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**新世界發展有限公司**

**New World Development Company Limited**

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF  
CERTAIN OF THE GROUP’S HOTELS IN HONG KONG ON  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**WEB PROOF INFORMATION PACK**

The Board announces that in connection with the Proposed Spin-off, the Trustee-Manager and NWHICL have submitted the WPIP to the Stock Exchange for publication on the Stock Exchange’s website. It is expected that the WPIP will be available for viewing and downloading from the Stock Exchange’s website at <http://www.hkexnews.hk> from 10 June 2013.

**INTRODUCTION**

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2) of the Listing Rules.

Reference is made to the Company’s announcements of 8 March 2013, 2 May 2013 and 29 May 2013 (the “**Announcements**”) relating to the Proposed Spin-off. Capitalised terms in this announcement shall have the same respective meanings given to them in the Announcements.

## WPIP

The Board announces that in connection with the Proposed Spin-off, the Trustee-Manager and NWHICL have submitted the web proof information pack which is jointly issued by NW Hotel Investments and NWHICL (the “**WPIP**”) to the Stock Exchange for publication on the Stock Exchange’s website. It is expected that the WPIP will be available for viewing and downloading from the Stock Exchange’s website at <http://www.hkexnews.hk> from 10 June 2013.

The WPIP contains, among other things, certain business and financial information relating to the NW Hotel Investments Group. Shareholders should note that the WPIP is in draft form and the information contained in it is incomplete and is subject to change which can be material. The Company does not have any obligation or liability whatsoever in relation to the WPIP.

## UPDATES ON THE PROPOSED SPIN-OFF

In relation to the Proposed Spin-off, the Board would like to draw the attention of the Shareholders to the following updates to the information contained in the announcement dated 2 May 2013.

### Arrangements Regarding Other Hotels in Asia Owned by the Group and the CTFE Group

To ensure a clear delineation in the future operations of the NW Hotel Investments Group (on the one hand) and the Group and the CTFE Group (on the other hand), it is proposed that if the Proposed Spin-off proceeds, the following arrangements will be put in place with effect from the Listing Date:

- (a) the Group will offer to transfer to the NWHICL Group its contractual entitlement to the results of operations of Hyatt Regency Hong Kong, Sha Tin if consent for the transfer of such entitlement is granted by The Chinese University of Hong Kong to the Group;
- (b) where the Group and/or the CTFE Group propose to sell any completed hotel in Asia which is managed under an internationally recognised hotel brand (which would include the New World hotel brand if and when it becomes an internationally recognised hotel brand) and in respect of which they hold in aggregate an effective interest of at least 30% (a “**Relevant Hotel**”), the Company and/or CTFE will first offer to sell, or will procure the relevant member of the Company and/or the CTFE Group to first offer to sell, to the NWHICL Group their respective interests in the Relevant Hotel;
- (c) where the Group and/or the CTFE Group have an interest in a hotel that is under development in Asia or develop a hotel in Asia in the future (including converting an existing property into a hotel) and (i) the Group and/or the CTFE Group hold in aggregate an effective interest of at least 30% in such hotel and (ii) upon completion, such hotel will be managed under an internationally recognised hotel brand (also, a “**Relevant Hotel**”), the Company and/or CTFE will offer to sell, or will procure the relevant member of the Group and/or the CTFE Group to offer to sell, to the NWHICL Group their respective interests in the Relevant Hotel within a period of five years from the date of commencement of operation of the Relevant Hotel; and

- (d) where the Group and/or the CTFE Group are offered the opportunity (an “**Investment Opportunity**”) to acquire an effective interest of at least 30% in a completed hotel in Asia (including acquiring additional interests which will result in an aggregate effective interest of at least 30%) which is managed under an internationally recognised hotel brand, the Company and/or CTFE (as the case may be) will notify, or will procure the relevant member of the Group and/or the CTFE Group (as the case may be) to notify, NWHICL of the Investment Opportunity and offer the NWHICL Group the opportunity to participate in such Investment Opportunity.

The above arrangements are subject to compliance by each of the NWHICL Group, the Group and the CTFE Group with any applicable legal and regulatory requirements and any applicable contractual or other restrictions.

The above arrangements are proposed to commence on the Listing Date and will terminate on the earlier of:

- (i) the date on which the Company and CTFE, directly or indirectly, are interested, in aggregate, in less than 30% of the Share Stapled Units in issue; and
- (ii) the date on which the Share Stapled Units cease to be listed on the Stock Exchange.

#### **Distribution Guarantee and Fixed Grand Hyatt Payments**

Grand Hyatt Hong Kong recently commenced the renovation of its rooms and facilities, which is expected to be completed in 2016, and accordingly, Grand Hyatt Hong Kong’s operations and financial performance may be adversely affected during the renovation period.

