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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 RIGHTS ISSUE OF  
RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF  
HK\$6.20 EACH  
ON THE BASIS OF  
ONE RIGHTS SHARE FOR  
EVERY THREE SHARES HELD ON THE RECORD DATE  
AND  
CLOSURE OF REGISTER OF MEMBERS**

**Underwriters of the Rights Issue**



**Chow Tai Fook Enterprises Limited**

## **RIGHTS ISSUE**

The Company proposes to raise not less than approximately HK\$13,316 million, before expenses, and not more than approximately HK\$13,990 million, before expenses, by way of a rights issue of not less than 2,147,800,806 Rights Shares and not more than 2,256,434,407 Rights Shares on the basis of one Rights Share for every three Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$6.20 per Rights Share payable in full on acceptance. The Company will provisionally allot one Rights Share in nil-paid form for every three existing Shares held by each Qualifying Shareholder on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be available to Non-Qualifying Shareholders.

Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of Rights Shares to be allotted and issued pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's total number of issued Shares as at the Latest Practicable Date and will represent approximately 25% of the Company's enlarged total number of issued Shares immediately after the completion of the Rights Issue.

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

**The fully-paid Rights Shares will not entitle the holders thereof to the interim dividend of HK\$0.12 per Share for the financial year ending 30 June 2014 as announced by the Company in the "Interim Results Announcement 2013/2014" dated 26 February 2014.**

## **IRREVOCABLE UNDERTAKINGS OF THE MAJOR SHAREHOLDER**

As at the Latest Practicable Date, the Major Shareholder together with the Major Shareholder's Subsidiaries held 2,763,317,704 Shares in aggregate, representing approximately 42.89% of the total number of the existing issued Shares. Pursuant to the Irrevocable Undertaking, the Major Shareholder has irrevocably undertaken to the Company and HSBC, 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 acceptances in respect of such Rights Shares provisionally allotted to them with payment in full therefor in cash; and (ii) that it and the Major Shareholder's Subsidiaries 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 on the terms of the Underwriting Agreement 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 Irrevocable Undertaking.

The Rights Issue is 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" in this announcement below, and (ii) the Underwriting Agreement not being terminated by HSBC 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.

## **WARNING OF THE RISKS OF DEALINGS IN SHARES AND RIGHTS SHARES**

**The Underwriting Agreement contains provisions granting HSBC the right to terminate the Underwriting Agreement on the occurrence of certain events. Please refer to the section headed "Termination of the Underwriting Agreement" in this announcement below for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject (as set out under the paragraph headed “Conditions of the Rights Issue” in this announcement) are fulfilled (and the date on which the right of termination of HSBC under the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Monday, 7 April 2014 to Monday, 14 April 2014 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. 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 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.**

### **TRADING ARRANGEMENTS**

The last day for dealing in the Shares on a cum-rights basis is Tuesday, 25 March 2014. The Shares will be dealt with on an ex-rights basis from Wednesday, 26 March 2014. The Rights Shares are expected to be dealt with in their nil-paid form from Monday, 7 April 2014 to Monday, 14 April 2014 (both days inclusive).

To qualify for the Rights Issue, a Shareholder’s name must appear on the register of members of the Company on the Record Date, which is currently expected to be Monday, 31 March 2014 and such Shareholder must not be a Non-Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, any transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by 4:30 p.m. on the Last Day for Transfer. The register of members will be closed from Friday, 28 March 2014 to Monday, 31 March 2014 (both days inclusive).

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 will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed “Expected Timetable of the Rights Issue”.

### **REASONS FOR THE PROPOSED RIGHTS ISSUE AND USE OF PROCEEDS**

The Directors consider that taking into account the costs and benefits of different types of fund raising alternatives available to the Group, the Rights Issue is the preferred means for the Group to either refinance the credit facility that may be drawn by the Group in relation to the Proposal and the Rule 13 Offer or to finance its development projects, land bank expansion and other general working capital. The Rights Issue will offer all existing Shareholders the opportunity to participate, without dilution of their interest in the Company, in the future development of the Company on equal terms. The Directors consider that the net proceeds of the Rights Issue will maintain the Company’s existing financial strength and thus enhance the Group’s financial resilience.

The Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole, for the reasons mentioned above.

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional expenses, of approximately HK\$202 million, will be borne by the Company. The estimated net proceeds of the Rights Issue will be approximately HK\$13,114 million after the deduction of all estimated expenses of approximately HK\$202 million (based on the number of Shares in issue as at the Latest Practicable Date and assuming that no Shares have been allotted or issued on or before the Record Date pursuant to any exercise of the Conversion and Subscription Rights), or approximately HK\$13,771 million after the deduction of all estimated expenses of approximately HK\$219 million (based on the number of Shares in issue as at the Latest Practicable Date and assuming that Shares have been allotted and issued on or before the Record Date pursuant to full exercise of all outstanding Conversion and Subscription Rights). The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be not less than approximately HK\$6.10 and not more than approximately HK\$6.11. The Directors currently intend to use the net proceeds of the Rights Issue for (i) refinancing of the credit facility which may be drawn in relation to the Proposal and the Rule 13 Offer; or (ii) should the Proposal and the Rule 13 Offer be unsuccessful, financing the existing development projects, including New World Centre, of the Group, land bank expansion and other general working capital purposes.

