

**THIS DOCUMENT AND THE ACCOMPANYING DOCUMENTS (IF ANY) ARE
IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New World Development Company Limited (the "Company"), you should at once hand this Prospectus and the accompanying PAL(s) and EAF(s) to the purchaser(s) or other transferee(s) or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Issue Documents, together with copies of the documents specified in the section headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 38D of the Companies Ordinance of Hong Kong. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of the documents referred to above. You should read the whole of this Prospectus including the discussions of certain risks and other factors as set out in the section headed "Warning of the risks of dealing in Shares and nil-paid Rights Shares".

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The securities described herein have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the United States.

The Rights Shares in both their nil-paid and fully-paid forms are being offered outside the United States in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of the nil-paid Rights Shares or fully-paid Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the nil-paid Rights Shares or fully-paid Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

The Rights Issue will not be extended to the Overseas Shareholders with registered addresses in Canada, the Channel Islands (Jersey), Cyprus, Malaysia, the Netherlands, Papua New Guinea, the Philippines, the PRC, Singapore, South Africa, Thailand, the United Kingdom and the United States. This Prospectus, has not been lodged or registered with any of the relevant authorities in these jurisdictions. No subscription for Rights Shares will be accepted from the Overseas Shareholders with registered addresses in these jurisdictions. No person receiving the Prospectus in these jurisdictions may treat this Prospectus as constituting an invitation or offer to him/her/it. No purported acceptances of Rights Shares or application for excess Rights Shares from any Overseas Shareholders in these jurisdictions will be valid nor will they be accepted by the Company.

Capitalised terms used herein shall have the same meanings as those defined in this Prospectus, unless otherwise stated.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

RIGHTS ISSUE OF RIGHTS SHARES

AT HK\$5.68 EACH

ON THE BASIS OF

**ONE RIGHTS SHARE FOR
EVERY TWO SHARES HELD
ON THE RECORD DATE**

**Joint Bookrunners to the Rights Issue
(in alphabetical order)**

HSBC 

**Standard
Chartered** 

The Shares have been dealt in on an ex-rights basis since Monday, 24 October 2011. Dealings in the Rights Shares in their nil-paid form are expected to take place from Thursday, 10 November 2011 to Thursday, 17 November 2011 (both days inclusive). Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and any dealings in the Rights Shares in their nil-paid form between Thursday, 10 November 2011 to Thursday, 17 November 2011 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form. If they are in doubt about their position, they should consult their professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 22 November 2011. The procedures for acceptance and payment and/or transfer of the Rights Shares in their nil-paid form are set out in the "Letter from the Board" on pages 14 to 40 of this Prospectus.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions granting the Joint Bookrunners the right to terminate the Underwriting Agreement if certain events (including force majeure) happen at any time prior to the Latest Termination Time. For further details, please refer to the section headed "Termination of the Underwriting Agreement" as set out on pages 7 to 10 of this Prospectus. In addition, the obligations of the Underwriters under the Underwriting Agreement are conditional on the conditions set out in the section headed "Conditions of the Rights Issue" as set out on pages 32 to 34 of this Prospectus being fulfilled or waived (as applicable).

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Joint Bookrunners not having terminated the Underwriting Agreement in accordance with the terms thereof. If the conditions of the Rights Issue are not fulfilled or the Joint Bookrunners terminate the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and the Rights Shares in their nil-paid and fully-paid forms, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

8 November 2011

CONTENTS

	<i>Page</i>
Definitions	1
Termination of the Underwriting Agreement	7
Expected Timetable	11
Summary of the Rights Issue	13
Letter from the Board	14
1. Introduction	14
2. Rights Issue	15
3. Underwriting Arrangements	27
4. Conditions of the Rights Issue	32
5. Reasons for the Rights Issue and Use of the Proceeds	35
6. Effect of the Rights Issue on Shareholdings in the Company	37
7. Adjustment to the Convertible Bonds and Possible Adjustment to the Share Options	37
8. Share Certificates for Rights Shares and Refund Cheques for Rights Issue	38
9. Previous Fund Raising Exercise of the Company	38
10. Taxation	38
11. Warning of the Risks of Dealing in Shares and Nil-paid Rights Shares	39
12. Additional Information	40
Appendix I – Financial Information of the Group	41
Appendix II – Unaudited Pro Forma Financial Information of the Group	51
Appendix III – Statutory and General Information	55
Appendix IV – Joint Announcement Dated 31 October 2011	86

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 18 October 2011 regarding the Rights Issue
“Board”	the board of Directors
“business day”	any day (other than a Saturday, a Sunday or a day on which typhoon signal no. 8 or a “black” rainstorm warning is hoisted in Hong Kong) on which banks generally are open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Committed Shares”	the 808,158,774 Rights Shares which the Major Shareholder has irrevocably undertaken to subscribe or procure to subscribe for under the Rights Issue
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time
“Company”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Conversion and Subscription Rights”	the conversion rights attaching to the Convertible Bonds and the subscription rights attaching to the Vested Share Options
“Convertible Bonds”	the Zero Coupon Convertible Bonds due 2014 of an aggregate principal amount of HK\$6,000.00 million issued by Sherson Limited, a wholly-owned subsidiary of the Company, in 2007 and guaranteed by the Company, convertible into Shares at the adjusted conversion price of HK\$23.842 per Share (subject to further adjustments, if any) at any time up to the close of business on 25 May 2014, such Convertible Bonds being listed on the Singapore Exchange Securities Trading Limited
“Despatch Date”	Tuesday, 8 November 2011, being the date of the despatch of the Issue Documents

DEFINITIONS

“Director(s)”	the director(s) of the Company
“EAF(s)”	the application form(s) for excess Rights Shares
“Easywin”	Easywin Enterprises Corporation Limited, a wholly-owned subsidiary of the Company
“Final Acceptance Date”	Tuesday, 22 November 2011, being the last date for acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Irrevocable Undertaking”	the irrevocable undertaking dated 17 October 2011 given by the Major Shareholder in favour of the Company and the Joint Bookrunners
“Issue Documents”	this Prospectus, the PAL and the EAF collectively
“Joint Bookrunners”	HSBC and Standard Chartered (in alphabetical order)
“Last Closing Price”	the closing price of HK\$9.00 per Share as quoted on the Stock Exchange on the Last Trade Day

DEFINITIONS

“Last Trade Day”	Monday, 17 October 2011, being the last full trading day for the Shares before the release of the Announcement
“Latest Practicable Date”	Monday, 31 October 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Termination Time”	5:00 p.m. on the third business day after the Final Acceptance Date
“Listing Committee”	has the meaning as ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholder”	Chow Tai Fook Enterprises Limited, a substantial shareholder of the Company
“Major Shareholder’s Subsidiaries”	subsidiaries of the Major Shareholder which are beneficially interested in the Shares, namely, Anderson & Kirkwood Limited, Wing Fung Development Company, Limited, Yu Yek Enterprises Company Limited and Fook Hop Securities Company Limited
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions and on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, consider it necessary or expedient not to offer the Rights Shares
“NWCL”	New World China Land Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“NWCL Record Date”	such date as NWCL may specify as the record date for determining entitlements to participate in the NWCL Rights Issue which is currently scheduled on Friday, 2 December 2011 as disclosed in the NWCL Rights Issue Announcement

DEFINITIONS

“NWCL Rights Issue”	the proposed issue by NWCL of not less than 2,881,306,455 NWCL Rights Shares and not more than 2,917,117,291 NWCL Rights Shares at HK\$1.49 per NWCL Rights Share by way of rights on the basis of one NWCL Rights Share for every two NWCL Shares held on the NWCL Record Date, the details of which are disclosed in the NWCL Rights Issue Announcement
“NWCL Rights Issue Announcement”	the announcement of NWCL dated 18 October 2011 relating to the NWCL Rights Issue
“NWCL Rights Shares”	new NWCL Shares proposed to be issued by NWCL under the NWCL Rights Issue
“NWCL Rights Shares Participation”	the entering into of the NWCL Underwriting Agreement under which the Company has agreed to underwrite not less than 893,067,998 NWCL Rights Shares and not more than 928,878,834 NWCL Rights Shares and the irrevocable undertaking of the Company to accept and to procure Easywin to accept the provisional allotment of the NWCL Rights Shares pursuant to their respective rights entitlements under the NWCL Rights Issue
“NWCL Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of NWCL
“NWCL Underwriting Agreement”	the conditional underwriting agreement dated 17 October 2011 entered into between the Company and NWCL in relation to the NWCL Rights Issue
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Overseas Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date and whose address(es) as shown on the register of members of the Company is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares

DEFINITIONS

“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, Macau and Taiwan
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appeared on the register of members of the Company on the Record Date
“Record Date”	Friday, 28 October 2011, being the date by reference to which entitlements to the Rights Issue are determined
“Registrar”	the Company’s Hong Kong share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue by the Company of 1,995,062,501 Rights Shares at the Subscription Price by way of rights on the basis of one Rights Share for every two Shares held on the Record Date
“Rights Shares”	1,995,062,501 new Shares to be issued and allotted under the Rights Issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share Option Scheme”	the share option scheme adopted by the Company on 24 November 2006
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the Share Option Scheme
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares(s)

DEFINITIONS

“Standard Chartered”	Standard Chartered Securities (Hong Kong) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities as defined under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$5.68 per Rights Share
“Underwriters”	HSBC, Standard Chartered and the Major Shareholder
“Underwriting Agreement”	the conditional underwriting agreement dated 17 October 2011 entered into between the Company and the Underwriters in relation to the Rights Issue
“Underwritten Shares”	the Rights Shares other than the Committed Shares
“US” or “United States”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia)
“US Securities Act”	the US Securities Act of 1933, as amended
“Vested Share Options”	the Share Options that are validly vested to and exercisable by the holders thereof to enable them to subscribe for Shares to be allotted and issued to them on or before the Record Date (being Share Options in respect of 129,767,684 Shares as at the Latest Practicable Date)
“%” or “per cent.”	percentage or per centum

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Joint Bookrunners, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Joint Bookrunners may at any time prior to the Latest Termination Time, by notice in writing to the Company, terminate the Underwriting Agreement if:

- (1) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (2) any breach of any of the representations, warranties or undertakings given by the Company and the Major Shareholder in the Underwriting Agreement comes to the knowledge of the Joint Bookrunners, or there has been a material breach on the part of the Company or the Major Shareholder of any other provision of the Underwriting Agreement or the Joint Bookrunners have cause to believe that any such breach has occurred;
- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company and the Major Shareholder would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in any respect, comes to the knowledge of the Joint Bookrunners and the Major Shareholder;
- (4) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (5) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom;
- (6) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil paid and fully paid) and permission to deal in the Rights Shares (nil paid and fully paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (7) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement;
- (8) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Joint Bookrunners acting in good faith is material in the context of the Rights Issue; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (9) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
- (i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;
 - (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders judgements, decrees or rulings of any governmental authority (the “Laws”) or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;
 - (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, the United Kingdom or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, civil commotion, economic sanctions, explosion, epidemic, calamity or lock-out (whether or not covered by insurance);
 - (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;
 - (v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong or the PRC; or
 - (vi) any suspension of dealings in the Shares for a period of over three consecutive business days (other than as a result of announcing the Rights Issue);

TERMINATION OF THE UNDERWRITING AGREEMENT

which, in the sole opinion of the Joint Bookrunners:

- (a) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
- (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (c) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Issue Documents.

In the event the Joint Bookrunners exercise their rights to terminate the Underwriting Agreement prior to the Latest Termination Time, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise provided that such termination shall be without prejudice to the rights of the Company, the Major Shareholder and the Joint Bookrunners in respect of any breach of the Underwriting Agreement occurring prior to such termination.

If the Joint Bookrunners exercise such rights, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Joint Bookrunners.

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

The Shares have been dealt in on an ex-rights basis from Monday, 24 October 2011. Dealings in the Rights Shares in the nil-paid form are expected to take place from Thursday, 10 November 2011 to Thursday, 17 November 2011 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Joint Bookrunners the right to terminate their obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

TERMINATION OF THE UNDERWRITING AGREEMENT

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out under the paragraph headed "Conditions of the Rights Issue" in this Prospectus) are fulfilled (and the date on which the right of termination of the Joint Bookrunners under the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Thursday, 10 November 2011 to Thursday, 17 November 2011 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. Any buying or selling of the securities of the Company from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and/or waived (as the case may be), and any buying or selling of nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional and may not proceed.

EXPECTED TIMETABLE

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

Event	Date
	<i>2011</i>
Last day of dealings in Shares on a cum-rights basis	Friday, 21 October
First day of dealings in Shares on an ex-rights basis	Monday, 24 October
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 25 October
Book closure period (both days inclusive)	Wednesday, 26 October to Friday, 28 October
Record Date	Friday, 28 October
Issue Documents expected to be despatched on	Tuesday, 8 November
First day of dealings in nil-paid Rights Shares	Thursday, 10 November
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Monday, 14 November
Last day of dealings in nil-paid Rights Shares	Thursday, 17 November
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Tuesday, 22 November
Latest time for termination of the Underwriting Agreement	5:00 p.m. on Friday, 25 November
Rights Issue expected to become unconditional on or before..	5:00 p.m. on Friday, 25 November
Publication of the announcement of results of the Rights Issue and excess applications	Tuesday, 29 November
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before	Wednesday, 30 November

EXPECTED TIMETABLE

Certificates for fully-paid Rights Shares expected
to be despatched on or before Wednesday, 30 November

First day of dealings in fully-paid Rights Shares Friday, 2 December

Note: All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company. Any changes to the anticipated timetable for the Rights Issue will be published or notified to Shareholders and the Stock Exchange as appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares may be extended if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 22 November 2011. Instead, the latest time for acceptance of and payment for the Rights Shares and for application for excess Rights Shares will be extended to 5:00 p.m. on the same business day; and
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 22 November 2011. Instead, the latest time for acceptance of and payment for the Rights Shares and for application for excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application for excess Rights Shares does not take place on the Final Acceptance Date, the dates mentioned in this section headed “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of an announcement of any change to the expected timetable as soon as practicable.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this Prospectus:

Basis of the Rights Issue:	One Rights Share for every two Shares held on the Record Date
Number of Shares in issue on the Record Date:	3,990,125,002 Shares
Number of Rights Shares to be issued under the Rights Issue:	1,995,062,501 Rights Shares
Subscription Price:	HK\$5.68 per Rights Share
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares:	4:00 p.m. on the Final Acceptance Date
Amount to be raised:	Approximately HK\$11,331.96 million, before expenses
Right to make excess applications:	Qualifying Shareholders may apply, by way of excess application, for Rights Shares in excess of their provisional allotments.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

Directors:

Executive Directors:

Dato' Dr. CHENG Yu-Tung (*Chairman*)
Dr. CHENG Kar-Shun, Henry (*Managing Director*)
Dr. SIN Wai-Kin, David
Mr. LIANG Chong-Hou, David
Mr. CHENG Chi-Kong, Adrian
Mr. CHENG Chi-Heng

Non-executive Directors:

Mr. CHENG Kar-Shing, Peter
Mr. LEUNG Chi-Kin, Stewart
Mr. CHOW Kwai-Cheung
Mr. LIANG Cheung-Biu, Thomas
Ms. KI Man-Fung, Leonie

Independent non-executive Directors:

Mr. YEUNG Ping-Leung, Howard
Dr. CHA Mou-Sing, Payson
Mr. CHA Mou-Zing, Victor
(*Alternate Director to Dr. CHA Mou-Sing, Payson*)
Mr. HO Hau-Hay, Hamilton
Mr. LEE Luen-Wai, John

Registered office:

30th Floor, New World Tower,
18 Queen's Road Central,
Hong Kong

8 November 2011

*To the Qualifying Shareholders and,
for information only, the Non-Qualifying Shareholders other than the Non-Qualifying
Shareholders in Canada, the United States, Papua New Guinea and the PRC and holders of the
outstanding Share Options*

Dear Sir or Madam,

**RIGHTS ISSUE OF RIGHTS SHARES
AT HK\$5.68 EACH
ON THE BASIS OF
ONE RIGHTS SHARE FOR
EVERY TWO SHARES HELD ON THE RECORD DATE**

(1) INTRODUCTION

The Company proposes to raise approximately HK\$11,331.96 million, before expenses, by way of the Rights Issue at a subscription price of HK\$5.68 per Rights Share on the basis of one Rights Share for every two Shares held on the Record Date.

