

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

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

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

A copy of each of the Issue Documents, together with a copy of the document specified in the section headed "Documents delivered to the Registrar of Companies" on page IV-28 in Appendix IV to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of the documents referred to above. You should read the whole of this Prospectus including the discussions of certain risks and other factors as set out in the section headed "Warning of the Risks of Dealing in Shares and nil-paid Rights Shares" on page 45 and 46 of this Prospectus.

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

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

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

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

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

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

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

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



新世界發展有限公司

New World Development Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

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

Sole global coordinator of the Rights Issue



Joint bookrunners to the Rights Issue

(in alphabetical order)



The Shares have been dealt in on an ex-rights basis since Wednesday, 26 March 2014. Dealings in the Rights Shares in their nil-paid form are expected to take place from Monday, 7 April 2014 to Monday, 14 April 2014 (both days inclusive). Any person contemplating buying or selling the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and any dealings in the Rights Shares in their nil-paid form between 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. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form. If they are in doubt about their position, they should consult their professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 17 April 2014. The procedures for acceptance and payment and/or transfer of the Rights Shares in their nil-paid form are set out in the "Letter from the Board" on pages 15 to 46 of this Prospectus.

It should be noted that the Underwriting Agreement in respect of the Rights Issue contains provisions granting HSBC and Standard Chartered the right to terminate the Underwriting Agreement if certain events (including force majeure) happen at any time prior to the Latest Termination Time. For further details, please refer to "Termination of the Underwriting Agreement" as set out on pages 8 to 11 of this Prospectus. In addition, the obligations of the Underwriters under the Underwriting Agreement are conditional on the conditions set out in the section headed "Conditions of the Rights Issue" as set out on pages 39 to 41 of this Prospectus being fulfilled or waived (as applicable).

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

NOTICES

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If this condition is not fulfilled or waived, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time.

The Shares have been dealt in on an ex-rights basis from 26 March 2014. Dealings in the Rights Shares in the nil-paid form are expected to take place from 7 April 2014 to 14 April 2014 (both dates inclusive). It is expected that the conditions referred to in the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus are to be fulfilled at or before 5:00 p.m. on 24 April 2014. If the conditions of the Rights Issue are not fulfilled (or waived), the Underwriting Agreement will terminate and the Rights Issue will not proceed. If the Underwriting Agreement is terminated by HSBC and Standard Chartered, the Rights Issue also will not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in doubt about his/her/its position or any action to be taken is advised to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the right of termination of the Underwriting Agreement of HSBC and Standard Chartered ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN THE SPECIFIED TERRITORIES. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares or the Issue Documents will be registered under the securities or equivalent laws of any jurisdiction other than Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares or the Issue Documents will qualify for distribution under any of the relevant securities laws of any jurisdictions in the Specified Territories (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions in the Specified Territories (other than pursuant to any applicable exceptions as agreed by the Company).

Shareholders with registered addresses in any jurisdictions in the Specified Territories and Beneficial Owners who are residents of any jurisdictions in the Specified Territories are referred to the paragraphs of this Prospectus headed “Letter from the Board — Non-Qualifying Shareholders”.

NOTICES

NOTICES TO OVERSEAS INVESTORS

Based on the legal advice of the Company's legal advisers in relation to the laws of the relevant overseas jurisdictions, the following notices are set out for the attention of the overseas investors in the following jurisdictions:

Australia

The Company is not licensed in Australia to provide financial advice in respect of the Rights Shares (in nil-paid or fully-paid form) being offered herein. The Company also advises that no cooling off period applies in respect of an application for Rights Shares.

None of the Issue Documents is a disclosure document for the purposes of the Corporations Act 2011 (Cth). Qualifying Shareholder(s) in Australia should seek their own professional advice in deciding whether or not to subscribe for any Rights Shares.

Japan

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

New Zealand

The Rights Shares (in nil-paid and fully-paid forms) offered hereby are in compliance with the laws of Hong Kong and with all the relevant rules and regulatory requirements of the Stock Exchange.

Spain

The Issue Documents are an advertisement for the purpose of Article 15 of the Prospectus Directive and Article 28 of Spanish Royal Decree 1310/2005 of November 4, 2005 and are not a prospectus for the purposes of the Prospectus Directive. The Issue Documents have not been registered with the Spanish Securities Exchange Commission (Comisión Nacional del Mercado de Valores) and may not be distributed in Spain in connection with the offer of the Rights Shares except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the applicable Spanish laws and regulations.

