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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)

DISCLOSEABLE TRANSACTION EARLY TERMINATION OF AGREEMENT FOR SUB-LEASE

EARLY TERMINATION OF AGREEMENT FOR SUB-LEASE

The Board hereby announces that, on 30 September 2026 (after trading hours), the Company, Roxy and the Airport Authority entered into the Termination Deed, pursuant to which the parties have agreed to bring the Agreement for Sub-Lease and the other ASL Documents to an early termination prior to the expiry of the term of the Agreement for Sub-Lease on 17 September 2066. In connection with the Termination, Roxy has agreed to surrender the Site and the Development to the Airport Authority on the Termination Date.

LISTING RULES IMPLICATIONS

As the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Termination is more than 5% but less than 25%, the Termination constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements but is exempt from the shareholders' approval requirement under the Listing Rules.

INTRODUCTION

On 30 May 2018, Roxy (an indirect wholly-owned subsidiary of the Company) and the Airport Authority entered into the Agreement for Sub-Lease pursuant to which Roxy had agreed to construct and operate the Development on the Site at the Hong Kong International Airport and the Airport Authority had agreed to grant Roxy a sub-lease over the Development and the Site based on the terms and conditions contained therein.

The Board hereby announces that, on 30 September 2026 (after trading hours), the Company, Roxy and the Airport Authority entered into the Termination Deed, pursuant to which the parties have agreed to bring the Agreement for Sub-Lease and the other ASL Documents to an early termination prior to the expiry of the term of the Agreement for Sub-Lease on 17 September 2066. In connection with the Termination, Roxy has agreed to surrender the Site and the Development to the Airport Authority on the Termination Date.

TERMINATION

Termination Deed

Principal terms of the Termination Deed are summarised below:

Date:	30 September 2026 (after trading hours)
Parties:	(i) The Company (ii) Roxy (iii) The Airport Authority
Surrender, Termination and Release:	Roxy has agreed to surrender the Site and the Development to the Airport Authority and the Airport Authority has agreed to accept such surrender from Roxy on the Termination Date. The Site and the Development shall be yielded up and accepted by the Airport Authority in their physical state and condition as at the Termination Date on an "as is" basis. The parties have agreed to terminate the Agreement for Sub-Lease and the other ASL Documents with effect from the Termination Date. All rights and obligations of Roxy and the Airport Authority arising out of the ASL Documents shall terminate with effect from the Termination Date. The Airport Authority has agreed to irrevocably and unconditionally, with effect from the Termination Date, release, and shall procure all other members of the Airport Authority Group to release, Roxy and its affiliates from any and all claims and liabilities arising out of or in connection with any of the Agreement for Sub-Lease and the other ASL Documents, the termination thereof, any breach thereof, the Site or the Development. The Airport Authority has further agreed to release all performance bonds placed by Roxy or its affiliates with the Airport Authority under the Agreement for Sub-Lease. The Airport Authority agrees that, pending Termination, it will not exercise or enforce its rights under the ASL Documents in relation to payment of any rent under the ASL. Subject to Termination, Roxy Group shall have no further obligations to pay any rent from the date of the Termination Deed. The above-mentioned surrender, termination and release are conditional upon, among other things, the execution of a deed of surrender and compliance with certain payment and related obligations.
Passing of risk, title and benefit:	Upon Termination, the risk, title and benefit in and to the Site and the Development shall pass to the Airport Authority.
Early Termination Fee:	The Company and Roxy shall, jointly and severally, pay an early termination fee in the aggregate amount of HK\$2,300,000,000 to the Airport Authority on the Termination Date.
Pre-Handover Works:	Prior to the Termination, the Company or Roxy shall provide the Pre-Handover Works at no cost to the Airport Authority, subject

to a cap of HK\$215 million, and any amount in excess shall count towards the Services Cap.

Post-Handover Works: Following Termination, the Company or Roxy shall provide the Post-Handover Works at no cost to the Airport Authority, until the earlier of (a) the date falling two years after the Termination Date; and (b) the date on which the aggregate costs of the Post-Handover Works and the Pre-Handover Works have reached the Services Cap.

If requested by the Airport Authority, Roxy shall provide property management services as may be agreed between Roxy and the Airport Authority for any period ending no later than five years after the Termination Date at a fee payable by the Airport Authority equal to the cost of such services.

Entertainment facilities: Roxy and the Company have agreed to procure the continuous operation of “Kidzania” and “Timeless Flight” in the Development for an agreed period.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Airport Authority is a third party independent of the Company and its connected persons.

Basis of Determination of the Early Termination Fee and the Services Cap

The Early Termination Fee was arrived at through arm's length negotiations between the Company and the Airport Authority with reference to, among other things, the expected future capital commitments and operating costs and expenses expected to arise from the Development's continued operation as further described in the section headed “Reasons for and Benefits of the Termination” below. The Group intends to pay the Early Termination Fee from its internal resources.

OPTION GRANTED BY CTFE TO THE AIRPORT AUTHORITY

The Company has been informed by CTFE that, concurrent with the Termination, CTFE has entered into the Option Deed with the Airport Authority on 30 September 2026 (after trading hours), pursuant to which CTFE has granted the Airport Authority an option (the “**Option**”) to acquire from CTFE the Option Shares. The consideration for the grant of the Option is HK\$1.

The Option is exercisable once only, in respect of all (but not part) of the Option Shares, within three years from the date the Option becomes exercisable. The Option shall only become exercisable, among others, when transfer of the Option Shares would not breach any bank covenants and it can only be exercised when the transfer will not result in the Airport Authority becoming the single largest Shareholder. The Airport Authority shall pay the Exercise Price upon exercise of the Option. If the Option is exercised by the Airport Authority, the Option Shares so transferred will be subject to a lock-up until 30 September 2032.