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with details of the Rights Issue, including information on dealings, transfer and acceptance of the Rights Shares, and certain financial information and other information of the Group.

(2) RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue	:	One Rights Share for every two Shares held on the Record Date
Number of Shares in issue on the Record Date	:	3,990,125,002 Shares
Number of Rights Shares to be issued under the Rights Issue	:	1,995,062,501 Rights Shares
Subscription Price	:	HK\$5.68 per Rights Share
Amount to be raised	:	Approximately HK\$11,331.96 million, before expenses
Aggregate nominal value of the Rights Shares	:	HK\$1,995,062,501
Underwriters	:	HSBC; Standard Chartered; and the Major Shareholder

The aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's issued share capital as at the Latest Practicable Date and will represent approximately 33% of the Company's enlarged issued share capital immediately after the completion of the Rights Issue (assuming no change in the issued share capital of the Company from the Record Date up to the date of completion of the Rights Issue).

Qualifying Shareholders

The Company has sent the Issue Documents to the Qualifying Shareholders on Tuesday, 8 November 2011. Based on the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company has sent copies of the Prospectus for information only to the Non-Qualifying Shareholders (other than the Non-Qualifying Shareholders in Canada, the United States, Papua New Guinea and the PRC) and to the holders of the Share Options for their information only, but has not sent any PAL or EAF to them.

LETTER FROM THE BOARD

To qualify for the Rights Issue, a Shareholder or an investor must:

- (i) have been registered as a member of the Company on the Record Date; and
- (ii) not be a Non-Qualifying Shareholder.

The last day for dealing in the Shares on a cum-rights basis was Friday, 21 October 2011. The Shares have been dealt with on an ex-rights basis from Monday, 24 October 2011.

The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Final Acceptance Date. The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Closure of Register of Members

The register of members of the Company was closed from Wednesday, 26 October 2011 to Friday, 28 October 2011 (both days inclusive). No transfer of Shares was registered during this period.

TERMS OF THE RIGHTS ISSUE

Subscription Price

The Subscription Price is HK\$5.68 per Rights Share, payable in full upon a Qualifying Shareholder accepting the relevant provisional allotment of the Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (1) a discount of approximately 36.89% to the Last Closing Price;
- (2) a discount of approximately 28.04% to the theoretical ex-rights price of approximately HK\$7.89 per Share, which is calculated based on the Last Closing Price;
- (3) a discount of approximately 34.53% to the average of the closing prices as quoted on the Stock Exchange of approximately HK\$8.68 per Share for the five consecutive trading days ended on the Last Trade Day;
- (4) a discount of approximately 29.70% to the average of the closing prices as quoted on the Stock Exchange of approximately HK\$8.08 per Share for the ten consecutive trading days ended on the Last Trade Day; and

LETTER FROM THE BOARD

- (5) a discount of approximately 78.16% to the audited consolidated net asset value attributable to equity holders of the Company per Share as at 30 June 2011 of approximately HK\$26.01.

Each Rights Share has a par value of HK\$1.00.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the section headed "Reasons for the Rights Issue and Use of the Proceeds" below, the Directors considered that the terms of the Rights Issue, including the Subscription Price and the discount to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

One Rights Share (in nil-paid form) for every two Shares held by a Qualifying Shareholder on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when fully paid, issued and allotted, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of issue and allotment of the fully-paid Rights Shares except that **the fully-paid Rights Shares will not entitle the holders thereof to the proposed final dividend of HK\$0.28 per Share for the financial year ended 30 June 2011 as announced by the Company in the "Annual Results Announcement 2010/2011" dated 29 September 2011.**

Rights of the Overseas Shareholders

Some Overseas Shareholders will not be eligible to take up Rights Shares under the Rights Issue as the Issue Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company on the Record Date, there were a total of 177 Overseas Shareholders, whose registered addresses as shown in the register of members of the Company were outside Hong Kong, namely, in Australia, Brunei, Canada, the Channel Islands (Jersey), Cyprus, Germany, Japan,

LETTER FROM THE BOARD

Macau, Malaysia, the Netherlands, New Zealand, Papua New Guinea, the Philippines, the PRC, Singapore, South Africa, Spain, Taiwan, Thailand, the United Kingdom and the United States, holding in aggregate approximately 0.02% of the entire issued share capital of the Company on the Record Date. The Board has made enquiries with the Company's overseas legal advisers regarding the relevant legal restrictions and regulatory requirements in these overseas jurisdictions for extending the Rights Issue to the Overseas Shareholders in these overseas jurisdictions in accordance with Rule 13.36(2)(a) of the Listing Rules.

Overseas Shareholders being Non-Qualifying Shareholders

Based on the legal advice of the Company's legal advisers in Canada, the Channel Islands (Jersey), Cyprus, Malaysia, the Netherlands, Papua New Guinea, the Philippines, the PRC, Singapore, South Africa, Thailand, the United Kingdom and the United States, the extension of the Rights Issue to the Overseas Shareholders with registered addresses in these jurisdictions (collectively, the "**Excluded Jurisdictions**") would, or might, in the absence of compliance with relevant registration and/or filings and/or other special formalities in the Excluded Jurisdictions, be unlawful or impracticable, and the compliance with the registration and other special formalities in the Excluded Jurisdictions could be both costly, time-consuming or impracticable, and therefore inexpedient to do so. Having considered the circumstances, likely costs, time involved and impracticability if overseas compliance was to be observed and the insignificant shareholdings of the Overseas Shareholders in the Excluded Jurisdictions, the Directors are of the view that the costs and/or time involved and/or impracticability of overseas compliance would outweigh the benefits which the Company and its Shareholders as a whole would receive by including the Overseas Shareholders in the Excluded Jurisdictions in the Rights Issue and have therefore decided not to extend the Rights Issue to the Overseas Shareholders with registered addresses in the Excluded Jurisdictions. The Overseas Shareholders with registered addresses in the Excluded Jurisdictions are the Non-Qualifying Shareholders. Accordingly, the Rights Issue has not been extended to the Non-Qualifying Shareholders. This Prospectus has not been lodged or registered with any of the relevant authorities in the Excluded Jurisdictions. No subscription for Rights Shares will be accepted from the Overseas Shareholders with registered addresses in the Excluded Jurisdictions. No person receiving this Prospectus in any of the Excluded Jurisdictions may treat this Prospectus as constituting an invitation or offer to him/her/it. No purported acceptances of Rights Shares or application for excess Rights Shares from any Non-Qualifying Shareholders will be valid nor will be accepted by the Company.

As the Rights Issue has not been extended to, among others, the Overseas Shareholders with registered addresses in Canada, the United States, Papua New Guinea and the PRC, no PAL or EAF has been sent to the Overseas Shareholders in these jurisdictions, and further, based on the legal advice of the Company's legal advisers in these jurisdictions in view of the legal and/or regulatory restrictions, requirements and implications, it would be prudent for the Company not to send

LETTER FROM THE BOARD

this Prospectus to the Overseas Shareholders in these jurisdictions, and accordingly, none of the Issue Documents has been sent to the Overseas Shareholders with registered addresses in Canada, the United States, Papua New Guinea and the PRC.

Based on the legal advice of the Company's legal advisers in the relevant jurisdictions, the Company has only sent copies of this Prospectus to the Overseas Shareholders with registered addresses in the Channel Islands (Jersey), Cyprus, Malaysia, the Netherlands, the Philippines, Singapore, South Africa, Thailand and the United Kingdom for their information only, but has not sent the PALs and the EAFs to them. This Prospectus does not constitute an offer of or invitation to the Overseas Shareholders in these jurisdictions to subscribe for the Rights Shares (whether in their nil-paid or the fully-paid forms).

Receipt of a copy of any of the Issue Documents by any of the Non-Qualifying Shareholders does not and will not constitute an offer to the Non-Qualifying Shareholders or any other persons in any territory in which it would be unlawful to make an offer of the Rights Issue. It is the responsibility of any person (including, without limitation, nominees, agents and trustees) receiving a copy of any of the Issue Documents outside (or on behalf of an investor who is outside) Hong Kong and wishing to take up Rights Shares under the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws of the relevant territory including the obtaining of any governmental or other consents which may be required for observing any other formalities needed to be observed in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. **Acceptance by any person of the Rights Shares or application by any person for excess Rights Shares will be deemed to constitute a representation and warranty from such person to the Company that these laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional advisers.**

Persons (including, without limitation, nominees, agents and trustees) receiving any of the Issue Documents should not distribute or send it in or into any territory or jurisdiction where to do so would or might contravene local securities laws or regulations. If a PAL and/or an EAF is/are received by any person in any such territory or jurisdiction or by the agent or nominee of such a person, he must not seek to take up Rights Shares, or renounce such PAL and/or an EAF except with the express agreement of the Company. Any person who does forward a PAL and/or an EAF into any such territory or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section.

The Company reserves the right to treat as invalid any purported acceptance of the provisional allotment of Rights Shares comprised in a PAL and/or any application for excess Rights Shares under an EAF or to refuse to register any purported renunciation of the rights represented thereby if it appears to the Company or its agents that acceptance of such provisional allotment of Rights Shares or renunciation or the registration of such renunciation may involve a breach of the laws or regulations of any territory or jurisdiction or if in respect thereof the

LETTER FROM THE BOARD

Shareholder or its agent has not given the declaration set out in the PAL and/or an EAF in respect of such matters.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of Rights Share(s) in nil-paid form to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with Rights Share(s) in nil-paid form should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer Rights Share(s) in nil-paid form to any investors in jurisdictions where it would be illegal to offer the Rights Shares. If a PAL or EAF or a credit of Rights Share(s) in nil-paid form in CCASS is received by any investor in a jurisdiction where it is illegal to offer the Rights Shares, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the Rights Share(s) in nil-paid form in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this Prospectus or a PAL or an EAF to any investor in a jurisdiction where it is illegal to offer the Rights Shares (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy Rights Shares in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Rights Shares may be restricted by law in certain jurisdictions. The Company does not represent that this Prospectus may be lawfully distributed, or that the Rights Shares may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Persons into whose possession this Prospectus or any Rights Shares may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Rights Shares.

No action has been or will be taken by the Company which would permit a public offering of any of the Rights Shares or distribution of this Prospectus or any amendment or supplement thereto or any terms or conditions, or any other offering material in any jurisdiction where action for that purpose is required. Accordingly, Rights Shares may not be offered, sold or distributed, directly or indirectly, and neither this Prospectus, any amendment or supplement thereto, the terms and conditions nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

LETTER FROM THE BOARD

Overseas Shareholders being Qualifying Shareholders

The Company has also been advised by its legal advisers on the laws of Australia, Brunei, Germany, Japan, Macau, New Zealand, Spain and Taiwan that either (i) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders with registered addresses in these jurisdictions or (ii) the Company would be exempt from obtaining approval from, and/or registration of the Issue Documents with, the relevant regulatory authorities under the applicable laws and regulations of these jurisdictions. Accordingly, the Rights Issue will be extended to the Overseas Shareholders with registered addresses in Australia, Brunei, Germany, Japan, Macau, New Zealand, Spain and Taiwan.

Notice to Overseas Shareholders and investors in Australia:

The Company is not licensed in Australia to provide financial advice in respect of the Rights Shares being offered. The Company also advises that no cooling off period applies in respect of an application for Rights Shares.

Notice to Overseas Shareholders and investors in Japan:

The Rights Shares (in nil-paid and fully-paid forms) and the Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "FIEA"), and each Overseas Shareholder and investor in Japan has represented and agreed that it will not offer or sell any Rights Shares (in nil-paid and fully-paid forms) and/or Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) outside Hong Kong wishing to accept (or to instruct the registered owner to accept) the offer of the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant territory or jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt about your position, you should consult your own professional advisers. The Company reserves the right to refuse any acceptance of the Rights Shares or any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

LETTER FROM THE BOARD

The Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be provisionally allotted (in nil-paid form) to Standard Chartered or its nominee/agent, and will be sold in the market in their nil-paid form as soon as practicable after dealing in the nil-paid Rights Shares commences, if a premium (net of expenses) can be obtained. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their shareholdings on the Record Date) in Hong Kong dollars, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be available for excess application by the Qualifying Shareholders under the EAFs.

Fractional Entitlement to the Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. No odd-lot matching services will be provided. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to Standard Chartered or its nominee/agent, and will be sold in the market for the benefit of the Company if a premium of more than HK\$100 (net of expenses) can be obtained, and the Company will retain the proceeds from such sale for its own benefit. Any unsold fractions of Rights Shares will be available for excess application by the Qualifying Shareholders under the EAFs.

Procedures for acceptance or transfer of Rights Shares by Qualifying Shareholders

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to subscribe for the number of Rights Shares shown therein. If you are a Qualifying Shareholder and wish to exercise your right to take up the Rights Shares specified in the enclosed PAL, you must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance of the number of Rights Shares provisionally allotted to the Qualifying Shareholders, with the Registrar by no later than 4:00 p.m. on Tuesday, 22 November 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a bank in Hong Kong and made payable to "**New World Development Company Limited – PAL**" and crossed "**Account Payee Only**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Tuesday, 22 November, 2011 whether by the original allottee or any person to whom the nil-paid Rights Shares have been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for

LETTER FROM THE BOARD

application under the EAFs by the Qualifying Shareholders. The Company may at its discretion treat a PAL as valid or binding on the person(s) by himself/herself/itself/themselves or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or to transfer a part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 14 November 2011 to the Registrar which will cancel the original PAL and issue new PALs in the denominations as required.

Save as described under the paragraph headed "Rights of the Overseas Shareholders" above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Issue Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving this Prospectus, a PAL or an EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving the Issue Documents outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the accompanying cheque or cashier's order is not honoured on first presentation is liable to be rejected, and in that event the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Joint Bookrunners exercise their right to terminate the Underwriting Agreement before the Latest Termination Time (expected to be 5:00 p.m. on Friday, 25 November, 2011) and/or if any of the conditions mentioned in the paragraph headed "Conditions of the Rights Issue" is not fulfilled and/or waived (as the case may be), the monies received from the Qualifying Shareholders in respect of the acceptance of the Rights Shares or such other persons to whom the Rights Shares in their nil-paid form shall have been validly transferred will be returned to the Qualifying Shareholders or such other persons without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons as soon as practicable thereafter.

LETTER FROM THE BOARD

Application for excess Rights Shares

Qualifying Shareholders are entitled to, by way of excess application, apply for any unsold entitlements of the Non-Qualifying Shareholders, any unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

If a Qualifying Shareholder wishes to apply for excess Rights Shares in addition to his provisional allotment, he must complete and sign an EAF and lodge the same with a separate remittance for the excess Rights Shares being applied for, with the Registrar, by no later than 4:00 p.m. on Tuesday, 22 November 2011. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a bank in Hong Kong and made payable to "New World Development Company Limited – EAF" and crossed "Account Payee Only".

Application for excess Rights Shares can be made only by Qualifying Shareholders by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis on the following principles:

- (1) subject to the availability of excess Rights Shares, preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to top-up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them i.e. Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for whereas Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they may still receive a greater number of Rights Shares than those applying for a smaller number).

The Directors consider the above basis for allocation to be fair and reasonable.

