe for 20% of the total number of units of the REIT in issue at the time of the proposed listing of the REIT. Based on the latest information available to the Company as of the date of this announcement, the highest applicable percentage ratio in respect of the REIT Subscription may be 5% or more but less than 25%, and the REIT Subscription may therefore constitute a possible discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the REIT Subscription may be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. The Company will make further announcement(s) in relation to the Proposed Spin-Off and/or circular (in the event that the Proposed Spin-Off requires Shareholders' approval) as and when appropriate in accordance with the requirements of the Listing Rules.

GENERAL

Depending on the final consideration of the Asset Disposal and the applicable percentage ratio(s), an EGM may need to be convened by the Company and held for the Shareholders to consider and, if thought fit, to approve the Proposed Spin-Off. As at the date of this announcement, to the knowledge of the Company, none of the Shareholders and their respective associates has any material interest in the Proposed Spin-Off and therefore no Shareholder will be required to abstain from voting on the resolution in respect of the Proposed Spin-Off at the EGM.

In the event that an EGM will be convened, an independent board committee, comprising all the independent non-executive Directors, will be established to advise the Shareholders in respect of the Proposed Spin-Off and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in this regard. A circular (if required) containing, among other things (i) details of the Proposed Spin-Off; (ii) the letter of recommendation of the independent board committee to the Shareholders in respect of the Proposed Spin-Off; (iii) the letter of advice from the independent financial adviser to the independent board committee and the Shareholders in respect of the Proposed Spin-Off; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Proposed Spin-Off is subject to, among other things, the prevailing market conditions and approvals from relevant authorities, including the CSRC and the SSE. Accordingly, the Proposed Spin-Off may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 17 September 2026, in relation to the Proposed Spin-Off and separate listing of the REIT on the SSE.

After submitting the application materials in relation to the registration and listing of the REIT to the CSRC and the SSE on 17 September 2026, the SSE has provided the notice of acceptance for the Proposed Spin-Off on 19 September 2026.

The Proposed Spin-Off constitutes a spin-off under Practice Note 15. The Company has submitted the PN15 Application in relation to the Proposed Spin-Off to the Stock Exchange and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-Off.

THE PROPOSED SPIN-OFF

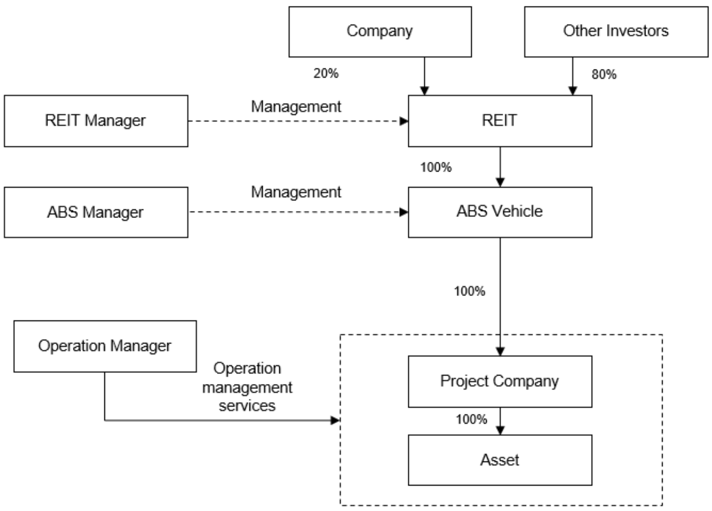
The Structure of the REIT and the REIT Offering

The Proposed Spin-Off will involve the separate listing of the REIT on the SSE, which will indirectly hold the entire interest in the Project Company, and in turn, the Asset.

For the purpose of the Proposed Spin-Off, (a) the REIT Manager will set up the REIT as a publicly offered commercial real estate investment trust fund for REIT Offering on the SSE at the expected size of approximately RMB3,818 million (based on the preliminary valuation of the Asset and the information available as at the date of this announcement) and (b) the ABS Manager will set up the ABS Vehicle as required by the applicable PRC laws and regulations. The REIT will indirectly hold the Asset through the ABS Vehicle and the Project Company upon completion of the Proposed Spin-Off.

