



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Hong Kong stock code: 0017)

ANNOUNCEMENT ON RESULTS OF THE EXTRAORDINARY GENERAL MEETING AND DESPATCH OF PROSPECTUS DOCUMENTS

The Board is pleased to announce that the ordinary resolutions approving the increase in the authorised share capital of the Company and the Rights Issue were duly approved by the Shareholders at the Extraordinary General Meeting held on 22nd March, 2004.

The Rights Issue has been made to the Qualifying Shareholders on the basis of two Rights Shares for every five Shares held on the Record Date.

Printed copies of the prospectus, together with the Provisional Allotment Letter and the Excess Application Form, have been despatched on 22nd March, 2004 to the Qualifying Shareholders. The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on 6th April, 2004.

The pro forma statement of unaudited adjusted consolidated net tangible assets of the Group to reflect the effect of the Rights Issue as contained in the Prospectus is set out below in the main text of this announcement.

Reference is made to the announcement of the Company dated 13th February, 2004 (the "Announcement") and the circular of the Company dated 5th March, 2004 (the "Circular"). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement and the Circular unless the context otherwise requires.

RESULTS OF THE EXTRAORDINARY GENERAL MEETING

The Board is pleased to announce that the ordinary resolutions approving the increase in the authorised share capital of the Company and the Rights Issue were duly approved by the Shareholders at the Extraordinary General Meeting held on 22nd March, 2004.

The Rights Issue has been made to the Qualifying Shareholders on the basis of two Rights Shares for every five Shares held on the Record Date, being 22nd March, 2004.

DESPATCH OF PROSPECTUS DOCUMENTS

Following the registration of the Prospectus Documents with the Registrar of Companies in Hong Kong, printed copies of the prospectus, together with the Provisional Allotment Letter and the Excess Application Form, have been despatched on 22nd March, 2004 to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, being 22nd March, 2004.

Qualifying Shareholders are reminded that the latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on 6th April, 2004. Details of the procedures for acceptance and payment are set out in the prospectus and the Provisional Allotment Letter.

As at the date of this announcement, items (i), (ii), (iii) and (iv) (but subject to the listing permission being not withdrawn by 5:00 p.m. on 8th April, 2004) of the conditions of the Rights Issue as set out in the Circular and the prospectus have been satisfied, with the remaining item (v) of the conditions of the Rights Issue to be satisfied by 5:00 p.m. on 8th April, 2004.

Dealings of nil-paid Rights Shares on the Stock Exchange are expected to take place from 24th March, 2004 to 31st March, 2004 (both days inclusive). Dealings of fully-paid Rights Shares on the Stock Exchange are expected to commence on 19th April, 2004.

Shareholders are reminded that the Rights Issue is still conditional and subject to termination clauses under the Underwriting Agreement. Any Shareholder or other persons dealing in the Shares and/or the nil-paid Rights Shares prior to the time when the Underwriting Agreement becomes unconditional at 5:00 p.m. on 8th April, 2004 will accordingly bear the risk that the Rights Issue may not become unconditional and therefore may not proceed.

ADJUSTMENT TO THE CONVERSION PRICE OF OUTSTANDING CONVERTIBLE BONDS

No outstanding Convertible Bonds were converted into Shares before the closure of the register of members of the Company during the period from 15th March, 2004 up to the Record Date (both dates inclusive) for the purpose of determining the entitlements to the Rights Issue. The outstanding Convertible Bonds in the aggregate principal amount of US\$344.50 million as at the date of the Announcement have remained the same on the Record Date. According to the deed governing the Convertible Bonds, the issue of or grant of the rights to the Rights Shares constitutes an event giving rise to an adjustment to the conversion price of the Convertible Bonds. Therefore, the initial conversion price of HK\$24.60 per Share originally set for the outstanding Convertible Bonds has been adjusted to HK\$21.51 per Share with effect on 11th March, 2004 pursuant to the terms of the Convertible Bonds. PricewaterhouseCoopers, the auditor of the Company, was instructed to perform specific procedures on the calculation of adjustments to the conversion price. PricewaterhouseCoopers reported on the actual findings of those procedures and that the calculation of the adjusted conversion price was mathematically accurate. If the Rights Issue does not proceed because of its conditions not being satisfied by 5:00 p.m. on 8th April, 2004, the conversion price of the outstanding Convertible Bonds will revert to HK\$24.60 per Share immediately following such date.

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

The following statement of the pro forma unaudited adjusted consolidated net tangible assets of the Group is based on the audited consolidated net assets of the Group as at 30th June, 2003 and the unaudited results of the Group for the six months ended 31st December, 2003, adjusted to reflect the effect of the Rights Issue.

	HK\$'m
Audited consolidated net assets of the Group as at 30th June, 2003	46,136.2
Less: Effect of adoption of Statement of Standard Accounting Practice 12 (unaudited)	(342.2)
Restated consolidated net assets of the Group as at 30th June, 2003 (unaudited)	45,794.0
Add: Placement of Shares	1,225.7
Release of goodwill upon disposal of a subsidiary	7.1
Surplus on revaluation of investment securities	76.3
Deficit on revaluation of investment securities realised upon disposal	29.7
Unaudited profit attributable to Shareholders for the six months ended 31st December, 2003	236.4
Less: Release of reserve upon disposal of properties of a subsidiary and an associated company	(2.5)
Exchange difference arising on translation of subsidiaries, associated companies and jointly controlled entities	(0.5)
Unaudited consolidated net assets of the Group as at 31st December, 2003	47,366.2
Less: Intangible assets per unaudited consolidated balance sheet at 31st December, 2003	(539.6)
Add: Net negative goodwill arising from acquisition of associated companies and jointly controlled entities at 31st December, 2003	19.4
Unaudited consolidated net tangible assets of the Group as at 31st December, 2003	46,846.0
Add: Estimated net proceeds from the Rights Issue	5,259.0
Pro forma unaudited adjusted consolidated net tangible assets of the Group after the Rights Issue	52,105.0
Pro forma unaudited adjusted consolidated net tangible asset value per Share before the Rights Issue (based on 2,469,544,694 Shares in issue as at the Latest Practicable Date)	HK\$19.0
Pro forma unaudited adjusted consolidated net tangible asset value per Share after the Rights Issue (based on 2,469,544,694 Shares in issue and 987,817,877 Rights Shares to be issued pursuant to the Rights Issue)	HK\$15.1

By order of the Board
Leung Chi-kin, Stewart
Company Secretary