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee should note that the aforesaid basis of allocation applicable to the excess

LETTER FROM THE BOARD

Rights Shares applied for will not be extended to them individually, as beneficial owners holding Shares through their nominees (including HKSCC Nominees Limited). HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4 (ix) of the CCASS Operational Procedures.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment, must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by a time which is currently expected to be 4:00 p.m. on the Final Acceptance Date or such later time and/or date as may be agreed between the Company and the Underwriters. The Company may at its discretion treat an EAF as valid or binding on the person(s) by himself/herself/itself/themselves or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 30 November 2011. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Wednesday, 30 November 2011.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honored on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonored on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for the amount due, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

If the Underwriting Agreement is terminated and/or if any of the conditions in the paragraph headed “Conditions of the Rights Issue” is not fulfilled and/or waived (as the case may be), the monies received in respect of applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Application for Listing and Dealings

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the Shares is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought, on any other stock exchange. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares i.e. 1,000 Shares in one board lot.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

It is expected that dealings in the Rights Shares in nil-paid form will commence on Thursday, 10 November 2011 and will end on Thursday, 17 November 2011 (both days inclusive) and dealings in the Rights Shares in fully-paid form will commence on Friday, 2 December 2011.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted to CCASS.

LETTER FROM THE BOARD

(3) UNDERWRITING ARRANGEMENTS

Underwriting Agreement:

Date	:	17 October 2011
Underwriters	:	HSBC, Standard Chartered and the Major Shareholder
Number of Rights Shares underwritten	:	The Rights Issue is fully underwritten by the Underwriters other than those Rights Shares that the Major Shareholder has irrevocably undertaken to take up, and to procure Major Shareholder's Subsidiaries to take up, by way of their respective rights entitlements under the Rights Issue. The Major Shareholder has agreed to underwrite the first 90,000,000 Rights Shares not taken up by the Shareholders by way of their rights entitlements, with the balance to be underwritten by the Joint Bookrunners in equal proportions
Underwriters' Commission	:	2.5% of the aggregate Subscription Price payable in respect of the Underwritten Shares determined on the Record Date

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, HSBC, Standard Chartered and their respective ultimate holding companies are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The Directors consider that the terms of the Underwriting Agreement including the rate of commission are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

Conditions to the Underwriting Agreement

The obligation of the Underwriters under the Underwriting Agreement to subscribe, or procure subscribers to subscribe for the Underwritten Shares is subject to the fulfillment of the conditions as described in the section headed "Conditions of the Rights Issue" below.

Irrevocable Undertakings from the Major Shareholder

As at the Latest Practicable Date, the Major Shareholder together with the Major Shareholder's Subsidiaries held 1,616,317,555 Shares in aggregate, representing approximately 40.51% of the existing issued share capital of the

LETTER FROM THE BOARD

Company. Pursuant to the Underwriting Agreement, the Major Shareholder has irrevocably undertaken to the Company and the Underwriters, among other things, (i) to take up, and to procure the Major Shareholder's Subsidiaries to take up, their respective entitlements to the Rights Shares under the Rights Issue pursuant to the terms of the Issue Documents in respect of the Shares beneficially owned by them as at the Record Date and to lodge or procure to be lodged with the Company acceptance in respect of such Rights Shares provisionally allotted to them, with payment in full therefor in cash; and (ii) that they will not dispose of or transfer (directly or indirectly, including without limitation by the creation of any option, charge or encumbrance or rights over or in respect of) their beneficial interests in any of the Shares owned by them as at the date of the Irrevocable Undertaking and shall procure that there shall be no change to the registered owners of such Shares from the date of the Irrevocable Undertaking up to and including the Record Date. The Rights Issue is fully underwritten by the Underwriters other than all the Rights Shares that will be provisionally allotted and to be taken up by the Major Shareholder and the Major Shareholder's Subsidiaries pursuant to the Irrevocable Undertaking on the terms and conditions set out in the Underwriting Agreement.

The obligations of the Underwriters to underwrite the Underwritten Shares are conditional on (i) the satisfaction (or, as applicable, waiver) of the conditions of the Underwriting Agreement referred to in the section headed "Conditions of the Rights Issue" below, and (ii) the Underwriting Agreement not being terminated by the Joint Bookrunners in accordance with its terms. If the conditions of the Underwriting Agreement are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Joint Bookrunners, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Joint Bookrunners may at any time prior to the Latest Termination Time, by notice in writing to the Company, terminate the Underwriting Agreement if:

- (1) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (2) any breach of any of the representations, warranties or undertakings given by the Company and the Major Shareholder in the Underwriting Agreement comes to the knowledge of the Joint Bookrunners, or there has been a material breach on the part of the Company or the Major Shareholder of any other provision of the Underwriting Agreement or the Joint Bookrunners have cause to believe that any such breach has occurred;

LETTER FROM THE BOARD

- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company and the Major Shareholder would have rendered any of those representations, warranties or undertakings untrue, inaccurate, incomplete or misleading in any respect, comes to the knowledge of the Joint Bookrunners and the Major Shareholder;
- (4) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (5) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom;
- (6) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil paid and fully paid) and permission to deal in the Rights Shares (nil paid and fully paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (7) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement;
- (8) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Joint Bookrunners acting in good faith is material in the context of the Rights Issue; or
- (9) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any event or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;

LETTER FROM THE BOARD

- (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgements, decrees or rulings of any governmental authority (the “**Laws**”) or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;
- (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, the United Kingdom or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, civil commotion, economic sanctions, explosion, epidemic, calamity or lock-out (whether or not covered by insurance);
- (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;
- (v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong or the PRC; or
- (vi) any suspension of dealings in the Shares for a period of over three consecutive business days (other than as a result of announcing the Rights Issue),

which, in the sole opinion of the Joint Bookrunners:

- (a) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
- (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (c) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Announcement and the Issue Documents.

LETTER FROM THE BOARD

In the event the Joint Bookrunners exercise their rights to terminate the Underwriting Agreement prior to the Latest Termination Time, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights or obligations under the Underwriting Agreement) and no party will have any claim against any other for costs, damages, compensation or otherwise provided that such termination shall be without prejudice to the rights of the Company, the Major Shareholder and the Joint Bookrunners in respect of any breach of the Underwriting Agreement occurring prior to such termination.

If the Joint Bookrunners exercise such rights, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Joint Bookrunners.

Lock-up

The Company has undertaken to the Joint Bookrunners, and the Major Shareholder has undertaken to the Joint Bookrunners to procure, that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the date on which the Underwriting Agreement becomes unconditional (which is expected to be on 25 November 2011), the Company shall not (except for the Rights Shares):

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (except for the allotment or issue of Shares (1) upon exercise of the conversion rights under the outstanding Convertible Bonds; (2) upon exercise of the outstanding Share Options; or (3) as scrip dividend of the Company for the financial year ended 30 June 2011);
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

unless with prior written consent of the Joint Bookrunners (such consent not to be unreasonably withheld or delayed).

LETTER FROM THE BOARD

The Major Shareholder has undertaken to the Joint Bookrunners that for the period from the Final Acceptance Date and ending on the date which is 90 days from the date on which the Underwriting Agreement becomes unconditional (which is expected to be on 25 November 2011 (the “**Lock-up Period**”)) it shall not and shall procure none of the Major Shareholder’s nominees and companies controlled by it (whether individually or together and whether directly or indirectly) shall not:

- (a) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by the Major Shareholder or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests (for the avoidance of doubt, the Major Shareholder shall not be restricted or prohibited from receiving scrip dividend of the Company for the financial year ended 30 June 2011);
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (a) or (b) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above,

unless with the prior written consent of the Joint Bookrunners, provided that the above restrictions shall not apply (i) if the Underwriting Agreement does not become unconditional and is terminated; or (ii) if the Underwriting Agreement is terminated by the Joint Bookrunners pursuant to the termination events in the Underwriting Agreement and the Major Shareholder may during the Lock-up Period, with the prior consent of either Joint Bookrunners, pledge any Shares (including the Rights Shares) or any interests therein beneficially owned or held by the Major Shareholder. For the avoidance of doubt, the Major Shareholder shall not be restricted from purchasing any Shares during the Lock-up Period provided that such purchase(s) is/are conducted in compliance with all applicable laws and without triggering any general offer obligation under the Takeovers Code on Mergers and Share Repurchases.

(4) CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Underwriters under the Underwriting Agreement are conditional upon:

- (1) publication of the Announcement pursuant to the Listing Rules by no later than 8:30 a.m. on the business day following the date of the Underwriting Agreement;

LETTER FROM THE BOARD

- (2) the listing approval from the Listing Committee of the Stock Exchange (“**Listing Approval**”) having been obtained by no later than six business days after the Record Date, and such permission not being withdrawn prior to the Latest Termination Time;
- (3) each condition to enable the nil-paid rights to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than six business days after the Record Date and no notification having been received by the Company from HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (4) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Hong Kong Companies Registry under Section 38D of the Companies Ordinance no later than the Despatch Date (or such later time and/or date as the Company and the Joint Bookrunners may agree in writing) and, following registration of the Prospectus with the Hong Kong Companies Registry, a copy of the Prospectus having been submitted to the Stock Exchange for publication on its website not later than the Despatch Date (or such later time and/or date as the Company and the Joint Bookrunners may agree in writing);
- (5) a duly certified copy of the Prospectus (and other required documents) having been lodged with the Hong Kong Companies Registry not later than the Despatch Date, and the Hong Kong Companies Registry issuing a confirmation of registration letter not later than the Despatch Date;
- (6) posting of the Issue Documents to the Qualifying Shareholders not later than the Despatch Date;
- (7) delivery of the duly executed Irrevocable Undertaking and the Underwriting Agreement by the Major Shareholder to the Company and the Joint Bookrunners;
- (8) the representations and warranties of the Company and the Major Shareholder in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company and the Major Shareholder referred to in the Underwriting Agreement being breached;
- (9) compliance by the Company with all of its obligations under the Underwriting Agreement;
- (10) compliance by the Major Shareholder with all of its obligations under the Underwriting Agreement and under the Irrevocable Undertaking; and

LETTER FROM THE BOARD

- (11) receipt by the Underwriters (in the form and substance to the reasonable satisfaction of the Underwriters) of all the relevant documents to be provided by the Company by the times specified in the Underwriting Agreement.

The Company and the Major Shareholder shall use their best endeavours to procure the fulfillment of respective conditions to be fulfilled by them by the due time and/or date referred to in each case (or if no date is specified, by the Latest Termination Time) and in particular shall furnish such information, supply such documents, pay (in the case of the Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by the Joint Bookrunners and the Stock Exchange in connection with the listing of the Rights Shares.

If any of the above conditions shall not have been fulfilled, or waived if permitted by the terms of the Underwriting Agreement in whole or in part by the Joint Bookrunners, by the specified time and date or the date on which the Latest Termination Time occurs, the Underwriting Agreement shall terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

The Joint Bookrunners shall jointly have the right, in their absolute discretion, by giving written notice to the Company and the Major Shareholder on or before the latest time at which, or the latest day on which, any of the above conditions may be fulfilled:

- (1) to extend the deadline for the fulfilment of any condition by such time or number of days or in such manner as the Underwriters may determine;
- (2) to waive such condition (other than conditions (2) and (4) above), and such waiver may be made subject to such terms and conditions as the Underwriters may determine.

As at the Latest Practicable Date, the Major Shareholder, being also the controlling shareholder of the Company, together with the Major Shareholder's Subsidiaries were interested in an aggregate of 1,616,317,555 Shares, representing approximately 40.51% of the then issued share capital of the Company. The Major Shareholder has irrevocably undertaken to, and to procure the Major Shareholder's Subsidiaries to, take up their respective entitlements under the Rights Issue in full.

Assuming that (a) the Rights Issue proceeds and is completed; (b) the Major Shareholder and the Major Shareholder's Subsidiaries have taken up their respective entitlements under the Rights Issue in full; (c) the Major Shareholder is required to take up the 90,000,000 Rights Shares under its underwriting obligation pursuant to the Underwriting Agreement; and (d) no Shares have been allotted and issued after the Record Date pursuant to the exercise of the Conversion and Subscription Rights, the Major Shareholder and the Major Shareholder's Subsidiaries will in aggregate be interested in approximately 42.01% of the issued share capital of the Company immediately after completion of the Rights Issue.

LETTER FROM THE BOARD

(5) REASONS FOR THE RIGHTS ISSUE AND USE OF THE PROCEEDS

The principal businesses of the Company include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

The Directors consider that taking into account the prevailing market conditions, the different types of fund raising alternatives available to the Group, the dilution impact on the Shareholders if other equity fund raising exercise is to be adopted and the general working capital required by the Group for replenishment of its landbank in the coming future, it would be in the best interests of the Company and the Shareholders as a whole to proceed with raising long-term equity funding for the Group's general working capital by way of the Rights Issue for the reasons stated below.

In view of the tightening of lending policy of the banks in PRC and Hong Kong, the Directors consider that it is difficult to secure long term loans from banks to finance the Group's long term investment projects. Having considered other fund raising alternatives for the Group, including the issuance of debt securities and share placements and taking into account the benefits and costs of each alternative, including size of the fund, tenor and interest costs, the Directors consider that the Rights Issue is the preferred means for the Group to raise long term funds without subjecting itself to interest burden or additional debt. The Rights Issue also offers existing Shareholders the opportunity to participate without dilution of their interest in the Company. The Directors consider that the net proceeds of the Rights Issue will also strengthen the Company's capital base and enhance the Group's financial resilience, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms.

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional expenses, of approximately HK\$177.00 million, will be borne by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$5.59.

The estimated net proceeds of the Rights Issue will be approximately HK\$11,154.96 million after the deduction of all estimated expenses of HK\$177.00 million. The Directors currently intend to use the net proceeds of the Rights Issue for (i) financing the subscription of the NWCL Rights Shares with HK\$2,962.48 million (assuming all NWCL Rights Shares are taken up by the qualifying shareholders of NWCL and that no NWCL Shares have been issued or allotted pursuant to the exercise of any outstanding convertible bonds of NWCL or the exercise of any outstanding vested share options granted by NWCL on or before the NWCL Record Date) or HK\$4,346.50 million (assuming no NWCL Rights Shares are taken up by the qualifying shareholders of NWCL and that NWCL Shares have been issued or allotted pursuant to the exercise of all outstanding convertible bonds of NWCL and the exercise of all outstanding vested share options granted by NWCL on or before the NWCL Record Date) if the NWCL Rights Issue proceeds in accordance with its terms; (ii) funding part of the development costs of the Group's property projects (as listed on page 58 of the Company's Annual Report 2011 for

LETTER FROM THE BOARD

the financial year ended 30 June 2011) for approximately HK\$2,000.00 million; and (iii) the remaining balance for the purposes of general working capital for the Group (including but not limited to the replenishment of the Group's landbank in Hong Kong through various means, including public auction, private acquisition, tendering for development projects and payment of land premium (including possible land premium for the Group's property located at Nos. 1 to 15, New Eastern Terrace and Nos. 5 to 11, Dragon Road, Tin Hau, Hong Kong and/or for the agricultural land conversion).

The Rights Issue and the NWCL Rights Issue are not inter-conditional. In the event the Rights Issue does not proceed, the Company intends to finance the subscription and underwriting of the NWCL Rights Shares from its internal resources and/or bank borrowings.

NWCL Rights Issue

Reference is also made to the NWCL Rights Issue Announcement dated 18 October 2011 whereby NWCL announced that it proposed to raise not less than HK\$4,293.15 million (before expenses) and not more than HK\$4,346.50 million (before expenses) by way of rights issue of not less than 2,881,306,455 NWCL Rights Shares and not more than 2,917,117,291 NWCL Rights Shares at the subscription price of HK\$1.49 per NWCL Rights Share, on the basis of one NWCL Rights Share for every two NWCL Shares held by NWCL's qualifying shareholders on the NWCL Record Date.