It is currently expected that 20% of the total Units will be subscribed by the Group at an expected aggregate subscription price of approximately RMB764 million (the "**REIT Subscription**") and 80% of the total Units of the REIT will be subscribed by external investors at an expected aggregate price of approximately RMB3,054 million.

The structure of the REIT immediately upon completion of the Proposed Spin-Off is set out below:



Guotai Haitong Securities Co., Ltd. acts as the financial adviser to the REIT, and CITIC Securities Company Limited acts as the financial adviser to the Company, in each case in respect of the onshore aspects of the REIT Offering. BOCI Asia Limited acts as the financial adviser to the Company in respect of the Listing Rules related aspects of the REIT Offering.

Asset Disposal

As part of the Proposed Spin-Off and prior to completion of the Asset Disposal, certain internal reorganisations will be conducted while the Project Company will remain an indirect wholly-owned subsidiary of the Company. After the completion of the REIT Offering, the REIT will apply the proceeds from the REIT Offering to purchase all the securities issued by the ABS Vehicle and the Company will dispose of, and the ABS Vehicle will use, among other things, the proceeds from the REIT Offering to acquire, the entire equity interest in the Project Company (the "**Asset Disposal**").

Consideration of the Asset Disposal

It is currently expected that the consideration for the Asset Disposal will be approximately RMB4,014 million. The final consideration for the Asset Disposal will be announced as and when appropriate in accordance with the requirements of the Listing Rules.

In connection with the REIT Offering, an acquisition loan will be obtained by the ABS Vehicle or its wholly-owned subsidiary to fund part of the consideration of the Asset Disposal. The aggregate of the indicative offering size of the REIT and the acquisition loan is approximately the appraised value of the Asset. The consideration for the Asset Disposal will be equal to the sum of (i) the final offering size of the REIT Offering and (ii) the acquisition loan, as adjusted by, among others, the relevant land tenure renewal costs for the Asset. The consideration for the Asset Disposal will be settled by the net proceeds from the REIT Offering and the loan proceeds from the acquisition loan.

Conditions Precedent to the Asset Disposal

The payment of the consideration of the Asset Disposal is conditional upon, among others:

(a) the successful establishment of the REIT and the ABS Vehicle;

(b) the receipt of capital and shareholder's loan by the special purpose vehicle of the ABS Vehicle as part of the reorganisations;

(c) the delivery of certain corporate documents, the completion of the audit of the special purpose vehicle of the ABS Vehicle (including the Project Company); and

(d) the completion of relevant regulatory registration of the equity transfer as part of the reorganisations.

The consideration for the Asset Disposal will be paid within five business days upon the fulfilment of the conditions.

Operations Management Services

Following the completion of the Proposed Spin-Off, the Operation Manager, an indirect wholly-owned subsidiary of the Company, will be engaged by the REIT Manager to continue to provide operation management, property management and related management services in respect of the Asset, as the Operation Manager bears the brand memory and the organisational expertise in managing the Asset. The Asset will continue to be marketed under the Group's "K11" brand after the Proposed Spin-Off.

Conditions Precedent to the Proposed Spin-Off

The Proposed Spin-Off is conditional upon, among other things, the following conditions:

(a) approval of the CSRC of the registration of the REIT and the issuance of a no objection letter by the SSE in respect of the proposed listing of the REIT;

(b) the approval of the Stock Exchange in respect of the Proposed Spin-Off;

(c) the aggregate amount of interests in the REIT subscribed by investors being not less than 80% of the total approved registration amount of the REIT;

(d) the total amount of funds raised from the REIT Offering being at least RMB200 million and there being at least 1,000 investors participating in the REIT Offering;

(e) the Company, as the original owner of the Asset, subscribing for at least 20% interest in the REIT by way of participating in the strategic placing tranche, with 20% interest of the REIT held by the Company being subject to a lock-up period of 60 months and the remainder of the Company's interest in the REIT (if any) being subject to a lock-up period of 36 months; and

(f) after subtracting the strategic placing tranche, at least 70% of the public offering being sold to offline investors.