The Rights Issue and the Proposal are not inter-conditional. Whether or not the Rights Issue will proceed, the Proposal and the Rule 13 Offer will be financed by a credit facility provided by HSBC.

## **GENERAL**

The Company expects to send the Issue Documents to the Qualifying Shareholders on or before Thursday, 3 April 2014. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and, if required by the terms and conditions of the Convertible Bonds and the terms of the Share Option Scheme, to the respective holders of the Convertible Bonds and Share Options, for their information only but will not send any PAL or EAF to them. A copy of the Prospectus will also be made available on the respective websites of the Company ([www.nwd.com.hk](http://www.nwd.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## **RIGHTS ISSUE**

### **Issue Statistics**

Basis of Rights Issue	:	One Rights Share for every three existing Shares held on the Record Date
Subscription Price	:	HK\$6.20 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	6,443,402,419 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Not less than 2,147,800,806 Rights Shares (based on the number of Shares in issue as at the Latest Practicable Date and assuming no Shares have been allotted and issued on or before the Record Date pursuant to any exercise of the Conversion and Subscription Rights) and not more than 2,256,434,407 Rights Shares (based on the number of Shares in issue as at the Latest Practicable Date and assuming that Shares have been allotted and issued on or before the Record Date pursuant to full exercise of all outstanding Conversion and Subscription Rights)
Amount to be raised	:	Not less than approximately HK\$13,316 million, before expenses (based on the number of Shares in issue as at the Latest Practicable Date and assuming no Shares have been allotted and issued on or before the Record Date pursuant to any exercise of the Conversion and Subscription Rights) and not more than approximately HK\$13,990 million, before expenses (based on the number of Shares in issue as at the Latest Practicable Date and assuming that Shares have been allotted and issued on or before the Record Date pursuant to full exercise of all outstanding Conversion and Subscription Rights)
Underwriters	:	HSBC and the Major Shareholder
Minimum enlarged number of Shares in issue upon completion of the Rights Issue	:	8,591,203,225 Shares (based on the number of Shares in issue as at the Latest Practicable Date and assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)

Maximum enlarged : 9,025,737,628 Shares (based on the number of Shares in issue as at the number of Shares in Latest Practicable Date and assuming new Shares are allotted and issue upon completion of the Rights Issue of the Rights Issue issued pursuant to full exercise of all outstanding Conversion and Subscription Rights on or before the Record Date and no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued after the Latest Practicable Date and on or before the Record Date, including Shares which may be allotted and issued on the Record Date pursuant to the exercise of outstanding Conversion and Subscription Rights on or before the Record Date.

As at the Latest Practicable Date:

- (1) there were outstanding Convertible Bonds in the aggregate principal amount of HK\$6,000 million convertible into 251,656,740 Shares at the current conversion price of HK\$23.842 per Share (subject to adjustments). Assuming full exercise of the conversion rights attaching to the Convertible Bonds and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 251,656,740 new Shares would fall to be allotted and issued, which would result in the allotment and issue of 83,885,580 additional Rights Shares; and
- (2) there were outstanding Share Options in respect of 125,361,412 Shares, of which (i) Share Options in respect of 49,657,454 Shares are existing Vested Share Options; and (ii) further Share Options in respect of up to 24,586,608 Shares will become Vested Share Options after the Latest Practicable Date but before the Record Date. Assuming full exercise of the subscription rights attaching to the aforesaid Vested Share Options and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 74,244,062 new Shares would fall to be allotted and issued, which would result in the allotment and issue of 24,748,020 additional Rights Shares.

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.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's total number of issued Shares as at the Latest Practicable Date and will represent approximately 25% of the Company's issued Shares as enlarged by the Rights Issue.

## **Qualifying Shareholders**

The Company expects to send the Issue Documents to Qualifying Shareholders only on or before Thursday, 3 April 2014. To the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and, if required by the terms and conditions of the Convertible Bonds and the terms of the Share Option Scheme, to the respective holders of the Convertible Bonds and the Share Options, in each case for their information only, but will not send any PAL or EAF to them.

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

- (i) be 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 is Tuesday, 25 March 2014. The Shares will be dealt with on an ex-rights basis from Wednesday, 26 March 2014.