As at the Latest Practicable Date, the Company directly owns, and through its wholly-owned subsidiary, Easywin, indirectly owns, 3,976,476,914 NWCL Shares in aggregate, representing approximately 69.00% of the total issued shares of NWCL. Pursuant to the NWCL Underwriting Agreement, the Company has irrevocably undertaken to NWCL that it will, and will procure Easywin to, fully accept and subscribe for their respective allocated NWCL Rights Shares which will be provisionally allotted to them respectively under the NWCL Rights Issue, at the subscription price of HK\$1.49 per NWCL Rights Share, pursuant to the terms of the NWCL Rights Issue. The NWCL Rights Issue will also be fully underwritten by the Company.

The NWCL Rights Issue is subject to fulfilment of conditions, and accordingly, the NWCL Rights Issue will not proceed if the conditions for the NWCL Rights Issue are not fulfilled and/or waived in accordance with the terms of the NWCL Rights Issue.

LETTER FROM THE BOARD

(6) EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The shareholding structure of the Company as at the Record Date and immediately after the completion of the Rights Issue are and will be as follows:

	As at the Record Date ¹		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the Qualifying Shareholders (save for the Majority Shareholder, Majority Shareholder's Subsidiaries and the Underwriters))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Majority Shareholder	1,465,378,551	36.73	2,198,067,824	36.73	2,288,067,824	38.23
Majority Shareholder's Subsidiaries	<u>150,939,004</u>	<u>3.78</u>	<u>226,408,505</u>	<u>3.78</u>	<u>226,408,505</u>	<u>3.78</u>
	1,616,317,555	40.51	2,424,476,329	40.51	2,514,476,329	42.01
Directors	5,770,876	0.14	8,656,314	0.14	5,770,876	0.10
Public	2,368,036,571	59.35	3,552,054,860	59.35	2,368,036,571	39.57
HSBC ²	-	-	-	-	548,451,864	9.16
Standard Chartered ²	-	-	-	-	<u>548,451,863</u>	<u>9.16</u>
Total	<u>3,990,125,002</u>	<u>100.00</u>	<u>5,985,187,503</u>	<u>100.00</u>	<u>5,985,187,503</u>	<u>100.00</u>

Notes:

- (1) There has been no change in shareholdings from the Record Date up to the Latest Practicable Date.
- (2) Pursuant to its underwriting obligations and excluding any principal interests.

(7) ADJUSTMENT TO THE CONVERTIBLE BONDS AND POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS

As at the date of the Underwriting Agreement, there were outstanding Convertible Bonds in the aggregate principal amount of HK\$6,000.00 million convertible into 224,014,336 Shares at the conversion price of HK\$26.784 per Share (subject to adjustments). As announced by the Company on 21 October 2011, as a result of the Rights

LETTER FROM THE BOARD

Issue, the initial conversion price of the Convertible Bonds of HK\$26.784 per Share has been adjusted to HK\$23.842 per Share with effect from 24 October 2011 (being the first day of trading of the Shares on the Stock Exchange on an ex-rights basis) in accordance with the applicable adjustment formula provided in the terms and conditions of the Convertible Bonds.

As at the Latest Practicable Date, there were also outstanding Share Options in respect of 129,767,684 Shares, of which Share Options in respect of 129,767,684 Shares were Vested Share Options. As a result of the Rights Issue, the exercise price of the outstanding Share Options may be adjusted in accordance with the respective terms and conditions of the Share Option Scheme. The Company expects to make a further announcement on the appropriate adjustments (if any) and the date it is to take effect in due course.

(8) SHARE CERTIFICATES FOR RIGHTS SHARES AND REFUND CHEQUES FOR RIGHTS ISSUE

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be despatched to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Wednesday, 30 November 2011. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be despatched to the applicants by ordinary post at their own risk on or before Wednesday, 30 November 2011.

(9) PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

Save for the Rights Issue, the Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this Prospectus.

Pursuant to Rule 7.19(6)(a) of the Listing Rules, as the Rights Issue would increase the issued share capital of the Company by no more than 50%, the Rights Issue is not conditional on approval by the Shareholders.

(10) TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding, disposing of or dealing in the Rights Shares (in their nil-paid and/or fully-paid forms) and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of the nil-paid forms of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, the Director or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holdings, disposal of, or dealing in the Rights Shares (in their nil-paid and/or fully-paid forms).

LETTER FROM THE BOARD

(11) WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Monday, 24 October 2011. Dealings in the Rights Shares in the nil-paid form are expected to take place from Thursday, 10 November 2011 to Thursday, 17 November 2011 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. It should also be noted that the Underwriting Agreement contains provisions granting the Joint Bookrunners the right to terminate their obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriters' right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Thursday, 10 November 2011 to Thursday, 17 November 2011 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company. Any buying or selling of the securities of the Company from now up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and/or waived (as the case may be), and any buying or selling of nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional and may not proceed.

LETTER FROM THE BOARD

(12) ADDITIONAL INFORMATION

In relation to the transactions under the material contracts as referred to in paragraphs 9(d), (g) and (h) in the section headed “Material Contracts” in Appendix III to this Prospectus, the Company would like to refer to the joint announcement of the Company and NWS dated 31 October 2011 (the “**Joint Announcement**”) in respect of the exercise of the put option to sell 65% of the total issued shares in Widefaith Group Limited and the offer to sell an additional 10% of the total issued shares in Widefaith Group Limited by Kaiming Holdings Limited and the conditional in-principal acceptance by Moscan Developments Limited. Should the parties proceed to execute a legally binding agreement in relation to the acquisition by Moscan Developments Limited of such shares amounting in aggregate 75% of the total issued shares in Widefaith Group Limited, a further announcement will be made by the Company and NWS jointly in compliance with the relevant requirements of the Listing Rules. The dates and deadlines specified in the expected timetable for the Rights Issue as set out in pages 11 and 12 of this Prospectus will not be extended or varied and no supplementary prospectus will be published should Moscan Developments Limited and Widefaith Group Limited execute a legally binding agreement in respect of the aforesaid acquisition. A copy of the Joint Announcement is reproduced and set out in Appendix IV to this Prospectus.

Your attention is also drawn to additional information set out in the Appendices to this Prospectus.

Yours faithfully,
For and on behalf of
the Board of Directors of
New World Development Company Limited
Dato’ Dr. Cheng Yu-Tung
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the consolidated income statements, consolidated statements of comprehensive income and consolidated statements of financial position of the Group for the financial years ended 30 June 2009, 2010 and 2011 which are based on the published annual reports of the Company.

During the year ended 30 June 2011, the Group adopted HK-Int 5 “Presentation of Financial Statements – Classification by the Borrowers of a Term Loan that Contains a Repayment on Demand Clause” and HKAS 17 Amendment “Classification of Leases of Land and Buildings” which are mandatory for the financial year ended 30 June 2011. The Group also early adopted HKAS 12 Amendment “Deferred Tax: Recovery of Underlying Assets”.

The adoption of HK-Int 5, HKAS 17 Amendment and HKAS 12 Amendment has resulted in a change in accounting policies and has been applied retrospectively, therefore, the consolidated financial statements for each of the years ended 30 June 2009 and 2010 were restated accordingly.

The restated consolidated statements of financial position as at 30 June 2009 and 2010, consolidated income statements and consolidated statements of comprehensive income for the year ended 30 June 2010 are extracted from the published annual report for the year ended 30 June 2011.

Consolidated Income Statement

	Year ended 30 June		
	2011 HK\$'m	2010 HK\$'m (Restated)	2009 HK\$'m (Restated)
Revenues	32,882.0	30,218.6	24,415.0
Cost of sales	<u>(20,672.6)</u>	<u>(18,775.0)</u>	<u>(17,421.8)</u>
Gross profit	12,209.4	11,443.6	6,993.2
Other income	82.8	211.3	265.2
Other gains, net	2,132.6	2,547.8	1,714.5
Selling and marketing expenses	(650.6)	(635.8)	(405.2)
Administrative and other operating expenses	(5,023.1)	(4,649.0)	(4,397.1)
Changes in fair value of investment properties	<u>3,534.6</u>	<u>4,765.8</u>	<u>(1,841.2)</u>
Operating profit	12,285.7	13,683.7	2,329.4
Financing income	423.5	474.5	807.3
Financing costs	<u>(889.4)</u>	<u>(812.9)</u>	<u>(1,068.9)</u>
	11,819.8	13,345.3	2,067.8
Share of results of			
Jointly controlled entities	2,654.0	3,232.6	2,053.4
Associated companies	<u>1,104.0</u>	<u>994.1</u>	<u>52.2</u>
Profit before taxation	15,577.8	17,572.0	4,173.4
Taxation	<u>(2,833.8)</u>	<u>(1,904.3)</u>	<u>(786.4)</u>
Profit for the year	<u>12,744.0</u>	<u>15,667.7</u>	<u>3,387.0</u>
Attributable to:			
Shareholders of the Company	9,153.9	12,398.6	1,723.4
Non-controlling interests	<u>3,590.1</u>	<u>3,269.1</u>	<u>1,663.6</u>
	<u>12,744.0</u>	<u>15,667.7</u>	<u>3,387.0</u>
Dividends	<u>1,514.1</u>	<u>1,487.1</u>	<u>1,158.9</u>
Earnings per share			
Basic	HK\$2.32	HK\$3.19	HK\$0.45
Diluted	<u>HK\$2.26</u>	<u>HK\$3.07</u>	<u>HK\$0.44</u>

Consolidated Statement of Comprehensive Income

	Year ended 30 June		
	2011 HK\$'m	2010 HK\$'m (Restated)	2009 HK\$'m (Restated)
Profit for the year	12,744.0	15,667.7	3,387.0
Other comprehensive income			
Fair value changes of available-for-sale financial assets	338.7	26.2	116.3
– deferred tax arising from fair value changes thereof	(59.2)	(20.1)	(116.9)
Revaluation of property upon reclassification from property, plant and equipment to investment properties	2,302.0	1,000.9	–
– deferred tax arising from revaluation thereof	(0.7)	–	–
Release of investment revaluation deficit to the income statement upon impairment of available-for-sale financial assets	149.1	55.7	396.3
Release of reserve upon disposal of the Disposal Group and other assets held for sale	(29.7)	(7.2)	(9.1)
Release of reserve upon disposal of available-for-sale financial assets	(582.2)	(217.7)	(297.8)
– reversal of deferred tax thereof	73.2	87.0	65.8
Release of exchange reserve upon disposal of subsidiaries	(10.6)	(6.7)	(267.3)
Share of other comprehensive income of jointly controlled entities and associated companies	2,803.7	(100.6)	423.3
Cash flow hedges	1.4	(5.8)	–
Translation differences	1,792.9	5.4	(14.6)
Other comprehensive income for the year	6,778.6	817.1	296.0
Total comprehensive income for the year	19,522.6	16,484.8	3,683.0
Attributable to:			
Shareholders of the Company	14,991.0	13,254.2	1,974.3
Non-controlling interests	4,531.6	3,230.6	1,708.7
	19,522.6	16,484.8	3,683.0

Consolidated Statement of Financial Position

	2011 HK\$'m	As at 30 June 2010 HK\$'m (Restated)	2009 HK\$'m (Restated)
ASSETS			
Non-current assets			
Investment properties	53,265.0	41,083.0	31,007.7
Property, plant and equipment	10,373.1	9,015.9	10,206.5
Land use rights	2,407.1	2,646.1	2,198.2
Intangible concession rights	763.5	774.0	834.1
Intangible assets	1,754.7	1,490.1	1,684.0
Interests in jointly controlled entities	40,352.2	30,723.1	31,950.9
Interests in associated companies	10,533.6	10,018.9	8,077.6
Available-for-sale financial assets	6,229.5	6,167.2	5,509.3
Held-to-maturity investments	281.5	281.9	34.6
Financial assets at fair value through profit or loss	1,006.3	270.8	378.1
Derivative financial instruments	119.8	172.1	152.1
Properties for development	17,293.0	15,668.2	11,152.7
Deferred tax assets	697.8	650.8	476.5
Other non-current assets	808.3	1,294.3	1,532.2
	<u>145,885.4</u>	<u>120,256.4</u>	<u>105,194.5</u>
Current assets			
Properties under development	27,714.3	25,409.0	16,264.1
Properties held for sale	10,654.1	11,058.9	14,565.5
Available-for-sale financial assets	–	–	105.9
Inventories	540.8	409.2	402.9
Debtors and prepayments	16,955.2	16,815.2	20,914.7
Financial assets at fair value through profit or loss	1.4	55.3	63.3
Cash held on behalf of customers	–	–	3,661.9
Restricted bank balances	121.2	91.0	257.2
Cash and bank balances	23,971.6	23,508.6	14,080.0
	<u>79,958.6</u>	<u>77,347.2</u>	<u>70,315.5</u>
Non-current assets classified as assets held for sale	<u>3,271.4</u>	<u>2,376.5</u>	<u>1,291.0</u>
	<u>83,230.0</u>	<u>79,723.7</u>	<u>71,606.5</u>
Total assets	<u>229,115.4</u>	<u>199,980.1</u>	<u>176,801.0</u>

	2011	As at 30 June	2009
	<i>HK\$'m</i>	<i>2010</i>	<i>2009</i>
		<i>HK\$'m</i>	<i>HK\$'m</i>
		(Restated)	(Restated)
EQUITY			
Share capital	3,990.1	3,918.0	3,867.3
Reserves	98,673.1	84,377.5	71,988.4
Proposed final dividend	1,117.2	1,097.0	812.1
	<u>103,780.4</u>	<u>89,392.5</u>	<u>76,667.8</u>
Shareholders' funds	103,780.4	89,392.5	76,667.8
Non-controlling interests	30,588.2	25,493.8	23,204.3
	<u>134,368.6</u>	<u>114,886.3</u>	<u>99,872.1</u>
Total equity	134,368.6	114,886.3	99,872.1
LIABILITIES			
Non-current liabilities			
Long-term borrowings	38,849.9	39,083.3	30,342.7
Deferred tax liabilities	4,624.8	4,493.0	2,988.8
Derivative financial instruments	756.8	308.0	–
Other non-current liabilities	650.7	402.6	375.0
	<u>44,882.2</u>	<u>44,286.9</u>	<u>33,706.5</u>
Current liabilities			
Creditors and accrued charges	23,756.0	23,960.9	21,420.6
Current portion of			
long-term borrowings	13,023.1	5,194.5	7,416.2
Short-term borrowings	8,735.7	8,041.5	12,796.1
Current tax payable	3,748.8	2,315.6	1,589.5
	<u>49,263.6</u>	<u>39,512.5</u>	<u>43,222.4</u>
Liabilities directly associated			
with assets held for sale	601.0	1,294.4	–
	<u>49,864.6</u>	<u>40,806.9</u>	<u>43,222.4</u>
Total liabilities	94,746.8	85,093.8	76,928.9
Total equity and liabilities	229,115.4	199,980.1	176,801.0
Net current assets	33,365.4	38,916.8	28,384.1
Total assets less current liabilities	179,250.8	159,173.2	133,578.6

Note: The effect of the change in the accounting policy following the adoption of HKAS 12 Amendment on the consolidated income statement for the year ended 30 June 2009 is as follows:

	For the year ended 30 June 2009 HKAS 12 Amendment HK\$'m
Decrease in profit for the year	
Share of results of jointly controlled entities	2.2
Share of results of associated companies	15.7
	<hr/>
Profit before taxation	17.9
Taxation	347.0
	<hr/>
Profit for the year	364.9
	<hr/> <hr/>
Attributable to:	
Shareholders of the Company	360.1
Non-controlling interests	4.8
	<hr/>
	364.9
	<hr/> <hr/>

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The audited consolidated financial statements of the Group for the year ended 30 June 2011 are disclosed in the annual report of the Company for the year ended 30 June 2011 (pages 118 to 234), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.nwd.com.hk).

3. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse changes in the financial or trading position of the Group since 30 June 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. INDEBTEDNESS

Borrowings

At the close of business on 30 September 2011, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings of approximately HK\$75,732.3 million, details of which are set out as follows:

	<i>HK\$' million</i>
Bank loans	
Secured	27,910.0
Unsecured	31,076.0
Convertible bonds	9,116.7
Fixed rate bonds	5,838.9
Other unsecured loans	156.6
Loans from non-controlling shareholders, unsecured	<u>1,634.1</u>
 Total	 <u><u>75,732.3</u></u>

Bank loans of approximately HK\$27,910.0 million were secured by certain of the Group's investment properties, property, plant and equipment, land use rights, properties under development, properties for development, properties held for sale and bank deposits.

Contingent liabilities

At the close of business on 30 September 2011, the Group's financial guarantee contracts are as follows:

	<i>HK\$' million</i>
Mortgage facilities for certain purchasers of properties (note a)	1,662.6
Guarantees for credit facilities granted to	
– Jointly controlled entities (note b)	7,287.1
– Associated companies (note b)	221.4
– Investee companies included under available-for-sale financial assets	148.5
Indemnity to non-wholly owned subsidiaries for Mainland China tax liabilities (note c)	<u>2,000.5</u>
	<u><u>11,320.1</u></u>

- (a) At the close of business on 30 September 2011, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group and the outstanding mortgage loans under these guarantees amounted to HK\$1,662.6 million. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.
- (b) At the close of business on 30 September 2011, the Group had contingent liabilities of approximately HK\$7,508.5 million relating to corporate guarantees given in respect of bank loan facilities extended to certain associated companies and jointly controlled entities. As at 30 September 2011, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the associated companies and jointly controlled entities was approximately HK\$2,996.1 million.
- (c) In July 1999, a deed of tax indemnity was entered into between NWCL, a non-wholly owned subsidiary, and the Company whereby the Company undertakes to indemnify certain subsidiaries of NWCL in respect of, inter alia, certain PRC corporate income tax and land appreciation payable in consequence of the disposal of certain properties held by NWCL as at 31 March 1999. At the close of business on 30 September 2011, the Group's share of such obligation to NWCL for Mainland China tax liabilities was approximately HK\$2,000.5 million.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 30 September 2011, the Group did not have any outstanding loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, or hire purchase of finance lease commitments, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

5. WORKING CAPITAL

The Directors are of the opinion that, following the completion of the Rights Issue, taking into consideration of the financial resources available to the Group, including internally generated funds, external borrowings and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this Prospectus.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group continues to adopt prudent and cautious financial management policies and enhances its cash flow management capability through realisation of the Group's developing assets. By striving to achieve a well-balanced leverage, the Group endeavours to monitor and maintain a healthy financial position. Upon receipt of the proceeds from the Rights Issue, the financial position of the Group will be further strengthened with reduced gearing which will enhance the Group's financial capability and resilience.

Among all countries, China's economy is expected to deliver the best growth and favourable conditions still persist in the Hong Kong property market. However, with the persistent credit tightening environment, it is expected that the borrowing cost will increase further in the coming months and the risk of contraction in property sale volume and price in the short to medium term is possible. The Group will continue enhancing its cash flow capability so as to better position itself to grasp market opportunities for the long term benefits of the shareholders.

Government policy will be a key to market development in the PRC. Recently, apart from implementation of tightening measures on certain cities, the Central Government also allows a reasonable advancement of residential property prices based on local economic improvement such as GDP growth. It is expected by the market that the Central Government will further fine-tune those austerity measures in order to consolidate and enhance the positive results of austerity and effectively manage inflation to ensure stable development of the market in due regard to the situation of the local and the global economic development.

Overall, the Group is cautiously optimistic about the Hong Kong and Mainland China property markets. The mortgage rate in Hong Kong is expected to stay low for a while. Although more land supply has been released by the Hong Kong Government, there remains a shortage of inventory in the market and demand continues to be stable. The Group will continue its development plan to tap into the huge opportunities brought by the urbanisation in Mainland China according to the good side of the market. At the same time, the Group also adopts a prudent approach in developing its Mainland China operations by appropriately adjusting its plan according to changes in the property market and government policy.

Service and infrastructure businesses generate sustainable cashflow. In the 12th Five-Year Plan, the reinforcement of the expressway network remains an important target for Mainland China. Road operators will not only benefit from greater investment opportunities, but also a more developed and comprehensive road network.

Department stores will be benefited by steady growth in China's domestic consumption. The Group will continuously monitor and adjust the expansion strategy of opening self-owned stores and increasing gross floor spaces.

Hong Kong has still achieved a reasonable economic growth with GDP increased by 5.1% in real terms over a year earlier in the second quarter of 2011 and its unemployment rate stayed at a 13-year record low of 3.2% from July to September 2011. Benefited from a remarkable growth in visitor arrivals, for the first eight months of 2011, total retail sales increased by 25.6% in value and 19.7% in volume over the same period a year earlier.

The Group has recently re-launched The Masterpiece in August 2011 with satisfactory response. So far, over 40 units were sold. In the coming 12 months, the Group will launch six residential projects to provide attributable 1,949 units according to market condition. NWS announced the acquisition of 58.66% effective interest in Hangzhou Ring Road in September 2011, which substantially strengthens the investment in the infrastructure segment. New World Department Store China Limited (“NWDS”) has entered into an agreement acquiring the property and operating right of “Channel 1 調頻壹” in Shanghai in September 2011. The acquisition will further consolidate NWDS presence in Shanghai market.

7. EXPENSES

The estimated expenses in connection with the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses are estimated to amount to approximately HK\$177.0 million and will be borne by the Company.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 30 June 2011. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial position on the completion of the Rights Issue.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2011. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2011 or at any future date.

Audited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2011 ⁽¹⁾ HK\$'million	Estimated net proceeds from the Rights Issue ⁽²⁾ HK\$'million	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company after completion of the Rights Issue HK\$'million	Unaudited pro forma adjusted consolidated net tangible assets per Share ⁽³⁾ attributable to equity holders of the Company after completion of the Rights Issue HK\$
Based on 1,995.1 million Rights Shares (Note 2) to be issued at a subscription price of HK\$5.68 per Rights Share	99,506.1	11,155.0	110,661.1
			18.5

Notes:

- (1) The consolidated net tangible assets of the Group attributable to the Company's equity holders as at 30 June 2011 is based on the audited consolidated net assets of the Group attributable to the Company's equity holders as at 30 June 2011 of approximately HK\$103,780.4 million, with an adjustment for the intangible assets of approximately HK\$4,274.3 million, as extracted from the published annual report of the Group for the year ended 30 June 2011.

- (2) The estimated net proceeds from the Rights Issue which are based on 1,995.1 million Rights Shares to be issued (in the proportion of one (1) Rights Share for every two (2) Shares held as at the Record Date) at the subscription price of HK\$5.68 per Rights Share and after deduction of the estimated related expenses of approximately HK\$177.0 million.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in Note 2 above and on the basis that approximately 5,985.2 million Shares were in issue assuming the Rights Issue had been completed on 30 June 2011.
- (4) Other than those mentioned above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2011.

**(B) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT
OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group for the purpose of incorporation in this prospectus.



羅兵咸永道

**ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS TO THE DIRECTORS OF
NEW WORLD DEVELOPMENT COMPANY LIMITED**

We report on the Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets (the "Unaudited Pro Forma Financial Information") of New World Development Company Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages 51 to 52 in Appendix II of the Company's prospectus dated 8 November 2011 (the "Prospectus"), in connection with the proposed rights issue of the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the rights issue might have affected the relevant financial information of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on pages 51 to 52 of the Prospectus.

Respective Responsibilities of Directors of the Company and the Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the audited consolidated net assets of the Group as at 30 June 2011 with the audited consolidated financial statements of the Group as at 30 June 2011, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the adjusted consolidated net tangible assets of the Group as at 30 June 2011 or any future date.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 8 November 2011

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this Prospectus misleading.

2. SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following the Rights Issue will be, as follows:

		HK\$
<i>Authorised:</i>		
10,000,000,000	ordinary shares of HK\$1.00 each	10,000,000,000
<i>Issued, to be issued and fully-paid or credited as fully-paid:</i>		
3,990,125,002	Shares in issue as at the Latest Practicable Date	3,990,125,002
1,995,062,501	Rights Shares to be issued pursuant to the Rights Issue	1,995,062,501
<i>Issued share capital upon completion of the Rights Issue (assuming no change in the issued share capital of the Company from the Latest Practicable Date up to the date of completion of the Rights Issue except the issue of the Rights Shares):</i>		
<u>5,985,187,503 Shares</u>		<u>5,985,187,503</u>

All of the Shares in issue and the Rights Shares to be issued will rank *pari passu* with each other as to voting rights and return on capital. The Rights Shares, when allotted, issued, and fully-paid, will rank *pari passu* in all respects with the Shares then in issue as to dividend such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of issue and allotment of the fully-paid Rights Shares except that the fully-paid Rights Shares will not entitle the holders thereof to the proposed final dividend of HK\$0.28 per Share for the financial year ended 30 June 2011 as announced by the Company in the "Annual Results Announcement 2010/2011" dated 29 September 2011.

Share Options and Convertible Bonds

As at the Latest Practicable Date:

- (1) there were outstanding Convertible Bonds in the aggregate principal amount of HK\$6,000.00 million convertible into 251,656,740 Shares at the conversion price of HK\$23.842 per Share (subject to adjustments); and
- (2) there were outstanding Share Options in respect of 129,767,684 Shares, of which Shares Options in respect of 129,767,684 Shares are Vested Share Options.

Save for the outstanding Convertible Bonds and Share Options as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

Share options granted to eligible participants (other than directors of the Group)*(a) Share Option Scheme of the Company*

On 24 November 2006, the Company adopted the Share Option Scheme. Under the Share Option Scheme, the Directors may at their discretion grant options to any eligible participants (including employees) to subscribe for Shares.

The following are the outstanding Share Options granted to eligible participants (other than the Directors) under the Share Option Scheme as at the Latest Practicable Date:

Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
19 March 2007	(1)	14,595,167	17.652

Notes:

- (1) Divided into 5 tranches exercisable from 19 March 2007, 19 March 2008, 19 March 2009, 19 March 2010 and 19 March 2011 respectively to 18 March 2012.
- (2) The cash consideration paid by each participant for the grant of share options is HK\$10.0.

(b) Share option scheme of NWCL

On 26 November 2002, NWCL adopted a share option scheme (“**NWCL Share Option Scheme**”) pursuant to which employees, including directors of NWCL and its subsidiaries, were given opportunity to obtain equity holdings in NWCL.

The following are the outstanding share options granted to eligible participants (other than the Directors) under the NWCL Share Option Scheme as at the Latest Practicable Date:

Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
17 October 2006 to 13 November 2006	(1)	111,492	2.984
28 December 2006 to 24 January 2007	(1)	759,850	4.209
19 March 2007 to 13 April 2007	(1)	822,985	4.020
14 June 2007 to 11 July 2007	(1)	1,113,582	5.994
17 October 2007 to 13 November 2007	(1)	939,402	7.209
28 December 2007 to 24 January 2008	(1)	826,119	6.228
22 April 2008 to 19 May 2008	(1)	647,910	4.699
31 July 2008 to 27 August 2008	(1)	214,031	3.271
12 November 2008 to 9 December 2008	(1)	693,206	1.503
2 December 2008 to 29 December 2008	(2)	8,600,749	1.340
2 December 2008 to 29 December 2008	(1)	1,894,704	1.340
3 February 2009 to 2 March 2009	(1)	631,528	1.769
26 June 2009 to 23 July 2009	(1)	3,013,208	4.065
19 November 2009 to 16 December 2009	(1)	2,220,000	3.068
12 January 2010 to 2 February 2010	(1)	3,965,200	2.990
18 May 2010 to 14 June 2010	(1)	868,000	2.350
31 May 2010 to 25 June 2010	(1)	888,000	2.440
10 November 2010 to 7 December 2010	(1)	4,074,400	3.130
18 January 2011 to 14 February 2011	(1)	9,019,400	3.154
3 May 2011 to 30 May 2011	(1)	1,348,400	2.860
26 July 2011 to 22 August 2011	(1)	1,572,400	2.810
		<u>44,224,566</u>	

Notes:

- (1) The share options are exercisable within five years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years, except otherwise specified in note 2.
- (2) The share options are exercisable within four years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 25.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary year.
- (3) The cash consideration paid by each eligible participant for each grant of share options is HK\$10.0.

(c) Share option scheme of NWS

On 6 December 2001, NWS adopted a share option scheme (the “**NWS Share Option Scheme**”) and certain rules of such scheme were amended on 12 March 2003 and 24 November 2006. Under the NWS Share Option Scheme, the directors of NWS may at their discretion grant options to any eligible participants (including employees) to subscribe for shares in NWS.

The following are the outstanding share options granted to eligible participants (other than the Directors) under the NWS Share Option Scheme as at the Latest Practicable Date:

Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
21 August 2007	(1)	25,646,330	10.672
28 January 2008	(1)	1,062,551	13.570

Notes:

- (1) 40.0% of the share options are exercisable from 21 August 2008 to 20 August 2012 while the remaining 60.0% of the share options are divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012.
- (2) The cash consideration paid by each eligible participant for each grant of share options is HK\$10.0.

(d) Share option scheme of New World Department Store China Limited

On 12 June 2007, New World Department Store China Limited adopted a share option scheme (the “**NWDS Scheme**”). Under the NWDS Scheme, the directors of New World Department Store China Limited may at their discretion grant options to any eligible participant (including employees) to subscribe for shares in New World Department Store China Limited.

The following are the outstanding share options granted to eligible participants (other than the Directors) under the NWDS Scheme as at the Latest Practicable Date:

Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
27 November 2007	(1)	14,860,000	8.66
25 March 2008	(2)	2,150,000	8.44

Notes:

- (1) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (2) Divided into 5 tranches exercisable from 25 March 2009, 25 March 2010, 25 March 2011, 25 March 2012 and 25 March 2013 respectively to 24 March 2014, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (3) The cash consideration paid by each eligible participant for each grant of share option is HK\$1.0.

3. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office of the Company	30th Floor, New World Tower, 18 Queen's Road Central, Hong Kong
Company secretary of the Company	Mr. Wong Man-Hoi
Authorised representatives of the Company	Dr. Cheng Kar-Shun, Henry 12 Repulse Bay Road, Hong Kong Mr. Wong Man-Hoi Flat C, 3rd Floor, Tower 2, Harbour Green, 8 Sham Mong Road, Tai Kok Tsui, Kowloon, Hong Kong
Underwriters	Chow Tai Fook Enterprises Limited 31st Floor, New World Tower, 18 Queen's Road Central, Hong Kong The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong Standard Chartered Securities (Hong Kong) Limited 15/F, Two International Finance Centre 8 Finance Street, Central, Hong Kong
Legal adviser to the Company	Woo, Kwan, Lee & Lo 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong

Legal adviser to HSBC	Clifford Chance 28th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong
Legal adviser to Standard Chartered	Clifford Chance 28th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong
Auditor and reporting accountant	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building, Central, Hong Kong
Registrar and transfer office	Tricor Tengis Limited 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong
Principal bankers	Bank of China Bank of China Tower, 1 Garden Road, Central, Hong Kong Bank of Communications 20 Pedder Street, Central, Hong Kong Bank of East Asia 10 Des Voeux Road, Central, Hong Kong China Merchants Bank 21st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong Citibank N.A. 47th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong DBS Bank 11 st Floor, The Center, 99 Queen's Road Central, Hong Kong Hang Seng Bank 83 Des Voeux Road Central, Central, Hong Kong

The Hongkong and Shanghai Banking Corporation
1 Queen's Road Central,
Hong Kong

Industrial and Commercial Bank of China (Asia) Ltd
33rd Floor, ICBC Tower,
3 Garden Road, Central, Hong Kong

Nanyang Commercial Bank
151 Des Voeux Road Central,
Central, Hong Kong

Sumitomo Mitsui Banking Corporation
7-8th Floor, One International Finance Centre,
1 Harbour View Street,
Central, Hong Kong

Standard Chartered Bank
4-4A Des Voeux Road Central, Hong Kong

The Bank of Tokyo-Mitsubishi UFJ
8th Floor, AIA Central,
1 Connaught Road, Central, Hong Kong

4. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

- (1) The residential addresses of the Directors and senior management of the Company are set out below:

Name	Residential address
<i>Executive Directors</i>	
Dato' Dr. Cheng Yu-Tung	12 Repulse Bay Road, Hong Kong
Dr. Cheng Kar-Shun, Henry	12 Repulse Bay Road, Hong Kong
Dr. Sin Wai-Kin, David	26 Black's Link, Deep Water Bay, Hong Kong
Mr. Liang Chong-Hou, David	Bay Villas, 61 Shouson Hill Road, Hong Kong
Mr. Cheng Chi-Kong, Adrian	12 Repulse Bay Road, Hong Kong
Mr. Cheng Chi-Heng	12 Repulse Bay Road, Hong Kong
<i>Non-executive Directors</i>	
Mr. Cheng Kar-Shing, Peter	12 Repulse Bay Road, Hong Kong
Mr. Leung Chi-Kin, Stewart	House B, 32 Repulse Bay Road, Hong Kong
Mr. Chow Kwai-Cheung	27 E, Pak Hoi Mansion, Taikoo Shing, Hong Kong
Mr. Liang Cheung-Biu, Thomas	Flat C, 31st Floor, Block 2, Estoril Court, 55 Garden Road, Hong Kong
Ms. Ki Man-Fung, Leonie	17B, Tower 2, 37 Repulse Bay Road, Repulse Bay, Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. Yeung Ping-Leung, Howard	4 Purves Road, Jardine's Lookout, Hong Kong
Dr. Cha Mou-Sing, Payson	55 Shouson Hill Road, Hong Kong
Mr. Cha Mou-Zing, Victor (Alternate Director to Dr. Cha Mou-Sing, Payson)	B1, Country Villa, 28 Shouson Hill Road, Hong Kong
Mr. Ho Hau-Hay, Hamilton	Flat B, 24th Floor, Tower 1, Clovelly Court, 12 May Road, Hong Kong
Mr. Lee Luen-Wai, John	Flat 29B, 70 Tai Hang Road, Hong Kong
<i>Authorised representatives</i>	
Dr. Cheng Kar-Shun, Henry	12 Repulse Bay Road, Hong Kong
Mr. Wong Man-Hoi	Flat C, 3rd Floor, Tower 2, Harbour Green, 8 Sham Mong Road, Tai Kok Tsui, Kowloon, Hong Kong

- (2) The brief biographical details in respect of the Directors and senior management of the Company are set out below:

Executive Directors

DATO' DR. CHENG YU-TUNG ("Dr. Cheng")

DPMS, LLD(Hon), DBA(Hon), DSSc(Hon), GBM (Aged 86)

Appointed as Director in May 1970 and has been the chairman of the Company since 1982. Dr. Cheng is the chairman of Chow Tai Fook Enterprises Limited, and a director of Cheng Yu Tung Family (Holdings) Limited and Chow Tai Fook (Holding) Limited, all of them are substantial shareholders of the Company. He is also the chairman of New World Hotels (Holdings) Limited and a director of certain subsidiaries of the Group. Dr. Cheng is also a non-executive director of Shun Tak Holdings Limited and SJM Holdings Limited, the chairman of Melbourne Enterprises Limited and the non-executive chairman of Lifestyle International Holdings Limited, all being listed public companies in Hong Kong. Dr. Cheng was an independent non-executive director of Hang Seng Bank Limited (a listed public company in Hong Kong) until 6 May 2009. Dr. Cheng was awarded Grand Bauhinia Medal by the Government of Hong Kong in 2008. Dr. Cheng is the father of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, and the grandfather of Mr. Cheng Chi-Kong, Adrian and Mr. Cheng Chi-Heng.

DR. CHENG KAR-SHUN, HENRY

BA, MBA, DBA(Hon), LLD(Hon), GBS (Aged 64)

Appointed as Director in October 1972, executive Director in 1973 and became managing Director from 1989. Dr. Cheng Kar-Shun, Henry is the chairman and managing director of NWCL, the chairman of NWS Holdings Limited, the chairman and non-executive director of New World Department Store China Limited, the chairman of International Entertainment Corporation, an independent non-executive director of HKR International Limited, and a non-executive director of Lifestyle International Holdings Limited, all of them are listed public companies in Hong Kong. He was the chairman of Haitong International Securities Group Limited (formerly Taifook Securities Group Limited) (a listed public company in Hong Kong) up to his resignation on 13 January 2010. Dr. Cheng Kar-Shun, Henry is also the managing director of New World Hotels (Holdings) Limited and a director of certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Dr. Cheng Kar-Shun, Henry is the chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of the PRC. In 2001, Dr. Cheng Kar-Shun, Henry was awarded the Gold Bauhinia Star by the Government of Hong Kong. Dr. Cheng Kar-Shun, Henry is the eldest son of

Dr. Cheng Yu-Tung, the father of Mr. Cheng Chi-Kong, Adrian, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng.

DR. SIN WAI-KIN, DAVID (“Dr. Sin”)

DSSc(Hon) (Aged 82)

Appointed as executive Director in June 1970. Dr. Sin is the chairman of Myer Jewelry Manufacturer Limited, honorary chairman of Hip Hing Construction Company Limited and a director of certain subsidiaries of the Group. Dr. Sin is also the vice chairman and independent non-executive director of Miramar Hotel and Investment Company, Limited, a listed public company in Hong Kong. He was an independent non-executive director of Hang Seng Bank Limited (a listed public company in Hong Kong) until 6 May 2009.

MR. LIANG CHONG-HOU, DAVID (“Mr. Liang”)

(Aged 66)

Appointed as Director in November 1979 and became executive Director in 1986. Mr. Liang is the cousin of Mr. Liang Cheung-Biu, Thomas.

MR. CHENG CHI-KONG, ADRIAN (“Mr. Cheng”)

(Aged 32)

Appointed as an executive Director in March 2007. Mr. Cheng is an executive director of NWCL, New World Department Store China Limited and International Entertainment Corporation, all being listed public companies in Hong Kong. He is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. He is also a director of certain subsidiaries of the Group. Mr. Cheng has worked in a major international bank prior to joining the Group in September 2006 and has substantial experience in corporate finance. Mr. Cheng holds a Bachelor of Arts Degree (*cum laude*) from Harvard University. He is the vice-chairman of All-China Youth Federation, a member of the Tianjin Municipal Committee of The Chinese People’s Political Consultative Conference, a consultant of the Beijing Municipal Committee of The Chinese People’s Political Consultative Conference, chairman of China Young Leaders Foundation and the honorary chairman of Fundraising Committee, Wu Zhi Qiao (Bridge to China) Charitable Foundation. He is the grandson of Dr. Cheng Yu-Tung, the son of Dr. Cheng Kar-Shun, Henry, the nephew of Mr. Cheng Kar-Shing, Peter and the cousin of Mr. Cheng Chi-Heng.

MR. CHENG CHI-HENG

(Aged 34)

Appointed as an executive Director in June 2010. Mr. Cheng Chi-Heng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. Mr. Cheng

Chi-Heng had worked in Yu Ming Investment Management Limited from 1999 to 2000 as a corporate finance executive. He obtained his Bachelor of Arts degree majoring in Economics from the University of Western Ontario, Canada in 1999. He is the grandson of Dr. Cheng Yu-Tung, the son of Mr. Cheng Kar-Shing, Peter, the nephew of Dr. Cheng Kar-Shun, Henry and the cousin of Mr. Cheng Chi-Kong, Adrian.

Non-Executive Directors

MR. CHENG KAR-SHING, PETER

(Aged 59)

Appointed as a Director in October 1994. Mr. Cheng Kar-Shing, Peter is a director of New World Hotels (Holdings) Limited, the deputy managing director of New World Development (China) Limited, and a director of NWS Service Management Limited and certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. He is also an executive director of NWCL, and an independent non-executive director of King Fook Holdings Limited and Symphony Holdings Limited, all being listed public companies in Hong Kong. Mr. Cheng Kar-Shing, Peter is a fellow of The Hong Kong Institution of Engineers, a fellow of The Hong Kong Institute of Arbitrators, an accredited mediator of Hong Kong Mediation Centre, a CEDR Accredited Mediator, HKIAC Accredited Mediator (General) and a Panel Mediator of Land (Compulsory Sale For Redevelopment) Ordinance Pilot Mediation Scheme of The Joint Mediation Helpline Office. Mr. Cheng Kar-Shing, Peter is the son of Dr. Cheng Yu-Tung, the brother of Dr. Cheng Kar-Shun, Henry, the father of Mr. Cheng Chi-Heng and the uncle of Mr. Cheng Chi-Kong, Adrian.

MR. LEUNG CHI-KIN, STEWART ("Mr. Leung")

(Aged 72)

Appointed as a Director in October 1994, re-designated as executive Director in August 2004 and re-designated as non-executive Director and appointed as the principal adviser of the Company in January 2011. Mr. Leung has been the Group general manager and the company secretary of the Company prior to his retirement. Currently, he remains as the chairman of the remuneration committee of the Board. Mr. Leung is a director of Hip Hing Construction Company Limited and certain subsidiaries of the Group. He is also a non-executive director of NWCL (a listed public company in Hong Kong) upon re-designation from executive director on 8 January 2010. Mr. Leung is the chairman of the Executive Committee of The Real Estate Developers Association of Hong Kong, as well as a member of General Committee of The Chamber of Hong Kong Listed Companies.

MR. CHOW KWAI-CHEUNG (“Mr. Chow”)*(Aged 69)*

Appointed as a Director in October 1994. Mr. Chow is a non-executive director of NWCL (a listed public company in Hong Kong) upon re-designation from executive director on 8 January 2010, and a director of Golden Land Property Development Public Company Limited (a public listed company in Thailand). He is also a director of Hip Hing Construction Company Limited and certain subsidiaries of the Group. Mr. Chow joined the Group in 1971, headed the project management department and retired on 1 March 2011. Mr. Chow has over 40 years experience in property development businesses.

MR. LIANG CHEUNG-BIU, THOMAS*(Aged 64)*

Appointed as a non-executive Director in August 2004. Mr. Liang Cheung-Biu, Thomas is a non-executive director of Miramar Hotel and Investment Company, Limited (a listed public company in Hong Kong) and the group chief executive of Wideland Investors Limited. He has extensive experience in financial management, corporate finance, banking, real estate development and equity investment. Mr. Liang Cheung-Biu, Thomas is the cousin of Mr. Liang Chong-Hou, David.

MS. KI MAN-FUNG, LEONIE (“Ms. Ki”)*SBS, JP (Aged 64)*

Appointed as a non-executive Director in December 2008. Ms. Ki is the managing director of New World China Enterprises Projects Limited, a director of Kunming New World First Bus Services Limited and a director of certain subsidiaries of the Group. Ms. Ki is an independent non-executive director of Clear Media Limited and Sa Sa International Holdings Limited, both are listed public companies in Hong Kong. Ms. Ki has more than 30 years' experience in integrated communication and marketing services. She was the founder, partner and chairman/ chief executive officer of Grey Hong Kong Advertising Limited and Grey China Advertising Limited. Ms. Ki is committed to the community and public services. She was the chief executive of The Better Hong Kong Foundation. She is currently a life member of the Children's Cancer Foundation, Trustee of Ocean Park Conservation Fund, honorary secretary of Wu Zhi Qiao Charitable Foundation, a member of the Sports Commission of Hong Kong, a member of the Hong Kong Housing Society, a court and council member of Lingnan University, a member of the Asian Advisory Board of Cheng Yu Tung Management Institute, Richard Ivey School of Business (University of Western Ontario, Canada), a member of the Advisory Board of the EMBA Programme of CUHK, a member of the Career Advisory Board of HKU, and a CPPCC member of Yunnan Province.

Independent Non-executive Directors

MR. YEUNG PING-LEUNG, HOWARD (“Mr. Yeung”)
(Aged 54)

Appointed as a Director in November 1985. Mr. Yeung is a member of the audit committee and the remuneration committee of the Board. He is also the chairman of King Fook Holdings Limited and a non-executive director of Miramar Hotel and Investment Company, Limited, both being listed public companies in Hong Kong.

DR. CHA MOU-SING, PAYSON (“Dr. Cha”)
JP, DSSc(Hon) (Aged 69)

Appointed as a Director in April 1989. Dr. Cha is the chairman of the audit committee and a member of the remuneration committee of the Board. Dr. Cha is also the chairman of HKR International Limited and the non-executive chairman of Hanison Construction Holdings Limited, both of them are listed public companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited – manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange, the chairman of Mingly Corporation, a director of Asia Television Limited and an independent non-executive director of Hong Kong International Theme Parks Limited. Dr. Cha is a committee member of the Eleventh Chinese People’s Political Consultative Conference of the PRC.

MR. CHA MOU-ZING, VICTOR (“Mr. Cha”)
(Alternate Director to Dr. Cha Mou-Sing, Payson)
(Aged 62)

Appointed as an alternate Director in September 2000. Mr. Cha is the deputy chairman and managing director of HKR International Limited, and an independent non-executive director of SOHO China Limited, both are listed public companies in Hong Kong, and a director of United Nigerian Textiles PLC which is listed on The Nigerian Stock Exchange. He has extensive experience in the textile manufacturing and real estate businesses. He is a member of the Chinese People’s Political Consultative Committee of Zhejiang Province.

MR. HO HAU-HAY, HAMILTON (“Mr. Ho”)
(Aged 60)

Appointed as a non-executive Director in August 2004 and re-designated as independent non-executive Director in November 2007. Mr. Ho was an alternate Director of the Company from 7 January 2004 to 29 August 2004. Mr. Ho is a member of the audit committee and the remuneration committee of the Board. He is also a non-executive director of King Fook Holdings Limited (a listed public company in Hong Kong). He was

an independent non-executive director of CITIC Pacific Limited and a non-executive director of Dah Chong Hong Holdings Limited, both being listed public companies in Hong Kong, until 1 January 2010. He is also an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited.

MR. LEE LUEN-WAI, JOHN (“Mr. Lee”)
BBS, JP (Aged 62)

Appointed as an independent non-executive Director in August 2004. Mr. Lee is a member of the audit committee and the remuneration committee of the Board. Mr. Lee is also the managing director and chief executive officer of Lippo Limited and the chief executive officer of Lippo China Resources Limited and Hongkong Chinese Limited as well as an independent non-executive director of NWCL, all being listed public companies in Hong Kong. He is also a non-executive director of Export and Industry Bank, Inc. (a listed company in the Republic of Philippines) and Asia Now Resources Corporation (a listed company in Canada). He was a non-executive director of Medco Holdings, Inc., a listed company in the Republic of Philippines, up to his resignation on 23 July 2009. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and an associate member of The Institute of Chartered Accountants in England and Wales. He was a partner of Price Waterhouse (now PricewaterhouseCoopers) in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee is an honorary fellow of the City University of Hong Kong. He serves as a member on a number of Hong Kong Government Boards and Committees including as a member of the Hospital Authority and the chairman of its Finance Committee. He is also the chairman and the Trustee of the Hospital Authority Provident Fund Scheme, as well as the chairman of the Queen Elizabeth Hospital Governing Committee. In addition, Mr. Lee serves as a member of Non-local Higher and Professional Education Appeal Board. In 2011, Mr. Lee was awarded the Bronze Bauhinia Star by the Government of Hong Kong.