The Company has submitted the PN15 Application to the Stock Exchange, and the Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-Off.

The Proposed Spin-Off including the relevant definitive agreements and the terms of the REIT Offering, such as the size, price range and timetable of the REIT Offering, is subject to, among other things, the approval of the CSRC and the SSE and therefore may be amended.

FINANCIAL EFFECT OF THE PROPOSED SPIN-OFF

Upon completion of the Proposed Spin-Off, the REIT will indirectly hold the entire interest in the Asset and it is anticipated that the Company will hold 20% of the total Units of the REIT. Therefore, the Proposed Spin-Off will result in the reduction of the Company's indirect interest in the Asset from 100% to 20% and the financial results of the Asset will cease to be consolidated in the Group's consolidated financial statements upon completion of the Proposed Spin-Off. The REIT will be recognised as an associated company on the Group's consolidated financial statements after completion of the Proposed Spin-Off.

The overall impact on profit or loss that the Company expects to record from the Proposed Spin-Off will include the difference between the consideration of the Asset Disposal, which depends on, among other things, the offer price of the REIT, and the carrying value of the Project Company in the consolidated accounts of the Company, and the relevant transaction costs.

The offer price of the REIT has not been fixed yet and is subject to price inquiry for the REIT Offering. The actual amount of gain or loss as a result of the Proposed Spin-Off will be assessed after its completion and will be subject to the review and final audit by the auditors of the Company and any further adjustments as required under the Hong Kong Financial Reporting Standards.

USE OF PROCEEDS

Based on the preliminary valuation of the Asset and the information available as at the date of this announcement, and excluding subscription amount payable by the Group for the REIT Subscription and related costs and taxes, the estimated net proceeds to be received by the Group from the Proposed Spin-Off will be approximately RMB3,240 million, which will be used by the Group for loan repayment and general corporate purposes, thereby improving the Group's liquidity, reducing its overall indebtedness and gearing position through deleveraging.

REASONS FOR AND BENEFITS OF THE PROPOSED SPIN-OFF

The Directors consider that the Proposed Spin-Off is beneficial and in the interests of the Shareholders for the following reasons:

(a) the Group will receive net proceeds of approximately RMB3,240 million after the Proposed Spin-Off (i.e. the consideration of the Asset Disposal less the subscription amount payable by the Group for the REIT Subscription and other related costs and taxes), the net proceeds from the Asset Disposal will enable the Group to recycle capital and free up resources on the Group's balance sheet to be further deployed on other projects to support future growth and fund its operation, enabling the Group to improve its liquidity, reduce its overall indebtedness and gearing position through deleveraging;

(b) in addition to the consideration to be received by the Group for the Asset Disposal, the Group will continue to receive management fees from the provision of operational management services to the Asset after completion of the Proposed Spin-Off;

(c) as required under the relevant SSE rules, unitholders of the REIT will expect to receive a net cash flow distribution rate each year for the next two years that, in principle, will not be lower than the 10-year China government bond yield on the valuation date plus 150 basis points. The Company will hold 20% of the Units upon the completion of the Proposed Spin-Off. In the long term, the Company will continue to benefit from the business prospects and results of the REIT through stable returns in the form of distributions as a unitholder of the REIT;

(d) after the Proposed Spin-Off, the value of the Asset will be reflected by market price, which will lead to a reasonable and authoritative evaluation of the interest held by the Company in the Asset;

(e) the Proposed Spin-Off provides an opportunity for the Group to optimise its financial profile, strengthen the influence of its brand, enhance the market image and reputation of the Group, thereby continuing to enhance its ability to attract strategic investors; and

(f) the Proposed Spin-Off will enable the Group to realise the value of the Asset at or closer to its net asset value, which is currently not fully reflected in the trading price of the shares of the Company.