In order to be registered as a member of the Company on the Record Date, any transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by 4:30 p.m. on the Last Day for Transfer.

Holders of the Convertible Bonds who wish to participate in the Rights Issue should exercise the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

Holders of the Vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights attaching to the Vested Share Options in accordance with their respective terms and conditions and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

The Latest Time for Acceptance is expected to be 4:00 p.m. on the Final Acceptance Date.

## **Closure of Register of Members**

The register of members of the Company will be closed from Friday, 28 March 2014 to Monday, 31 March 2014 (both days inclusive). No transfer of Shares will be registered during this period.

## **TERMS OF THE RIGHTS ISSUE**

### **Subscription Price**

The Subscription Price is HK\$6.20 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 renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (1) a discount of approximately 36.3% to the Last Closing Price;
- (2) a discount of approximately 30.0% to the theoretical ex-rights price (assuming no exercise of the Conversion and Subscription Rights) of approximately HK\$8.86 per Share, which is calculated based on the Last Closing Price;
- (3) a discount of approximately 37.3% to the average of the closing prices of approximately HK\$9.90 per Share as quoted on the Stock Exchange for the five consecutive trading days ending on and including the Last Trade Day;
- (4) a discount of approximately 37.2% to the average of the closing prices of approximately HK\$9.87 per Share as quoted on the Stock Exchange for the ten consecutive trading days ending on and including the Last Trade Day;
- (5) a discount of approximately 71.3% to the audited consolidated net asset value attributable to equity holders of the Company per Share as at 30 June 2013 of approximately HK\$21.59; and
- (6) a discount of approximately 72.2% to the unaudited consolidated net asset value attributable to equity holders of the Company per Share as at 31 December 2013 of approximately HK\$22.27.

Each Rights Share has no par value.

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 consider 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 three existing 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 with the Registrar on or before the Latest Time for Acceptance.

## **Status of the Rights Shares**

The Rights Shares, when fully paid, allotted and issued, will rank *pari passu* in all respects with the existing 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 allotment and issue of the fully-paid Rights Shares except that **the fully-paid Rights Shares will not entitle the holders thereof to the interim dividend of HK\$0.12 per Share for the financial year ending 30 June 2014 as announced by the Company in the "Interim Results Announcement 2013/2014" dated 26 February 2014.**

## **Rights of Non-Qualifying Shareholders**

Overseas Shareholders on the Record Date may not be eligible to take part in the Rights Issue as explained below.

The Issue Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than Hong Kong. The Company will not offer the Rights Shares to the Non-Qualifying Shareholders with registered addresses in territories outside Hong Kong. Accordingly, no provisional allotment of Rights Shares will be sent to the Non-Qualifying Shareholders. The Company will, subject to the advice given in the legal opinions provided by the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, send copies of the Prospectus to the Non-Qualifying Shareholders for their information only. The Company will not send the PAL or EAF to the Non-Qualifying Shareholders.

Based on the register of members of the Company as at the Latest Practicable Date, there were a total of 180 Overseas Shareholders, whose registered addresses as shown in the register of members of the Company were outside Hong Kong, namely in Australia, Brunei, Canada, Channel Islands, Cyprus, Germany, Japan, Macau, Malaysia, Netherlands, New Zealand, Papua New Guinea, Philippines, PRC, Singapore, South Africa, Spain, Taiwan, Thailand, the United Kingdom and the United States.

The Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. The Company notes the requirements specified in Rule 13.36(2)(a) of the Listing Rules and will only exclude from the Rights Issue the Overseas Shareholders whom the Directors, after making enquiries, consider it necessary or expedient to exclude on account of either

the legal restrictions under the laws of the relevant jurisdictions or any requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions. The basis of exclusion of the Non-Qualifying Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus.

The Company will make arrangements for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, to be provisionally allotted (in nil-paid form) to HSBC or its nominee/agent, and will be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, 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 Non-Qualifying Shareholders 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.

Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Board pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

### **Fractional Entitlement to the Rights Shares**

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares and entitlements will be rounded down to the nearest whole number. 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 HSBC or its nominee/agent, and will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. Any unsold fractions of Rights Shares will be available for excess application by the Qualifying Shareholders under the EAFs.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders had they been 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 renounees or transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF (in accordance with the instructions printed therein) 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 their discretion on a fair and equitable basis and as far as practicable on the following principles:

- (1) subject to the availability of sufficient excess Rights Shares for all such applications, 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 with flexibility to round up to whole board lots at the discretion of the Directors 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).

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard a nominee (including HKSCC Nominees Limited) whose name appears on the register of members of the Company as a single Shareholder (“Registered Nominee”) under the aforesaid arrangement in relation to the top-up of odd-lots for allocation of excess Rights Shares. Accordingly, the aforesaid top-up arrangement will not be extended to the beneficial owners individually. Beneficial owners who hold Shares through a Registered Nominee are advised to consider whether they would like to arrange for the registration of their Shares in their own names prior to 4:30 p.m. on the Last Day for Transfer.