CTFE has indicated to the Company that it intends to retain control of the Company and to remain the single largest Shareholder and would welcome any investment in the Company by the Airport Authority.

INFORMATION ON THE GROUP AND THE AIRPORT AUTHORITY

The Company is a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0017). The Group is

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

The Airport Authority, a statutory body wholly-owned by the Government, is responsible for the operation and development of the Hong Kong International Airport and is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE TERMINATION

As the Development approaches completion, the Board has reviewed the Group's capital position, cash flow requirements and strategic priorities, and has weighed the capital commitments and operating costs and expenses expected to arise from the Development's continued operation against the Group's current financial position, broader capital allocation plans and its overarching deleveraging objective in the short-to-medium term.

By effecting the Termination, the Group will cease to have to continue with its capital commitment in respect of the Development and will be released from its obligations under the long lease to be granted pursuant to the Agreement for Sub-Lease.

The Directors therefore consider that the terms of the Termination Deed, the transactions contemplated thereunder and the Termination are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TERMINATION

The Termination is regarded as a disposal of assets by the Group within the meaning of Rule 14.04(1)(a) of the Listing Rules.

According to the Company's annual results announcement for the year ended 30 June 2026, in relation to the Development, the Group recorded on its financial statements (i) investment properties for office portion of approximately HK\$1,443 million and (ii) lease liabilities for office portion of approximately HK\$1,501 million.

Upon signing of the Termination Deed, the Group recorded a net loss of HK\$18,321.5 million, such net loss comprises of the following and has already been reflected in the Company's annual results announcement for the year ended 30 June 2026, comprising:

- (i) impairment losses against the contract assets and prepayment associated with the construction revenue rendered of HK\$14,722.0 million;
- (ii) early termination cost of HK\$2,300.0 million;
- (iii) provision for Pre-Handover Works and Post-Handover Works of HK\$1,049.5 million, payable on the Termination Date; and
- (iv) a loss of HK\$250.0 million, which represents the fair value of the Option issued by CTFE to the Airport Authority.

The investment properties and associated lease liabilities were classified as assets and liabilities of disposal groups held for sale, which relate to the office portion of the Development and expected to be derecognised on the Termination Date.

LISTING RULES IMPLICATIONS

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a discloseable transaction for the Company and is subject to reporting and announcement requirements but is exempt from the shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

"Agreement for Sub-Lease"	the agreement for sub-lease dated 30 May 2018 between the Airport Authority and Roxy relating to the Site and the Development, as modified and supplemented from time to time
"Airport Authority"	the Airport Authority, a statutory body established and operating pursuant to the Airport Authority Ordinance (Chapter 483 of the Laws of Hong Kong)
"Airport Authority Group"	the Airport Authority and its subsidiaries from time to time
"ASL Documents"	the Agreement for Sub-Lease, and the documents relating to the Agreement for Sub-Lease, those documents supplementing or modifying the Agreement for Sub-Lease, the Site or the Development entered into between any member of the Roxy Group and any member of the Airport Authority Group (or its subsidiaries from time to time)
"Board"	the board of Directors of the Company
"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 (Stock Code: 0017)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CTFE"	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, being a controlling Shareholder
"Development"	the buildings constructed and developed in accordance with the Agreement for Sub-Lease, comprising, among other things, retail, dining and entertainment facilities at the Site
"Directors"	the director(s) of the Company
"Early Termination Fee"	HK\$2,300,000,000
"Exercise Price"	HK\$2,250,000,000, being the exercise price payable by the Airport Authority to CTFE for the exercise of the Option
"Government"	the Government of Hong Kong
"Group"	the Company and its subsidiaries from time to time
"HK\$"	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	has the meaning ascribed to it in the section headed “Option granted by CTFE to the Airport Authority” of this announcement
“Option Deed”	the option deed dated 30 September 2026 entered into by CTFE and the Airport Authority in relation to, among other things, the grant of the Option
“Option Shares”	750,000,000 ordinary shares of the Company
“Post-Handover Works”	certain works and services in relation to the Development as agreed between Roxy and the Airport Authority to be provided by Roxy Group after Termination
“Pre-Handover Works”	certain works and services in relation to the Development as agreed between Roxy and the Airport Authority to be provided by Roxy Group before Termination
“Roxy”	Roxy Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Roxy Group”	Roxy and its holding companies and subsidiaries and any subsidiaries of any such holding companies from time to time
“Services Cap”	HK\$834.5 million, and for the purpose of calculating whether this cap has been reached, the first HK\$215 million of the Pre-Handover Works costs shall be disregarded, and only (i) any Pre-Handover Works costs in excess of that threshold; (ii) the Post-Handover Works costs; and (iii) certain optional services payment, shall be counted towards the cap
“Shareholder(s)”	the shareholder(s) of the Company
“Site”	Site A2 and Site A3 of SKYCITY (Chek Lap Kok Lot No.3) together with certain strata of airspace over two roads at Hong Kong International Airport
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Termination”	the early termination of the Agreement for Sub-Lease and the other ASL Documents, with effect from the Termination Date
“Termination Date”	1 April 2027

“Termination Deed”

the termination deed dated 30 September 2026 entered into by the Company, Roxy and the Airport Authority in relation to, among other things, the Termination

“%”

per cent.

By Order of the Board

Lau Fu-Keung Hui Ka-Wai

Joint Company Secretaries

Hong Kong, 30 September 2026

As at the date of this announcement, the Board 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.