Company Secretary

Mr. Wong Man-Hoi (“Mr. Wong”), aged 53, was appointed as company secretary and an authorised representative of the Company in January 2011. He joined the Company in November 2000 and has headed the Legal Department since November 2001. Mr. Wong is a member of the Law Society of Hong Kong and has been a qualified solicitor in Hong Kong since 1994. Before joining the Company, Mr. Wong worked as a solicitor in Deacons, specializing in real estate practice. Mr. Wong obtained his Bachelor of Science (Engineering) degree from the University of Hong Kong in 1981, Bachelor of Laws degree from the University of London in 1990 and passed the Solicitor’s Final Examination of the Law Society of England and Wales in 1992.

5. DISCLOSURE OF INTERESTS BY DIRECTORS

- (a) As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares or underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any which they were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register kept by the Company under Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules were as follows:

(1) Long position in shares

	Number of Shares			Approximate % of Total shareholding	
	Personal interests	Family interests	Interests of controlled corporation		
The Company (Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-Shun, Henry	-	300,000	-	300,000	0.01
Dr. Sin Wai-Kin, David	4,727,287	47,098	-	4,774,385	0.12
Mr. Leung Chi-Kin, Stewart	134,538	-	-	134,538	0.00
Mr. Chow Kwai-Cheung	57,561	-	-	57,561	0.00
Mr. Ho Hau-Hay, Hamilton	-	-	439,177 ⁽¹⁾	439,177	0.01
Mr. Liang Cheung-Biu, Thomas	5,215	-	-	5,215	0.00
Ms. Ki Man-Fung, Leonie	60,000	-	-	60,000	0.00
Dragon Fortune Limited (Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-Shing, Peter	-	-	15,869 ⁽²⁾	15,869	27.41
HH Holdings Corporation (Ordinary shares of HK\$1.00 each)					
Dr. Sin Wai-Kin, David	42,000	-	-	42,000	7.00
Mega Choice Holdings Limited (in liquidation) (Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-Shun, Henry	-	-	420,585,070 ⁽³⁾	420,585,070	34.61

	Number of Shares			Total	Approximate % of shareholding
	Personal interests	Family interests	Interests of controlled corporation		
NWCL					
(Ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar-Shun, Henry	18,750,000	2,925,000	78,406,800 ⁽⁴⁾	100,081,800	1.74
Mr. Leung Chi-Kin, Stewart	790,000	–	–	790,000	0.01
Mr. Chow Kwai-Cheung	126	–	–	126	0.00
Mr. Lee Luen-Wai, John	83,600	–	–	83,600	0.00
Mr. Cheng Chi-Kong, Adrian	371,194	–	–	371,194	0.01
Ms. Ki Man-Fung, Leonie	30,000	–	–	30,000	0.00
New World Department Store China Limited					
(Ordinary shares of HK\$0.10 each)					
Mr. Cheng Chi-Kong, Adrian	–	–	1,107,000 ⁽⁵⁾	1,107,000	0.07
Ms. Ki Man-Fung, Leonie	20,000	–	–	20,000	0.00
NWS					
(Ordinary shares of HK\$1.00 each)					
Dr. Cheng Kar-Shun, Henry	13,768,798	–	12,000,000 ⁽⁴⁾	25,768,798	0.76
Dr. Sin Wai-Kin, David	4,921	46	25,493,617 ⁽⁶⁾	25,498,584	0.75
Mr. Liang Chong-Hou, David	246	–	–	246	0.00
Mr. Cheng Kar-Shing, Peter	343,750	–	5,074,520 ⁽⁷⁾	5,418,270	0.16
Mr. Leung Chi-Kin, Stewart	2,700,000	–	–	2,700,000	0.10
Mr. Chow Kwai-Cheung	14,033	–	–	14,033	0.00
Ms. Ki Man-Fung, Leonie	15,000	–	–	15,000	0.00
Sun City Holdings Limited					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-Shing, Peter	–	80,000	3,570,000 ⁽⁸⁾	3,650,000	45.63
Sun Legend Investments Limited					
(Ordinary shares of HK\$1.00 each)					
Mr. Cheng Kar-Shing, Peter	–	–	500 ⁽⁹⁾	500	50.00
YE Holdings Corporation					
(Ordinary shares of HK\$1.00 each)					
Mr. Leung Chi-Kin, Stewart	37,500	–	–	37,500	1.50

Notes:

- (1) These shares are beneficially-owned by a company in which Mr. Ho Hau-Hay, Hamilton owns 40.0% of its issued share capital.

- (2) 4,102 shares are held by a company wholly-owned by Mr. Cheng Kar-Shing, Peter and 11,767 shares are held by Sun City Holdings Limited (“Sun City”), of which Mr. Cheng Kar-Shing, Peter is deemed to be interested in 45.63% of its issued share capital.
- (3) These shares are beneficially-owned by companies which are wholly-owned by Dr. Cheng Kar-Shun, Henry.
- (4) These shares are beneficially-owned by a company which is wholly-owned by Dr. Cheng Kar-Shun, Henry.
- (5) These shares are beneficially-owned by a company which is wholly-owned by Mr. Cheng Chi-Kong, Adrian.
- (6) These shares are beneficially-owned by a company which is jointly-owned by Dr. Sin Wai-Kin, David and his spouse.
- (7) These shares are beneficially-owned by a company which is wholly-owned by Mr. Cheng Kar-Shing, Peter.
- (8) These shares are held by a company of which Mr. Cheng Kar-Shing, Peter has an indirect interest of 49.58%.
- (9) Mr. Cheng Kar-Shing, Peter is deemed to be interested in these shares by virtue of his interests in Sun City.

(2) Long position in underlying shares – Share Options

(i) *the Company*

Name of Director	Grant date	Number of Share Options outstanding as at the Latest Practicable Date with exercise price per Share of HK\$17.652		
		Exercisable period (Note 1)	Exercisable period (Note 2)	Total
Dato’ Dr. Cheng Yu-Tung	19 March 2007	36,714,392	–	36,714,392
Dr. Cheng Kar-Shun, Henry	19 March 2007	36,714,392	–	36,714,392
Dr. Sin Wai-Kin, David	19 March 2007	301,760	–	301,760
Mr. Liang Chong-Hou, David	19 March 2007	301,760	–	301,760
Mr. Yeung Ping-Leung, Howard	19 March 2007	301,760	–	301,760
Dr. Cha Mou-Sing, Payson	19 March 2007	301,760	–	301,760
Mr. Cheng Kar-Shing, Peter	19 March 2007	201,172	1,207,047	1,408,219
Mr. Leung Chi-Kin, Stewart	19 March 2007	35,708,517	–	35,708,517
Mr. Chow Kwai-Cheung	19 March 2007	–	1,207,047	1,207,047
Mr. Ho Hau-Hay, Hamilton	19 March 2007	201,172	–	201,172
Mr. Lee Luen-Wai, John	19 March 2007	301,760	–	301,760
Mr. Liang Cheung-Biu, Thomas	19 March 2007	201,172	–	201,172
Mr. Cheng Chi-Kong, Adrian	19 March 2007	–	502,935	502,935
Ms. Ki Man-Fung, Leonie	19 March 2007	–	1,005,871	1,005,871

Notes:

- (1) From 19 March 2007 to 18 March 2012.
- (2) Divided into 5 tranches exercisable from 19 March 2007, 19 March 2008, 19 March 2009, 19 March 2010 and 19 March 2011 respectively to 18 March 2012.
- (3) The cash consideration paid by each of the Directors for the grant of the Share Options is HK\$10.0.

(ii) NWCL

Name of Director	Date of grant	Exercisable period (Note)	Number of share options	Exercise price per share (HK\$)
Dr. Cheng Kar-Shun, Henry	29 December 2008	(1)	1,791,045	1.340
	18 January 2011	(2)	2,000,000	3.154
Mr. Cheng Kar-Shing, Peter	29 December 2008	(1)	727,612	1.340
	18 January 2011	(2)	800,000	3.154
Mr. Leung Chi-Kin, Stewart	29 December 2008	(1)	127,910	1.340
	18 January 2011	(2)	200,000	3.154
Mr. Chow Kwai-Cheung	29 December 2008	(1)	167,910	1.340
	18 January 2011	(2)	200,000	3.154
Mr. Lee Luen-Wai, John	29 December 2008	(1)	252,221	1.340
	18 January 2011	(2)	300,000	3.154
Mr. Cheng Chi-Kong, Adrian	29 December 2008	(1)	337,284	1.340
	18 January 2011	(2)	1,500,000	3.154

Notes:

- (1) Divided into 4 tranches exercisable from 30 January 2009, 30 January 2010, 30 January 2011 and 30 January 2012 respectively to 29 January 2013.
- (2) Divided into 5 tranches exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015 respectively to 18 February 2016.
- (3) The cash consideration paid by each of the above Directors for each grant of share options is HK\$10.0.

(iii) New World Department Store China Limited

Name of Director	Date of grant	Exercisable period (Note)	Number of share options	Exercise price per share (HK\$)
Dr. Cheng Kar-Shun, Henry	27 November 2007	(1)	1,000,000	8.66
Mr. Cheng Chi-Kong, Adrian	27 November 2007	(1)	500,000	8.66

Note:

- (1) Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012 respectively to 26 November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.
- (2) The cash consideration paid by each of the above Directors for the grant of share options is HK\$1.0.

(iv) NWS

Name of Director	Date of grant	Exercisable period (Note)	Number of share options	Exercise price per share (HK\$)
Dr. Cheng Kar-Shun, Henry	21 August 2007	(1)	4,553,871	10.672

Notes:

- (1) 40% of the share options are exercisable from 21 August 2008 to 20 August 2012 while the remaining 60% of the share options are divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011 respectively to 20 August 2012.
- (2) The cash consideration paid by the above Director for the grant of the share options is HK\$10.0.

(3) Long position in underlying shares – debentures

Fita International Limited (“Fita”)

Name of Director	Amount of debentures in USD issued by Fita			Total	Approximate % to the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests		
Mr. Lee Luen-Wai, John	1,000,000	1,000,000	–	2,000,000	0.27

Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors, chief executives of the Company or any of their associates had or deemed to have any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

- (b) Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have since 30 June 2011, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

6. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than Directors or chief executives of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

Long position in Shares

Name	Number of Shares held			Approximate % of shareholding
	Beneficial interests	Interests of controlled corporation	Total	
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") ⁽¹⁾	-	2,514,476,329	2,514,476,329	42.01
Chow Tai Fook (Holding) Limited (formerly known as Centennial Success Limited) ("CTFHL") ⁽²⁾	-	2,514,476,329	2,514,476,329	42.01
Chow Tai Fook Enterprises Limited ("CTF") ⁽³⁾	2,288,067,824	226,408,505	2,514,476,329	42.01
HSBC Holdings plc	-	567,541,186	567,541,186	9.48
Standard Chartered PLC	-	640,033,542	640,033,542	9.82

Notes:

- (1) CYTFH holds 66.08% direct interest in CTFHL and is accordingly deemed to have an interest in the Shares deemed to be interested by CTFHL.
- (2) CTFHL holds 100% direct interest in CTF and is accordingly deemed to have an interest in the Shares interested by or deemed to be interested by CTF.
- (3) CTF together with its subsidiaries.

As at the Latest Practicable Date, so far as is known to the Directors, the following persons and companies (other than Directors or chief executives of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group (other than the Company):

Name of entity	Name of member of the Group	Approximate percentage of interest held
Aldburg Assets Limited	Coral Business Inc.	12.50
Asean Giant Limited	Gold Return Resources Ltd.	10.00

Name of entity	Name of member of the Group	Approximate percentage of interest held
Asian East Worldwide Limited	Guangzhou Northring Freeway Company Limited	24.30
Beijing Zirancao Advertising Co., Ltd.	Beijing Xintong Sinologue Media & Advertising Co., Ltd.	25.00
Bolo Ltd	Bright Moon Company Limited	25.00
Changzhi City Changda Highway Development Company	Shanxi Xinda Highways Ltd.	40.00
Changzhi City Changda Highway Development Company	Shanxi Xinhuang Highways Ltd.	40.00
Chow Tai Fook Enterprises Limited	Advance Planner Limited	40.00
Chow Tai Fook Enterprises Limited	Beames Holdings Limited	36.00
Chow Tai Fook Enterprises Limited	Crimson Company Limited	37.00
Chow Tai Fook Enterprises Limited	HH Holdings Corporation	12.00
Dalian Commercial Network Construction and Development Company	Dalian New World Plaza International Co., Ltd.	12.00
Dr. Ren Keyong	NoveMed Group Ltd.	20.00
Ever Global Investment Limited	Autowin Limited	30.00
Fung Seng Diamond Co Ltd	Silver Bloom Company Limited	10.00
Gaintek Development Limited	Better Rich Development Limited	30.00
Ginza Assets Ltd	Rich Apple Developments Limited	49.99
Golden Sphere Investments Limited	New Hope Limited	15.00
Good Step Profits Limited	Well Phase International Limited	20.00
Grand Business Development Limited	北京新世界威邁特高新技術有限公司	45.00
Grand Choice Profits Limited	Gold Return Resources Ltd.	10.00

Name of entity	Name of member of the Group	Approximate percentage of interest held
Guangxi Wuzhou Heng Tong Development Ltd.	Wuzhou Xinwu Highways Limited	40.00
Guangxi Yulin City Heng Tong Ltd.	Guangxi Yulin Xinye Highways Co., Ltd.	40.00
Guangxi Yulin Yu Shieh Ltd.	Guangxi Yulin Xinyu Highways Co., Ltd.	40.00
Guangzhou Yongtong Freeway Company Ltd.	Guangzhou Northring Freeway Company Limited	10.41
Gujiao Highway-Bridge Development & Construction Company	Taiyuan Xinyuan Highways Limited	40.00
Hainan Zhonghong Investments Company Limited	New World Zhonghong Property Co., Ltd.	20.00
Hing Pang Petroleum Chemicals (H.K.) Limited	Chengdu Xinyi Real Estate Development Co., Ltd.	20.00
Honor Fidelity Limited	Dominion 2000 Limited	30.00
Hotspring Ltd	Easlin Corporation	20.00
Huamei Wealth (Beijing) International Property Investment Co., Ltd.	Beijing Dongfang Huamei Real Estate Development Co., Ltd.	25.00
Huasheng Audio & Video Publishing House	Beijing Jingdun Xintong Movie and TV Culture Co., Ltd.	25.00
Infinity Regent Inc.	Milestone Overseas Limited	16.67
Intex Shanghai Company Limited	Hong Kong-Shanghai Venue Management (Zhengzhou) Limited	30.00
Ji Lee Company Limited	Hong Kong Jing-Guang Development Limited	18.00
Kly (Nominees) Ltd	Super Value Development Limited	20.00
Kly (Nominees) Ltd	Top Flash Investments Limited	20.00
Lai Sun Development Company Limited	Easlin Corporation	20.00
Leader Civil Engineering Corporation Limited	Hip Hing – Leader JV Limited	33.33
Longreach Shipping Limited	Mass Profits Limited	20.00
Lucky Flow Limited	New World ZGM Limited	15.00