It is proposed that if the Proposed Spin-off proceeds, the Company and CTFE will provide the following:

##### *(a) Distribution Guarantee*

A guarantee (the “**Distribution Guarantee**”) to the Trustee-Manager (for the benefit of holders of Share Stapled Units) that the aggregate distributions to be made by the Trustee-Manager to holders of Share Stapled Units (including the Company and CTFE) will not be less than HK\$707 million for the period from the Listing Date to 30 June 2014 (the “**Distribution Guarantee Amount**”).

If the Trust Distributable Income for the period from the Listing Date to 30 June 2014 is less than the Distribution Guarantee Amount, the Company and CTFE will pay the shortfall amount to the Trustee-Manager (for the benefit of the holders of Share Stapled Units). The Trustee-Manager will aggregate the shortfall amount (if any) with the Trust Distributable Income for the period from the Listing Date to 30 June 2014 and will pay such aggregated amount to the holders of Share Stapled Units (including the Company and CTFE in respect of the Share Stapled Units held by them).

The purpose of the Distribution Guarantee is to assist in smoothing out any possible volatility in the distributions made by the Trustee-Manager (on behalf of NW Hotel Investments) for the first financial year following the Listing (particularly in light of the ongoing renovations at Grand Hyatt Hong Kong), thereby providing holders of Share Stapled Units with certainty as to the expected income and yield from their holdings of Share Stapled Units during the first financial year of the NW Hotel Investments Group following the Listing.

*(b) Fixed Grand Hyatt Payments*

Fixed payments (the “**Fixed Grand Hyatt Payments**”) to the Trustee-Manager (for the benefit of holders of Share Stapled Units) in the amount of HK\$60 million, HK\$60 million and HK\$30 million for the financial years ending 30 June 2015, 2016 and 2017, respectively, which will be made regardless of the actual income reported by Grand Hyatt Hong Kong for those financial years. The Trustee-Manager will aggregate the Fixed Grand Hyatt Payment for the relevant financial year with the Trust Distributable Income for that financial year and will pay such aggregated amount to the holders of Share Stapled Units (including the Company and CTFE in respect of the Share Stapled Units held by them).

The purpose of the Fixed Grand Hyatt Payments is to provide holders of Share Stapled Units with some assurance of the level of income of the NW Hotel Investments Group during the financial years ending 30 June 2015, 2016 and 2017.

Any payments to be made by the Company and CTFE pursuant to the above arrangements will be made in proportion to their initial shareholding interest in NWHICL, being 64% by the Company and 36% by CTFE.

As disclosed in the announcement dated 2 May 2013, it is currently expected that any payments to be made by the Company pursuant to the above arrangements will not be material. The Directors consider that the above arrangements would enable investors to evaluate the performance of the Hotels and attribute a valuation to the Hotels which is not impacted by the interruptions to the operations of Grand Hyatt Hong Kong as a result of the renovations. The Directors consider that the above arrangements are being implemented as part of the Reorganisation and the Proposed Spin-off and are in the interests of the Shareholders as a whole.

**THE PROPOSED SPIN-OFF AND THE GLOBAL OFFERING ARE SUBJECT TO MARKET CONDITIONS AND PRICING**

The Board wishes to emphasise that the implementation of the Proposed Spin-off and the Global Offering is subject to, among other things, the approval of the Stock Exchange and the final decision of the Board and of the boards of directors of the Trustee-Manager and NWHICL as to whether or not to proceed with the Proposed Spin-off and the Global Offering (which is subject to market conditions and pricing). The Board will only proceed with the Proposed Spin-off if the Board considers that the price of the Share Stapled Units which can be obtained under a Global Offering is such that proceeding with the Proposed Spin-off on those terms would be in the interests of the Company and the Shareholders as a whole.

Accordingly, Shareholders and potential investors in the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering will take place or as to when they may take place. If the Proposed Spin-off and the Global Offering do not proceed for any reason, the Preferential Offering will not proceed. If the Proposed Spin-off and the Global Offering proceed, the timetable for the Global Offering, including the Preferential Offering, will be set out in the Prospectus to be jointly issued by NW Hotel Investments and NWHICL in connection with the Global Offering and in a further announcement to be made by the Company.

**Shareholders and potential investors in the Company should exercise caution when dealing in or investing in the securities of the Company. 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.**

## **GENERAL**

In connection with the Global Offering, the price of the Share Stapled Units may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and the detailed timetable for the Global Offering, including the Preferential Offering, as and when appropriate.

By Order of the Board  
**New World Development Company Limited**  
**Wong Man-Hoi**  
*Company Secretary*

Hong Kong, 9 June 2013

*As at the date of this announcement, the Board of the Company comprises (a) six executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-Fung, Leonie, Mr. Cheng Chi-Heng and Ms. Cheng Chi-Man, Sonia; (b) two non-executive directors, namely Mr. Liang Chong-Hou, David and Mr. Cheng Kar-Shing, Peter; and (c) five independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Cha Mou-Sing, Payson (alternate director to Mr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas.*