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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**

**BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS
TO THE SHARE STAPLED UNITS IN THE PREFERENTIAL OFFERING**

The Board announces that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to Share Stapled Units in the Preferential Offering, if and when made. The basis of the Assured Entitlement is one Share Stapled Unit for every integral multiple of 80 Shares held by Qualifying Shareholders as at 4:30 p.m. on Monday, 17 June 2013 (being the Record Date).

Qualifying Shareholders who hold at least 80 Shares on the Record Date and therefore have an Assured Entitlement to the Share Stapled Units may apply for a number of Share Stapled Units which is greater than, less than or equal to their Assured Entitlement under the Preferential Offering. Qualifying Shareholders who hold less than 80 Shares on the Record Date and therefore will not have an Assured Entitlement to the Share Stapled Units will still be entitled to participate in the Preferential Offering by applying for excess Share Stapled Units only. However, any applications for excess Share Stapled Units will only be satisfied to the extent that the Share Stapled Units made available to and not taken up by Qualifying Shareholders as their Assured Entitlement under the Preferential Offering are sufficient to satisfy such excess applications.

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

INTRODUCTION

Reference is made to the Company's announcements of 8 March 2013, 2 May 2013, 29 May 2013 and 9 June 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.

BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS

The Board announces that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to Share Stapled Units in the Preferential Offering, if and when made.

The basis of the Assured Entitlement is one Share Stapled Unit for every integral multiple of 80 Shares held by Qualifying Shareholders as at 4:30 p.m. on Monday, 17 June 2013 (being the Record Date).

The Assured Entitlement of Qualifying Shareholders to the Share Stapled Units are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders who hold at least 80 Shares on the Record Date and therefore have an Assured Entitlement to the Share Stapled Units may apply for a number of Share Stapled Units which is greater than, less than or equal to their Assured Entitlement under the Preferential Offering. A valid application for a number of Share Stapled Units which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions set out in the Prospectus and the accompanying blue application form and assuming the conditions of the Preferential Offering are satisfied.

Qualifying Shareholders who hold less than 80 Shares on the Record Date and therefore will not have an Assured Entitlement to the Share Stapled Units will still be entitled to participate in the Preferential Offering by applying for excess Share Stapled Units only.

Applications by Qualifying Shareholders for excess Share Stapled Units will only be satisfied to the extent that the Share Stapled Units made available to and not taken up by Qualifying Shareholders as their Assured Entitlement under the Preferential Offering are sufficient to satisfy such excess applications.

The Share Stapled Units allocated to the Qualifying Shareholders will be rounded down to the closest whole number if required, and dealings in odd lots of the Share Stapled Units may be at a price below the prevailing market price for full board lots.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for Share Stapled Units under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

As stated in the announcement dated 29 May 2013, the Record Date for determining the Assured Entitlement of Qualifying Shareholders to the Share Stapled Units under the Preferential Offering is Monday, 17 June 2013 and the register of members of the Company will be closed from Friday, 14 June 2013 to Monday, 17 June 2013 (both days inclusive). No transfer of Shares will be registered during that period.

In order to qualify for the Assured Entitlement, all transfers of Shares accompanied by the relevant share certificates must be lodged with Tricor Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Thursday, 13 June 2013.

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

The Board wishes to emphasise that, notwithstanding this announcement of the basis of the Assured Entitlement of Qualifying Shareholders to the Share Stapled Units in the Preferential Offering, 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, 11 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.