Investors whose Shares are held by a Registered Nominee and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar, by 4:30 p.m. on the Last Day for Transfer. The register of members of the Company will be closed from Friday, 28 March 2014 to Monday, 31 March 2014 (both days inclusive).

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment, must complete and sign the 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 on or before the Latest Time for Acceptance.

## **Share Certificates for Rights Shares and Refund Cheques for Rights Issue**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be posted 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 Tuesday, 29 April 2014. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants by ordinary post at their own risk on or before Tuesday, 29 April 2014.

### **Application for listing and dealings**

The Company will apply 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. Save for the Convertible Bonds which are convertible into Shares, no part of the securities (other than debt securities with no right of conversion into Shares attached thereto) of the Company in issue or for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in, 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.

### **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 stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **UNDERWRITING ARRANGEMENTS**

### **Underwriting Agreement:**

Date : 13 March 2014

Underwriters : HSBC and the Major Shareholder

- Number of Rights Shares underwritten : The Rights Issue will be fully underwritten by the Underwriters other than Rights Shares that the Major Shareholder has irrevocably undertaken to take up, and Rights Shares that the Major Shareholder has irrevocably undertaken to procure Major Shareholder's Subsidiaries to take up, in each case, by way of their respective rights entitlements under the Rights Issue pursuant to the Irrevocable Undertaking. 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 HSBC
- 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 enquiries, HSBC and its ultimate holding company 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 of the Rights Issue**

The Rights Issue is conditional on (i) the satisfaction (or, as applicable, waiver) of the conditions of the Underwriting Agreement referred to in this section, and (ii) the Underwriting Agreement not being terminated by HSBC in accordance with its terms. The obligations of the Underwriters under the Underwriting Agreement are conditional upon:

- (1) publication of this 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;
- (2) the listing approval from the Listing Committee of the Stock Exchange ("**Listing Approval**") (subject only to allotment and despatch of the appropriate documents of title) having been obtained by not later than one business day prior to the commencement of trading of the nil-paid Rights Shares, and such permission not being withdrawn prior to the Latest Termination Time;
- (3) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than one business day prior to the commencement of trading of the nil-paid Rights Shares 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 (Winding Up and Miscellaneous Provisions) Ordinance not later than the Despatch Date (or such later time and/or date as the Company and HSBC 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 HSBC 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 on the date of the Underwriting Agreement to the Company and HSBC;
- (8) the representations and warranties of the Company and the Major Shareholder in the Underwriting Agreement remaining true and accurate and not misleading in all material respects and none of the undertakings of the Company and the Major Shareholder referred to in the Underwriting Agreement being breached (i) as of the date of the Underwriting Agreement and (ii) at any time after the date of the Underwriting Agreement and before the Latest Termination Time, as though they have been given and made at such time by reference to the facts and circumstances then subsisting;
- (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
- (11) receipt by HSBC (in the form and substance to the reasonable satisfaction of HSBC) 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 fulfilment of their respective conditions to be fulfilled by them under the Underwriting Agreement by the due time and/or date referred to in each case in the Underwriting Agreement (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 HSBC in accordance with the terms of the Underwriting Agreement and by the Stock Exchange in connection with the listing of the Rights Shares.

If any of the above conditions of the Underwriting Agreement is not fulfilled, or waived if permitted by the terms of the Underwriting Agreement in whole or in part by HSBC, 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.

HSBC shall have the right, in its 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 of the Underwriting Agreement 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 HSBC may determine;
- (2) to waive such condition (other than conditions (2), (4) and (5) above), and such waiver may be made subject to such terms and conditions as HSBC may determine.

The Major Shareholder, being also the controlling Shareholder of the Company, together with the Major Shareholder's Subsidiaries are interested in aggregate 2,763,317,704 Shares, representing approximately 42.89% of number of the existing issued Shares. 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 on or before 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 43.94% of the total number of issued Shares immediately after completion of the Rights Issue.

### **Termination of the Underwriting Agreement**

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

HSBC may at any time prior to the Latest Termination Time, by notice in writing to the Company, rescind or 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 or the Major Shareholder in the Underwriting Agreement comes to the knowledge of HSBC, 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 HSBC has 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 or 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 HSBC;
- (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 material omission therefrom;
- (6) the Company is required to publish a supplementary prospectus in accordance with Rule 11.13 of the Listing Rules or otherwise;
- (7) 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;
- (8) 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;
- (9) 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 HSBC acting in good faith is material in the context of the Rights Issue; or
- (10) there has occurred, happened, come into effect 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 local, national or international financial, political, economic, military, industrial, legal, taxation, 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, judgments, 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, 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
- (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 or the Proposal),

which, in the sole opinion of HSBC:

- (i) 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;
- (ii) 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
- (iii) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in this announcement and the Issue Documents.