In view of the above, the Directors believe that the terms of the Proposed Spin-Off are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Distribution Waiver

Based on the historical performance of the Asset, the REIT has a targeted distributable amount for the first two calendar years following listing, which will be disclosed in the offering document of the REIT Offering (the "**Target Distribution**"). The Group has undertaken to waive its entitlement to receive distributions for the first two calendar years following listing, on a pro-rated basis (to the extent necessary to enable the remaining unitholders of the REIT to achieve the Target Distribution) (the "**Distribution Waiver**"). The Distribution Waiver is designed to enhance the overall subscription rate of the REIT Offering and thereby increase the likelihood of a successful listing of the REIT. By providing assurance to prospective investors that the Target Distribution will be met in respect of their Units during the initial two financial years, the Distribution Waiver is intended to make the REIT Offering more attractive to a broader base of investors and to strengthen overall demand. The primary commercial objective of the Group in proceeding with the Proposed Spin-Off is to realise the value of the Asset and to receive gross proceeds from the Asset Disposal, and the successful listing of the REIT is a prerequisite to the completion of the Proposed Spin-Off. In the long term, the Group expects to receive stable and recurring distributions from the REIT as a unitholder. In light of the above, the Company considers that the Distribution Waiver is fair and reasonable and is in the interests of the Company and the Shareholders.

INFORMATION ON THE PARTIES

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.

The Project Company

The Project Company is a company established in the PRC with limited liability and it is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. The Project Company is principally engaged in holding investments and properties in the PRC.

The Asset is a mixed-use property located at 300 Huaihai Road Central, Huangpu District, Shanghai, comprising Shanghai K11 Art Mall and Shanghai K11 ATELIER NWT. The Asset has a total gross floor area of approximately 130,384 square metres, of which approximately 35,473 square metres is commercial space, approximately 80,549 square metres is office space and approximately 14,362 square metres is carparks and ancillary areas. As at the date of this announcement, the Asset is indirectly wholly-owned by the Company through the Project Company.

The table below sets out the unaudited key financial information of the Project Company for the two financial years ended 30 June 2024 and 30 June 2025 and for the six months ended 31 December 2025 prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the financial year ended 30 June		**For the six months ended 31 December**
	2024	**2025**	**2025**
	HK$ million	**HK$ million**	**HK$ million**
	(unaudited)	**(unaudited)**	**(unaudited)**
Revenue	386.45	368.57	169.82
Profit before taxation	190.38	227.78	88.16
Profit after taxation	159.20	185.80	70.71

The unaudited total equity of the Project Company as at 31 December 2025 prepared in accordance with the Hong Kong Financial Reporting Standards was approximately HK$6,662 million. Based on the preliminary valuation, the indicative value of the Asset as at 31 March 2026 was approximately RMB4,568 million (approximately HK$5,281 million), assuming that the land tenure for the Asset has been renewed.

The Operation Manager

The Operation Manager is a company established in the PRC with limited liability and is principally engaged in provision of operation management, property management and related management services. The Operation Manager is an indirect wholly-owned subsidiary of the Company.

The REIT Manager

The REIT Manager is GF Fund Management Co., Ltd. (廣發基金管理有限公司), a company established in the PRC with limited liability and is 54.33% owned by GF Securities Co., Ltd. (廣發証券股份有限公司) (stock code: 1776). It is licensed for fund management business and is principally engaged in fund formation, sale of funds and asset management as approved by the CSRC.

The REIT Manager will be responsible for making decisions in respect of the investment and management of the Asset, including but not limited to annual budgets, approval of operation plans, etc. The REIT Manager will also implement rules for approving connected transactions and mechanism for handling conflict of interests situations to ensure that the REIT will operate independently.