Name of entity	Name of member of the Group	Approximate percentage of interest held
Lucky Flow Limited	Keenwise Technology Limited	15.00
Magic Pioneer Limited	Two-Way Communications Limited	10.00
Melbourne Enterprises Limited	Billion Park Investment Limited	14.29
Merino Holdings Limited	New World ZGM Limited	20.00
Mr. Philip Yuen	Henry Bon Enterprises Company Limited	10.00
Ms. Carmen Leung	Henry Bon Enterprises Company Limited	10.00
Ms. Cheung Sau Lin	Success Concept Investments Limited	15.00
Ms. Yao Baozhen	Beijing Xintong Sinologue Media & Advertising Co., Ltd.	25.10
Open Door Investments Ltd	Realistic Reward Limited	30.00
Panion Holdings Ltd.	NoveMed Group Ltd.	15.00
Polarway Investment Ltd	Highness Land Investment Company Limited	40.00
Shenyang Zhengju Enterprises Ltd.	New World (Shenyang) Property Development Limited	10.00 (Note)
Sparkle Spirit Limited	Milestone Overseas Limited	16.67
Stanford Ocean Limited	Two-Way Communications Limited	10.00
Taiyuan Tongtai Industry & Commerce General Company	Taiyuan Xintai Highways Limited	40.00
Tenswin Limited	Boxwin Limited	16.58
Tianjin Expressway Group Co., Ltd.	Tianjin Xinzhan Expressway Co., Ltd.	40.00
Triumphal Fountain Limited	Timlex Investment Ltd	36.00
Wah Tai Company Limited	Silver Bloom Company Limited	20.00
Weatbest Investments Limited	Right Choice International Limited	35.00
Winteam Holdings Limited	China Step Limited	30.00

Name of entity	Name of member of the Group	Approximate percentage of interest held
北京市萬勝全物業管理中心	Beijing Kiu Lok Property Management Services Co., Ltd.	40.00
北京商建房地產開發有限公司	北京新世界商建房地產開發有限公司	10.00
北京崇遠投資經營公司	北京新世界物業管理有限公司	11.90
北京極致通達傳媒廣告有限公司	Beijing Xintong Media & Advertising Co., Ltd.	17.14
北京勵升豪廷房地產顧問有限公司	北京新世界商建房地產開發有限公司	15.00
成都深港石化有限公司	Chengdu Xinyi Real Estate Development Co., Ltd.	20.00
佛山市高明區恒達交通投資管理有限公司	Foshan Gaoming Xinming Bridge Company Limited	49.00
武漢市國營漢口魚場	Wuhan Xinhan Development Co., Limited	30.00 (Note)
國土資源部珠寶玉石首飾管理中心	Beijing Xintong Sinologue Media & Advertising Co., Ltd.	20.00
貴陽市南明區金水食府	Guiyang Jinyang Heng Tai Catering Investment Co., Ltd	16.67
廣東番禺交通建設投資有限公司	Guangzhou Dongxin Expressway Co., Ltd.	49.00
廣盛華僑(大亞灣)房產開發有限公司	惠州市廣新房地產開發有限公司	30.00

Note: referred to as profit sharing ratio as set out in the relevant co-operative joint venture contract

Save as disclosed above, so far as is known to the Directors, there was no other person who as at the Latest Practicable Date had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, had a direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

Pursuant to an agreement dated 5 August 1993 (the "**Agreement**") made between Hotel Property Investments (B.V.I.) Limited ("**HPI**") and Renaissance Hotel Holdings (B.V.I.) Limited, both being former subsidiaries of the Group, and CTF Holdings Limited, HPI agreed to pay CTF Holdings Limited an annual fee in accordance with the terms of the Agreement. The Agreement was assigned to New World Hotels (Holdings) Limited, a subsidiary of the Group, on 25 July 1997. CTF Holdings Limited was paid a fee of US\$9.9 million (approximately HK\$77.4 million) for the year ended 30 June 2011. Dr. Cheng Kar-Shun, Henry, Director of the Company is interested in this transaction to the extent that he has beneficial interests in CTF Holdings Limited.

Save for contracts amongst group companies and the aforementioned transaction, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the date of this Prospectus and which is significant in relation to the business of the Group.

9. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of this Prospectus and are, or may be, material:

- (a) a sale and purchase agreement dated 19 November 2009 between Hai Tong (HK) Financial Holdings Limited (“**Hai Tong (HK)**”) and NWS, pursuant to which Hai Tong (HK) has conditionally agreed to purchase and NWS has agreed to procure the sale of the 373,434,720 shares of Taifook Securities Group Limited (now known as Haitong International Securities Group Limited) for the consideration in the sum of approximately HK\$1,822.4 million;
- (b) a sale and purchase agreement dated 11 June 2010 entered into among NWS Service Management Limited as vendor, Fung Seng Enterprises Limited as purchaser, Mr. Doo Wai-Hoi, William and Mr. Wong Kwok-Kin, Andrew as warrantors in relation to the sale and purchase of the entire issued share capital of each (1) NWS Facility Services Limited; (2) Building Material Supplies Limited; (3) Clever Basis Limited; (4) New World Risk Management (L) Limited; and (5) NWS International Insurance Limited, at the consideration of HK\$445.9 million;
- (c) a sale and purchase agreement dated 11 June 2010 entered into among NWS Service Management Limited as vendor, Fung Seng Enterprises Limited as purchaser, Mr. Doo Wai-Hoi, William and Mr. Wong Kwok-Kin, Andrew as warrantors in relation to the sale and purchase of (1) the entire issued share capital of each of (a) NWS Engineering Group Limited; (b) Elite Master Holdings Limited and (c) Waihong Cleaning Limited; (2) the engineering business of NWS Engineering Ltd.; and (3) the contracts of property management business in Hong Kong, at the consideration of HK\$442.6 million;
- (d) a sale and purchase agreement dated 13 June 2011 entered into between among others, Widefaith Group Limited (“**Widefaith**”) as seller, Moscan Developments Limited (“**Moscan**”) as buyer in relation to the acquisition by Moscan of approximately 22.68% of the total issue shares in Chinese Future Corporation (“**CFC**”) from Widefaith at the consideration of approximately US\$226.9 million;

- (e) a purchase and sale agreement dated 18 June 2011 between New World Hotel Management (BVI) Limited (“**NWHM**”), an indirect wholly-owned subsidiary of the Company and Hotel Value Funds L.P. and Rosewood Hotels and Resorts Holdings Inc (collectively the “**Vendors**”) whereby NWHM agreed to acquire from the Vendors 100% interest in Rosewood Hotels and Resorts, L.L.C. and the intellectual property rights of “Carlyle”, a hotel brand, for a consideration of approximately US\$235 million and US\$28 million respectively;
- (f) a sale and purchase agreement dated 12 July 2010 entered into, among others, Wonderful Sky Limited, Modern Global Holdings Limited (“**Modern Global**”) and Fast Fortune Holdings Limited in relation to, among others, the acquisition by Modern Global of an effective interest of approximately 43.34% in China Tian Yuan Mining Limited (now known as Newton Resources Ltd, “**Newton Resources**”) which owns and operates a major privately-owned iron ore mine in Hebei Province in the PRC, at the consideration of US\$118.2 million; four sale and purchase agreements all dated 17 December 2010 entered between Modern Global and, among others, each of Aleman Investments Limited, Big Yield Limited, Excellent Era Limited and Standlink Holdings Limited in relation to the acquisition by Modern Global of an aggregate of additional effective interest of approximately 16.66% in Newton Resources, at the aggregate consideration of approximately US\$47.2 million; and thus, NWS’s effective interest in Newton Resources increased to approximately 60%. On 27 May 2011, the Stock Exchange approved the separate listing of Newton Resources on the Main Board of the Stock Exchange and the shares of Newton Resources were subsequently listed on 4 July 2011, resulting in a dilution of NWS’s interest in Newton Resources from approximately 60% to approximately 48% and Newton Resources ceased to be a subsidiary of NWS immediately upon listing;
- (g) a sale and purchase agreement dated 27 July 2011 entered into between, among others, Moscan and Kaiming Holdings Limited in relation to the acquisition of the 25% of the total issued shares in Widefaith at the consideration of approximately US\$145.2 million;
- (h) a sale and purchase agreement dated 9 September 2011 entered into between, among others, Moscan and The Children’s Investment Master Fund in relation to the acquisition by Moscan of approximately 26.32% of the total issued shares in CFC at the purchase price of US\$280 million together with interest at a rate of 8% per annum on the purchase price for the period from and including 1 July 2011 up to and including 31 August 2011;
- (i) the Underwriting Agreement; and
- (j) the NWCL Underwriting Agreement.

Save as disclosed above, as at the Latest Practicable Date, no contracts (not being contracts entered into in the ordinary course of business) had been entered into by the Company or its subsidiaries within the two years immediately preceding the issue of the Prospectus which are, or may be, material to the Group.

10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any of its subsidiaries.

11. EXPERT AND CONSENT

(a) Qualification of expert

The following are the qualification of the expert who has given its opinion which is contained in this Prospectus:

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants

(b) Consent of expert

PricewaterhouseCoopers has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its accountant's report on the unaudited pro forma financial information of the Group dated 8 November 2011 and references to its name in the form and context in which they are included.

(c) Interests of expert

As at the Latest Practicable Date, PricewaterhouseCoopers was not interested in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group nor did they had any direct or indirect interest in any assets which had been, since 30 June 2011 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Issue Documents and the written consent given by PricewaterhouseCoopers as referred to in the paragraph headed “Expert and Consent” in this Appendix III has been delivered to the Registrar of Companies pursuant to Section 38D of the Companies Ordinance.

13. GENERAL

- (a) The estimated expenses in connection with the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses, are estimated to amount to approximately HK\$177.0 million and will be borne by the Company.
- (b) All references to times and dates in this Prospectus refer to Hong Kong times and dates.
- (c) The English text of this Prospectus shall prevail over the Chinese text in the event of any inconsistency.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of Messrs. Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, on any weekday, except Saturdays, Sundays and public holidays, from the date of this Prospectus up to and including 22 November 2011:

- (a) the memorandum and articles of association of the Company;
- (b) the material contracts referred to in the paragraph headed “Material Contracts” in this Appendix III;
- (c) the accountant’s report on the unaudited pro forma financial information of the Group from PricewaterhouseCoopers, the text of which is set out in Appendix II to this Prospectus;
- (d) the written consent referred to in the paragraph headed “Expert and Consent” in this Appendix III;
- (e) the annual reports of the Company for the years ended 30 June 2009, 30 June 2010 and 30 June 2011; and
- (f) this Prospectus.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

(stock code: 17)



新創建 NWS

新創建集團有限公司*
NWS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(stock code: 659)

JOINT ANNOUNCEMENT

EXERCISE OF PUT OPTION AND OFFER TO SELL

POSSIBLE ACQUISITION OF ADDITIONAL INTEREST IN A COMPANY ENGAGED IN THE OPERATION OF HANGZHOU RING ROAD

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 31 October 2011, Moscan, a subsidiary of each of NWD and NWS, received a written notice delivered by Kaiming and was notified that Kaiming wished to exercise the Put Option to sell the Option Shares, being 65% of the total issued shares in Widefaith held by Kaiming, and would like to offer to sell to Moscan an additional 10% of the total issued shares in Widefaith, totalling in aggregate 75% of the total issued shares in Widefaith held by Kaiming, based on the same Benchmark Price and Daily Increment as provided in the Widefaith Sale and Purchase Agreement. The acceptance of the Put Option is subject to the terms and conditions as provided in the Widefaith Sale and Purchase Agreement, which include but not limited to, the entering into of a legally binding conditional sale and purchase agreement. The Offer is also subject to Moscan and Kaiming entering into a legally binding conditional sale and purchase agreement.

Shareholders and potential investors should note that the further acquisition by Moscan of 75% of the total issued shares in Widefaith, which is subject to a number of conditions, may or may not proceed. Although Moscan and Kaiming are in the process of negotiating the sale and purchase agreement, there is no assurance that the aforesaid further acquisition by Moscan will proceed. The respective shareholders of NWD and NWS and potential investors in the securities of NWD and NWS should therefore exercise caution when dealing in or investing in the securities of NWD and NWS.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Reference is made to the joint announcement of NWD and NWS dated 27 July 2011 in relation to the acquisition by Moscan, a subsidiary of each of NWD and NWS, of 25% of the total issued shares in Widefaith and the grant of the Put Option by Moscan to Kaiming and the grant of the Call Option by Kaiming to Moscan. Reference is also made to the joint announcement of NWD and NWS dated 9 September 2011 in relation to the acquisition by Moscan of approximately 26.32% of the total issued shares in CFC from TCI.

Unless otherwise defined in this announcement, terms defined in the announcements jointly made by NWD and NWS on 27 July 2011 and 9 September 2011 shall have the same meaning when used herein.

The respective boards of directors of NWD and NWS are pleased to announce that the Third Stage Acquisition was completed on 16 September 2011.

On 31 October 2011, Moscan, a subsidiary of each of NWD and NWS, received a written notice delivered by Kaiming and was notified that Kaiming wished to exercise the Put Option to sell to Moscan the Option Shares, being 65% of the total issued shares in Widefaith, and would like to offer to sell to Moscan an additional 10% of the total issued shares in Widefaith (the “Offer”), totalling in aggregate 75% of the total issued shares in Widefaith held by Kaiming, based on the same Benchmark Price and Daily Increment as provided in the Widefaith Sale and Purchase Agreement. The acceptance of the Put Option is subject to the terms and conditions as provided in the Widefaith Sale and Purchase Agreement, which include but not limited to, the entering into of a legally binding conditional sale and purchase agreement. The Offer is also subject to Moscan and Kaiming entering into a legally binding conditional sale and purchase agreement.

On 31 October 2011, Moscan has (a) confirmed its acceptance of the terms of the Put Option upon which it was exercised; and (b) indicated its in-principal acceptance of the terms of the Offer subject to satisfaction of the following conditions:

- (i) the approval of the respective boards of directors of NWD and NWS;
- (ii) the compliance by NWD and NWS with their disclosure obligations and other applicable requirements under the Listing Rules; and
- (iii) the execution of a legally binding conditional agreement relating to the sale and purchase of 75% of the total issued shares in Widefaith to be entered into by Moscan and Kaiming to their mutual satisfaction.

Should the parties proceed to execute a legally binding conditional agreement in relation to the acquisition by Moscan of 75% of the total issued shares in Widefaith, a further announcement will be made by NWD and NWS jointly in compliance with the relevant requirements of the Listing Rules.

Shareholders and potential investors should note that the further acquisition by Moscan of 75% of the total issued shares in Widefaith, which is subject to a number of conditions, may or may not proceed. Although Moscan and Kaiming are in the process of negotiating the sale and purchase agreement, there is no assurance that the aforesaid further acquisition by Moscan will proceed. The respective shareholders of NWD and NWS and potential investors in the securities of NWD and NWS should therefore exercise caution when dealing in or investing in the securities of NWD and NWS.

By order of the board of directors of
New World Development Company Limited
Dr. Cheng Kar Shun, Henry
Managing Director

By order of the board of directors of
NWS Holdings Limited
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 31 October 2011

As at the date of this announcement, the board of directors of NWD comprises (a) six executive directors, namely Dato' Dr. Cheng Yu Tung, Dr. Cheng Kar Shun, Henry, Dr. Sin Wai Kin, David, Mr. Liang Chong Hou, David, Mr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Heng; (b) five non-executive directors, namely Mr. Cheng Kar Shing, Peter, Mr. Leung Chi Kin, Stewart, Mr. Chow Kwai Cheung, Mr. Liang Cheung Bui, Thomas and Ms. Ki Man Fung, Leonie; and (c) four independent non-executive directors, namely Mr. Yeung Ping Leung, Howard, Dr. Cha Mou Sing, Payson (alternate director to Dr. Cha Mou Sing, Payson: Mr. Cha Mou Zing, Victor), Mr. Ho Hau Hay, Hamilton and Mr. Lee Luen Wai, John.

As at the date of this announcement, the board of directors of NWS comprises (a) six executive directors, namely Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung, Mr. William Junior Guilherme Doo and Mr. Cheng Chi Ming, Brian; (b) four non-executive directors, namely Mr. Doo Wai Hoi, William, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) three independent non-executive directors, namely Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

* For identification purposes only