**In the event HSBC exercises its right 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 HSBC in respect of any breach of the Underwriting Agreement occurring prior to such termination.**

**If HSBC exercises 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 HSBC.**

### **Lock-up**

The Company has undertaken to HSBC, and the Major Shareholder has undertaken to HSBC 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 24 April 2014), the Company shall not (except for the Rights Shares):

- (1) 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 (i) upon exercise of the conversion rights under the outstanding Convertible Bonds; (ii) upon exercise of the outstanding Share Options; or (iii) as scrip interim dividend of the Company for the financial year ending 30 June 2014;
  - (2) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (1) above; or
  - (3) announce any intention to enter into or effect any such transaction described in (1) or (2) above,
- unless with prior written consent of HSBC (such consent not to be unreasonably withheld or delayed).

The Major Shareholder has undertaken to HSBC that for the period from the Latest Time for Acceptance 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 24 April 2014 (the “**Lock-up Period**”)), it shall not and shall procure that none of the Major Shareholder’s nominees and companies controlled by the Major Shareholder (whether individually or together and whether directly or indirectly) shall:

- (1) 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 interest 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 interest (for the avoidance of doubt, the Major Shareholder shall not be restricted or prohibited from receiving the scrip interim dividend of the Company for the financial year ending 30 June 2014);
- (2) 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 (1) above or this paragraph (2) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

(3) announce any intention to enter into or effect any such transaction described in (1) or (2) above, unless with the prior written consent of HSBC, 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 HSBC pursuant to the termination events in the Underwriting Agreement, and the Major Shareholder may during the Lock-up Period, with the prior consent of HSBC, pledge any Shares (including the Rights Shares) or any interest 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 Codes on Takeovers and Mergers and Share Buy-backs.

### **Irrevocable undertaking from the Major Shareholder**

As at the Latest Practicable Date, the Major Shareholder together with the Major Shareholder's Subsidiaries held 2,763,317,704 Shares in aggregate, representing approximately 42.89% of total number of the existing issued Shares. Pursuant to the Irrevocable Undertaking, the Major Shareholder has irrevocably undertaken to the Company and HSBC, 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 acceptances in respect of such Rights Shares provisionally allotted to them with payment in full therefor in cash; and (ii) that the Major Shareholder and the Major Shareholder's Subsidiaries 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 on terms of the Underwriting Agreement other than all the Rights Shares that will be provisionally allotted to and which are 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 Irrevocable Undertaking.

### **THE PROPOSAL AND RULE 13 OFFER**

Reference is made to the Joint Announcement dated the same date as this announcement whereby it is announced that Easywin requested the board of directors of NWCL to put forward the Proposal to the holders of Scheme Shares regarding the proposed privatization of NWCL by way of a Scheme, and that Easywin will also make (or procure to be made on its behalf) the Rule 13 Offer.

As at the Latest Practicable Date, the Company directly owns, and through its wholly-owned subsidiary, Easywin, indirectly owns, 5,977,019,371 NWCL Shares in aggregate, representing approximately 68.89% of the total issued shares of NWCL. The Company is also interested in a total of 115,581,802 NWCL Shares through its non-wholly owned subsidiaries, representing approximately 1.33% of the total number of issued shares of NWCL.

The implementation of the Proposal and the Scheme is subject to certain conditions being fulfilled or waived, as applicable. The Rule 13 Offer will be conditional upon the Scheme becoming effective. Please refer to the Joint Announcement dated the same date as this announcement for details relating to the Proposal, the Scheme and the Rule 13 Offer.

The Rights Issue and the Proposal are not inter-conditional.

### **REASONS FOR THE RIGHTS ISSUE AND USE OF THE PROCEEDS**

The Directors consider that taking into account the costs and benefits of different types of fund raising alternatives available to the Group, the Rights Issue is the preferred means for the Group to either refinance the credit facility that may be drawn by the Group in relation to the Proposal and the Rule 13 Offer or to finance its development projects, land bank expansion and other general working capital. The Rights Issue will offer all existing Shareholders the opportunity to participate, without dilution of their interest in the Company, in the future development of the Company on equal terms. The Directors consider that the net proceeds of the Rights Issue will maintain the Company's existing financial strength and thus enhance the Group's financial resilience.

The Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole, for the reasons mentioned above.