The ABS Manager

The ABS Manager is Ruiyuan Capital Management Co., Ltd. (瑞元資本管理有限公司), a company established in the PRC with limited liability and is wholly-owned by GF Fund Management Co., Ltd. (廣發基金管理有限公司). It is licensed for securities and futures businesses and is principally engaged in asset management business as approved by the CSRC. The ABS Manager will manage the ABS Vehicle.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the REIT Manager and the ABS Manager and their respective ultimate beneficial owners are Independent Third Parties.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15

Paragraph 3(f) of Practice Note 15 requires a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

As advised by the PRC legal adviser of the Company, according to the relevant provisions of the Fund Guidelines, only the following types of investors can invest in units of the REIT (the "**Qualified Investors**"):

(a) offline investors, which are securities companies, fund management companies, trust companies, financial companies, insurance companies, qualified foreign institutional investors, commercial banks and their wealth management subsidiaries, qualified private equity fund managers, other professional institutional investors recognised by the CSRC, and security funds, such as the National Social Security Fund, basic pension insurance funds and annuity funds;

(b) strategic investors, which are professional institutional investors; and

(c) public investors, who are investors holding securities accounts or over-the-counter fund accounts, including Chinese citizens, foreigners with Chinese permanent residence status, common institutional investors, Hong Kong, Macao Special Administrative Region of the PRC and Taiwan residents living and working in the PRC, other special institutions and lawfully established products (including but not limited to securities companies and their asset management subsidiaries, insurance companies, fund management companies, trust companies, securities investment funds, social security funds, qualified foreign institutional investors and Renminbi qualified foreign institutional investors).

In addition to the requirements under the Fund Guidelines, the "Administrative Measures for Domestic Securities and Futures Investments by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors" also requires foreign investors (i.e. those outside of the PRC) to be "qualified foreign institutional investors" and "RMB qualified foreign institutional investors" approved by the CSRC.

Pursuant to the No. 4 Announcement, foreign institutional investors admitted to the interbank bond market (including sovereign institutions, commercial banks, insurance companies, securities companies, fund management companies and other financial institutions established outside the PRC, as well as pension funds, charitable funds and endowment funds) may invest in exchange-traded bond market products directly or through interconnection arrangements. However, as advised by the PRC legal adviser of the Company, it remains to be clarified by the relevant PRC authorities whether commercial real estate investment trust funds listed on the SSE fall within the scope of products that such foreign institutional investors are permitted to invest in under the No. 4 Announcement.

Even if certain Shareholders were Qualified Investors, the Company would not be able to guarantee that such Shareholders would be allocated Units in the REIT Offering. Under the Fund Guidelines and the relevant rules of the SSE, the REIT Offering comprises three tranches, namely (i) strategic placing, (ii) offline placing and (iii) public offering, none of which would enable the Company to provide an assured entitlement to the Shareholders:

(a) strategic placing: the REIT manager has the discretion to determine the strategic placing ratio and to select strategic investors. Accordingly, the Company is unable to guarantee that any professional institutional investors among the Shareholders would be able to participate in, or obtain Units through, the strategic placing;

(b) offline placing: participation by offline investors is conditional upon such investors submitting valid bids during the price inquiry process, and the conditions for participation, valid bid requirements, placing principles and methods are determined by the REIT manager and the financial adviser. Accordingly, the Company is unable to guarantee that all Qualified Investors among the Shareholders would be able to obtain Units through the offline placing; and

(c) public offering: Qualified Investors among the Shareholders who participate as public investors would be on an equal footing with all other public investors and would not enjoy any priority over other public investors. The Company is unable to determine in advance the results of the public offering. Accordingly, the Company is unable to guarantee that all Qualified Investors among the Shareholders would be able to obtain Units through the REIT Offering.