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional expenses, of approximately HK\$202 million, will be borne by the Company. The estimated net proceeds of the Rights Issue will be approximately HK\$13,114 million after the deduction of all estimated expenses of approximately HK\$202 million (assuming that no Shares have been allotted or issued on or before the Record Date pursuant to any exercise of the Conversion and Subscription Rights), or approximately HK\$13,771 million after the deduction of all estimated expenses of approximately HK\$219 million (assuming that Shares have been allotted or issued on or before the Record Date pursuant to full exercise of all outstanding Conversion and Subscription Rights). The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be not less than approximately HK\$6.10 and not more than approximately HK\$6.11. The Directors currently intend to use the net proceeds of the Rights Issue for (i) refinancing of the credit facility which may be drawn in relation to the Proposal and the Rule 13 Offer; or (ii) should the Proposal and the Rule 13 Offer be unsuccessful, financing the existing development projects, including New World Centre, of the Group, land bank expansion and other general working capital purposes.

The Directors believe that upon completion of the Rights Issue, the Company will have a sustainable capital base and, in the absence of any unforeseen circumstances, do not foresee the need to raise additional capital from the equity market in the next five years.

The Rights Issue and the Proposal are not inter-conditional. Whether or not the Rights Issue will proceed, the Proposal and the Rule 13 Offer will be financed by a credit facility provided by HSBC.

Assuming the maximum number of Shares are allotted and issued on or before the Record Date pursuant to the full exercise of all outstanding Conversion and Subscription Rights, additional net proceeds of approximately HK\$657 million will result from the increase in the number of Rights Shares. Such additional net proceeds are intended by the Directors to be used as general working capital for the Group.

## EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Rights Issue are and will be as follows:

### Scenario 1:

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue.

	As at the Record Date <sup>1</sup>		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 Major Shareholder, Major Shareholder's Subsidiaries and the Underwriters))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Major Shareholder	2,512,835,762	39.00	3,350,447,682	39.00	3,440,447,682	40.05
Major Shareholder's Subsidiaries	<u>250,481,942</u>	<u>3.89</u>	<u>333,975,921</u>	<u>3.89</u>	<u>333,975,921</u>	<u>3.89</u>
	2,763,317,704	42.89	3,684,423,603	42.89	3,774,423,603	43.94
Directors	2,706,587	0.04	3,608,782	0.04	2,706,587	0.03
Public	3,677,378,128	57.07	4,903,170,840	57.07	3,677,378,128	42.80
HSBC <sup>2</sup>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,136,694,907</u>	<u>13.23</u>
Total	<u><u>6,443,402,419</u></u>	<u><u>100.00</u></u>	<u><u>8,591,203,225</u></u>	<u><u>100.00</u></u>	<u><u>8,591,203,225</u></u>	<u><u>100.00</u></u>

Notes:

- 1 Assuming no change in shareholdings from the Latest Practicable Date.
- 2 Pursuant to its underwriting obligations and excluding any other interests.

## Scenario 2:

Assuming new Shares have been allotted and issued on or before the Record Date pursuant to the full exercise of all outstanding Conversion and Subscription Rights but otherwise no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue.

	As at the Record Date <sup>1</sup>		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 Major Shareholder, Major Shareholder's Subsidiaries and the Underwriters))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Major Shareholder	2,512,835,762	37.12	3,350,447,682	37.12	3,440,447,682	38.12
Major Shareholder's Subsidiaries	<u>250,481,942</u>	<u>3.70</u>	<u>333,975,921</u>	<u>3.70</u>	<u>333,975,921</u>	<u>3.70</u>
	2,763,317,704	40.82	3,684,423,603	40.82	3,774,423,603	41.82
Directors	24,438,812	0.36	32,585,082	0.36	24,438,812	0.27
Public	3,981,546,705	58.82	5,308,728,943	58.82	3,981,546,705	44.11
HSBC <sup>2</sup>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,245,328,508</u>	<u>13.80</u>
Total	<u><u>6,769,303,221</u></u>	<u><u>100.00</u></u>	<u><u>9,025,737,628</u></u>	<u><u>100.00</u></u>	<u><u>9,025,737,628</u></u>	<u><u>100.00</u></u>

### Notes:

- 1 Assuming no change in shareholdings from the Latest Practicable Date other than pursuant to the exercise of all outstanding Conversion and Subscription Rights.
- 2 Pursuant to its underwriting obligations and excluding any other interests.

## EXPECTED TIMETABLE OF THE RIGHTS ISSUE

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

2014

Last day of dealings in Shares on a cum-rights basis . . . . .	Tuesday, 25 March
First day of dealings in Shares on an ex-rights basis. . . . .	Wednesday, 26 March
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue . . . . .	4:30 p.m. on Thursday, 27 March
Book closure period (both days inclusive). . . . .	Friday, 28 March to Monday, 31 March
Record Date . . . . .	Monday, 31 March
Reopening of register of members . . . . .	Tuesday, 1 April
Issue Documents expected to be despatched on . . . . .	Thursday, 3 April
First day of dealings in nil-paid Rights Shares. . . . .	Monday, 7 April
Latest time for splitting nil-paid Rights Shares . . . . .	4:30 p.m. on Wednesday, 9 April
Last day of dealings in nil-paid Rights Shares . . . . .	Monday, 14 April
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares . . . . .	4:00 p.m. on Thursday, 17 April
Latest time for termination of the Underwriting Agreement . . . . .	5:00 p.m. on Thursday, 24 April
Rights Issue expected to become unconditional on or before . . . . .	5:00 p.m. on Thursday, 24 April
Publication of announcement of results of the Rights Issue and excess applications . . . . .	Monday, 28 April
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be despatched on or before . . . . .	Tuesday, 29 April
Certificates for fully-paid Rights Shares expected to be despatched on or before . . . . .	Tuesday, 29 April
First day of dealings in fully-paid Rights Shares . . . . .	Wednesday, 30 April

*Note:* All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by agreement between the Company and HSBC. 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 LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place 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 the Final Acceptance Date. 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;
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Final Acceptance Date. 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 9:00 a.m. 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 currently scheduled date for the Final Acceptance Date, the dates mentioned in the section headed “Expected Timetable for the Rights Issue” 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.

## **PREVIOUS FUND RAISING EXERCISE OF THE COMPANY**

Save for (1) 45,307,267 Shares and 131,422,824 Shares issued as scrip dividends to Shareholders for the respective satisfaction of the scrip interim dividend and the scrip final dividend of the Company for the financial year ended 30 June 2013 in lieu of cash, which raised HK\$551,108,534.27 and HK\$1,306,947,415.55 respectively; (2) 2,611,703 Shares issued pursuant to exercise of Share Options which raised HK\$25,942,636.10, and (3) Shares which may be issued as scrip dividends to Shareholders for the satisfaction of the interim dividend of the Company for the financial year ending 30 June 2014 which was announced by the Company on 26 February 2014, the Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement. The aforementioned proceeds have been and will be used by the Group for general working capital purposes.

## **TAXATION**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

## **INFORMATION ON THE GROUP**

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

## **GENERAL**

The Prospectus or Issue Documents, as appropriate, containing further information on the Rights Issue will be despatched to Shareholders as soon as practicable. Shareholders and potential investors should exercise caution in dealing in the Shares.

Pursuant to Rule 7.19(6)(a) of the Listing Rules, since the Rights Issue would increase the total number of issued Shares by no more than 50%, the Rights Issue is not conditional on approval by the Shareholders.

## **POSSIBLE ADJUSTMENT TO THE CONVERTIBLE BONDS AND SHARE OPTIONS**

As at the Latest Practicable Date, there are outstanding Convertible Bonds with an aggregate principal amount of HK\$6,000.00 million convertible into 251,656,740 Shares at the current conversion price of HK\$23.842 per Share (subject to adjustments). Assuming full exercise of the conversion rights attaching to the Convertible Bonds and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 251,656,740 new Shares would fall to be allotted and issued, which would result in the allotment and issue of 83,885,580 additional Rights Shares. There are also outstanding Share Options in respect of 125,361,412 Shares, of which (i) Share Options in respect of 49,657,454 Shares are existing Vested Share Options; and (ii) further Share Options in respect of up to 24,586,608 Shares will become Vested Share Options after the Latest Practicable Date but before the Record Date. Assuming full exercise of the subscription rights attaching to the aforesaid Vested Share Options and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 74,244,062 new Shares would fall to be allotted and issued, which would result in the allotment and issue of 24,748,020 additional Rights Shares.

As a result of the Rights Issue, the conversion price of the outstanding Convertible Bonds and the exercise price of the outstanding Share Options may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and 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.

## **WARNING OF THE RISKS OF DEALINGS IN SHARES AND RIGHTS SHARES**

**The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 26 March 2014. Dealings in the Rights Shares in the nil-paid form are expected to take place from Monday, 7 April 2014 to Monday, 14 April 2014 (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 HSBC the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to the section headed “Termination of the Underwriting Agreement” in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.**

**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 announcement) are fulfilled (and the date on which HSBC’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Monday, 7 April 2014 to Monday, 14 April 2014 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed and are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. 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 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.**

## **DEFINITIONS USED IN THIS ANNOUNCEMENT**

“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 921,105,899 Rights Shares which the Major Shareholder has irrevocably undertaken to subscribe or to procure the Major Shareholder’s Subsidiaries to subscribe for the Rights Issue