In addition, pursuant to relevant requirements of the Fund Guidelines, the total proportion of fund units strategically placed with the original equity holder or its related parties under common control must not be less than 20% of the total fund units sold, of which 20% of the total fund units offered shall be held for a period of not less than 60 months from the listing date, whilst the portion exceeding 20% shall be held for a period of not less than 36 months from the listing date. As advised by the PRC legal adviser of the Company, since it is proposed that the Company (through its subsidiary) may hold more than 20% of the Units upon completion of the REIT Offering, the Company (through its subsidiary) will be required to hold 20% of the Units for at least 60 months and the Units in excess of 20% for at least 36 months from the date of completion of the REIT Offering pursuant to the Fund Guidelines. Therefore, pursuant to the existing PRC laws and regulations, it is impractical to transfer or distribute the Units to the Shareholders during the said lock-up periods after the listing of the REIT.

After due and careful consideration of the Proposed Spin-Off and having taken into account the advice from the PRC legal adviser on the legal impediments in fulfilling such requirement, the Board considers that it is not feasible for the Company to comply with paragraph 3(f) of Practice Note 15 in connection with the Proposed Spin-Off. Accordingly, the Board considers that the Proposed Spin-Off and the non-provision of the assured entitlement in relation to the Proposed Spin-Off are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Company has also applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of Practice Note 15 of the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Group indirectly holds the entire equity interest in the Project Company, and in turn, the entire interest in the Asset. Upon completion of the Proposed Spin-Off, the Company's indirect interest in the Project Company, and in turn, the Asset will be reduced from 100% to 20%, the Project Company will cease to be a subsidiary of the Company and the financial results of the Asset will cease to be consolidated in the Group's consolidated financial statements. Based on the latest information available to the Company as of the date of this announcement, the Asset Disposal, if materialised, will constitute a deemed disposal under Chapter 14 of the Listing Rules, and the highest applicable percentage ratio in respect of the Proposed Spin-Off may be 25% or more but less than 75%, therefore the Proposed Spin-Off may constitute a possible major transaction of the Company, and may be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules and Practice Note 15.

Based on the latest information available to the Company as of the date of this announcement, the highest applicable percentage ratio in respect of the REIT Subscription may be 5% or more but less than 25%, and the REIT Subscription may therefore constitute a possible discloseable transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the REIT Subscription may be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Irrevocable Undertakings

On 19 September 2026, the Controlling Shareholder executed an irrevocable undertaking in favour of the Company, pursuant to which, the Controlling Shareholder has irrevocably undertaken to the Company that if an EGM is convened, it will, and will procure the other relevant members of its group to, cast all votes in respect of the Shares they respectively hold (including 1,140,728,609 Shares (representing approximately 45.33% of the issued share capital of the Company as of the date of this announcement) held as at the date of this announcement) in favour of any resolution(s) which may be put to the Shareholders at the EGM to approve the Proposed Spin-Off.

The irrevocable undertaking shall terminate at the earliest of (i) immediately following the conclusion of the EGM to approve the Proposed Spin-Off; (ii) the date on which the Company announces that no EGM is required to be convened and held to approve the Proposed Spin-Off; and (iii) such other date as may be agreed between the Controlling Shareholder and the Company.

GENERAL

Depending on the final consideration of the Asset Disposal and the applicable percentage ratio(s), an EGM may need to be convened by the Company and held for the Shareholders to consider and, if thought fit, to approve the Proposed Spin-Off. As at the date of this announcement, to the knowledge of the Company, none of the Shareholders and their respective associates has any material interest in the Proposed Spin-Off and therefore no Shareholder will be required to abstain from voting on the resolution in respect of the Proposed Spin-Off at the EGM.

In the event that an EGM will be convened, an independent board committee, comprising all the independent non-executive Directors, will be established to advise the Shareholders in respect of the Proposed Spin-Off and an independent financial adviser will be appointed to advise the independent board committee and the Shareholders in this regard. A circular (if required) containing, among other things (i) details of the Proposed Spin-Off; (ii) the letter of recommendation of the independent board committee to the Shareholders in respect of the Proposed Spin-Off; (iii) the letter of advice from the independent financial adviser to the independent board committee and the Shareholders in respect of the Proposed Spin-Off; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules, will be despatched to the Shareholders as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Proposed Spin-Off is subject to, among other things, the prevailing market conditions and approvals from relevant authorities, including the CSRC and the SSE. Accordingly, the Proposed Spin-Off may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context otherwise requires:

"ABS Manager"	Ruiyuan Capital Management Co., Ltd. (瑞元資本管理有限公司), a company established in the PRC with limited liability and an Independent Third Party, being the manager of the ABS Vehicle
"ABS Vehicle"	the asset-backed special scheme to be held by the REIT and managed by the ABS Manager
"Asset"	Shanghai Hong Kong New World Tower, which comprises Shanghai K11 Art Mall and Shanghai K11 ATELIER NWT
"Asset Disposal"	has the meaning ascribed to it in the section of this announcement headed "Asset Disposal"
"Board"	the board of Directors

“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability and whose issued Shares are listed on the Main Board of the Stock Exchange
“Controlling Shareholder”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, being a controlling shareholder of the Company
“CSRC”	China Securities Regulatory Commission
“Directors”	the directors of the Company
“Distribution Waiver”	has the meaning ascribed to it in the section of this announcement headed “Distribution Waiver”
“EGM”	an extraordinary general meeting of the Company to be held as a hybrid meeting to, among other things, consider and, if thought fit, approve the Proposed Spin-Off
“Fund Guidelines”	“Guidelines for Public Offering of Infrastructure Securities Investment Fund (Trial)” （《公開募集基礎設施證券投資基金指引（試行）》） (CSRC Announcement No. 54 of 2020), which is subsequently updated by “Decision on Amending Article 50 of the “Guidelines for Public Offering of Infrastructure Securities Investment Fund (Trial)”（《關於修改〈公開募集基礎設施證券投資基金指引(試行)〉第五十條的決定》）(CSRC Announcement No. 55 of 2023)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	person(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is not a connected person of the Company pursuant to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"No. 4 Announcement"	Announcement No. 4 of 2022 of the People's Bank of China, the CSRC and the State Administration of Foreign Exchange
“Operation Manager”	Shanghai Kaishiyi Commercial Management Co., Ltd.* (上海凱詩怡商業管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

"PN15 Application"	the application made by the Company to the Stock Exchange pursuant to Practice Note 15 on the Proposed Spin-Off
"Practice Note 15"	Practice Note 15 of the Listing Rules
"PRC"	the People's Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Project Company"	Shanghai New World Huaihai Property Development Co., Ltd.* (上海新世界淮海物業發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Proposed Spin-Off"	the proposed spin-off and separate listing of the REIT on the SSE, which will indirectly hold the entire interest in the Project Company, and in turn, the Asset
"Qualified Investors"	has the meaning ascribed to it in the section of this announcement headed "WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(F) OF PRACTICE NOTE 15"
"REIT"	a publicly offered commercial real estate investment trust fund set up by the REIT Manager
"REIT Manager"	GF Fund Management Co., Ltd. (廣發基金管理有限公司), a company established in the PRC with limited liability and an Independent Third Party, being the manager of the REIT
"REIT Offering"	the public offering of the Units under the Proposed Spin-Off
"REIT Subscription"	has the meaning ascribed to it in the section of this announcement headed "The Structure of the REIT and the REIT Offering"
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of the Company
"Shareholder(s)"	registered holder(s) of the Shares
"SSE"	Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Distribution"	has the meaning ascribed to it in the section of this announcement headed "Distribution Waiver"
"Unit(s)"	the unit(s) of the REIT
"%"	per cent

In this announcement, unless the context requires otherwise, the terms "associate(s)", "connected person(s)", "controlling shareholder(s)", "percentage ratio(s)" and "subsidiary(ies)" shall have the meanings given to such terms in the Listing Rules.

* *The English names of Chinese entities and authorities marked with "*" are translations of their Chinese names and are included in this announcement for identification purposes only, and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.*

By Order of the Board
Lau Fu-Keung **Hui Ka-Wai**
Joint Company Secretaries

Hong Kong, 20 September 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.