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) 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 Main Board of the Stock Exchange
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised, of the Cayman Islands
“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 million issued by Sherson Limited, a wholly-owned subsidiary of the Company, in 2007 and guaranteed by the Company, convertible into Shares at the current conversion price of HK\$23.842 per Share (subject to adjustments) at any time after 16 July 2007 up to the close of business on 25 May 2014, such Convertible Bonds being listed on the Singapore Exchange Securities Trading Limited
“Despatch Date”	Thursday, 3 April 2014 or such later date as may be agreed between the Company and the Underwriters for the despatch of the Issue Documents
“Directors”	the directors 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”	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, which is currently scheduled to be on Thursday, 17 April 2014 or such later date as the Company and HSBC may agree, being no later than Friday, 25 April 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contract), Type 6 (advising on corporate finance) and Type 9 (asset management) 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 13 March 2014 given by the Major Shareholder in favour of the Company and HSBC
“Issue Documents”	the Prospectus, the PAL and the EAF
“Joint Announcement”	the joint announcement of Easywin, the Company and NWCL dated the same date as this announcement relating to, among other things, the Proposal, the Scheme and the Rule 13 Offer
“Last Closing Price”	the closing price of HK\$9.74 per Share as quoted on the Stock Exchange on the Last Trade Day
“Last Day for Transfer”	Thursday, 27 March 2014, being the last date for lodging transfer of Shares prior to the closure of register of members of the Company
“Last Trade Day”	Monday, 10 March 2014, being the last full trading day for the Shares before the release of this announcement
“Latest Practicable Date”	Monday, 10 March 2014, being the last full trading day for the Shares before the release of this announcement
“Latest Termination Time”	5:00 p.m. on the third business day after the Final Acceptance Date, or such later date as the Company and HSBC may agree
“Latest Time for Acceptance”	a time which is currently expected to be 4:00 p.m. on the Final Acceptance Date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholder”	Chow Tai Fook Enterprises Limited

“Major Shareholder’s Subsidiaries”	subsidiaries of the Major Shareholder which are beneficially interested in the Shares, namely, Anderson & Kirkwood Limited, Fook Hop Securities Limited, Wing Fung Development Company, Limited and Yu Yek Enterprises Company Limited
“NWCL”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board of the Stock Exchange
“NWCL Option(s)”	the outstanding, vested and unvested, share option(s), each relating to one NWCL Share, granted under the NWCL Share Option Schemes from time to time
“NWCL Share Option Schemes”	the share option schemes adopted by NWCL on 26 November 2002 and 22 November 2011
“NWCL Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of NWCL
“Non-Qualifying Shareholders”	the Overseas Shareholder(s) to whom the Directors, based on legal advice provided by legal advisers in the relevant jurisdictions, consider it necessary or expedient to exclude from the Rights Issue, 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
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) 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
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Proposal”	the proposal for the privatization of NWCL by Easywin by way of the Scheme
“Prospectus”	the prospectus to be 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) appear(s) on the register of members of the Company on the Record Date

“Record Date”	such date as the Company may specify as the record date for determining entitlements to participate in the Rights Issue, which is currently scheduled to be on 31 March 2014, or such other date as the Company and HSBC may agree
“Registrar”	the Company’s Hong Kong share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from Monday, 31 March 2014)
“Rights Issue”	the proposed issue by the Company of the Rights Shares at the Subscription Price by way of rights on the basis of one Rights Share for every three Shares held as at 4:30 p.m. on the Record Date
“Rights Shares”	not less than 2,147,800,806 new Shares (assuming no Shares have been allotted and issued on or before the Record Date pursuant to the exercise of the outstanding Conversion and Subscription Rights) and not more than 2,256,434,407 new Shares to be issued and allotted under the Rights Issue (assuming Shares have been allotted and issued on or before the Record Date pursuant to the full exercise of the outstanding Conversion and Subscription Rights)
“Rule 13 Offer”	the offer to be made by or on behalf of Easywin to the holders of NWCL Options
“Scheme”	a scheme of arrangement under Section 86 of the Companies Law involving the cancellation of all the Scheme Shares and the restoration of the share capital of NWCL to the amount immediately before the cancellation of the Scheme Shares, the details of which are disclosed in the Joint Announcement
“Scheme Share(s)”	NWCL Share(s) other than those held by Easywin and the Company
“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 and amended on 13 March 2012
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the Share Option Scheme
“Shareholder(s)”	holder(s) of Shares(s)

“Share(s)”	existing share(s) of the Company with no par value
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$6.20 per Rights Share
“Underwriters”	HSBC and the Major Shareholder
“Underwriting Agreement”	the underwriting agreement dated 13 March 2014 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, its territories and possessions, any state of the United States, and the District of Columbia
“Vested Share Options”	the Share Options that are and/or will be 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

By order of the board  
**Wong Man-Hoi**  
*Company Secretary*

Hong Kong, 13 March 2014

*As at the date of this announcement, the Board of the Company comprises (a) seven 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, Ms. Cheng Chi-Man, Sonia and Mr. Au Tak-Cheong; (b) two non-executive directors, namely Mr. Doo Wai-Hoi, William 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.*