NOTICES

Canada

This Prospectus is not, and under no circumstances is it to be construed as, an advertisement or a public offering in Canada of the Rights Shares (in nil-paid and fully-paid forms). The Rights Shares (in nil-paid and fully-paid forms) have not been and will not be qualified under a prospectus filed with any securities commission or similar regulatory authority in any province or territory of Canada. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this Prospectus or the merits of the Rights Shares (in nil-paid or fully-paid form) and any representation to the contrary is an offence. This Prospectus is not, and under no circumstances is it to be construed as, an offer to sell or a solicitation of an offer to buy the Rights Shares (in nil-paid or fully-paid form) in any jurisdiction of Canada wherein the offer or distribution of the Rights Shares (in nil-paid and fully-paid forms) is prohibited. Any offer or distribution of the Rights Shares (in nil-paid and fully-paid forms) in Canada is required to be made in reliance on and in compliance with exemptions from the requirements to file a prospectus under the securities laws, regulations, instruments and rules (the “Securities Laws”) of each province and territory of Canada wherein the Rights Shares (in nil-paid and fully-paid forms) are offered and distributed. Moreover, the distribution of the Rights Shares (in nil-paid and fully-paid forms) in Canada is required to be made pursuant to the registration requirements under the Securities Laws of each province and territory of Canada wherein the Rights Shares (in nil-paid and fully-paid forms) are offered and distributed and may only be offered and distributed in Canada through a dealer that is properly registered under the Securities Laws of the applicable province and territory or, alternatively, by a dealer that qualifies under and is relying upon a statutory exemption from the dealer registration requirements, or, alternatively, that is qualified under and relying upon a discretionary exemption from the dealer registration requirements granted by the securities commission or similar regulatory authority in each applicable province and territory of Canada wherein the Rights Shares (in nil-paid and fully-paid forms) are offered and distributed by such dealer.

Channel Islands (Jersey)

A copy of this Prospectus (without the PAL and EAF) is being sent to the Non-Qualifying Shareholder in the Channel Islands (Jersey) for such Non-Qualifying Shareholder’s information purposes only. No consent has been obtained from the Jersey Financial Services Commission for the circulation of the Issue Documents in Jersey pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. The Issue Documents do not constitute an offer to the public in Jersey to subscribe for the Rights Shares (in nil-paid or fully-paid form) offered hereby and it must be distinctly understood that the Jersey Financial Services Commission does not accept any responsibility for the financial soundness of or any representations made in connection with the Company.

NOTICES

Cyprus

The Issue Documents are not addressed to, and may not be distributed or made available to, or viewed by, any person in Cyprus other than the Non-Qualifying Shareholder in Cyprus for such Non-Qualifying Shareholder's information purpose only and shall not constitute a public offer of securities in Cyprus for the Rights Shares (in nil-paid or fully-paid form) offered hereby or investment advice under the Investment Services and Activities and Regulated Markets Law (Law 144(I)/2007) of Cyprus.

Netherlands

A copy of this Prospectus is being sent to the Non-Qualifying Shareholder in the Netherlands for such Non-Qualifying Shareholder's information purposes only. The Issue Documents do not constitute an offer to the public in the Netherlands to subscribe for the Rights Shares (in nil-paid or fully-paid form) offered hereby.

The Issue Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Shares (in nil-paid or fully-paid form) may not be circulated or distributed (save for the distribution of this Prospectus by the Company to the Non-Qualifying Shareholder's for information purposes only). Any future offer or sale of the Rights Shares (in nil-paid or fully-paid form) to persons in the Netherlands may be subject to legal prohibition, restriction or condition, unless such offer or sale qualifies as an exempt transaction.

Philippines

The securities (being Rights Shares in nil-paid and fully-paid forms) being offered or sold herein have not been registered with the Philippine Securities and Exchange Commission under the Securities Regulation Code. Any future offer or sale thereof is subject to the registration requirements under the Securities Regulation Code unless such offer or sale qualifies as an exempt transaction.

Singapore

A copy of this Prospectus (without the PAL and EAF) is being sent to Non-Qualifying Shareholder(s) in Singapore for such Non-Qualifying Shareholder(s)' information purposes only. The Issue Documents have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Issue Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Shares (in nil-paid and fully-paid forms) may not be circulated or distributed (save for the distribution of the Prospectus by the Company to the Non-Qualifying Shareholder(s) in Singapore for information purposes only), nor may the Rights Shares (in nil-paid and fully-paid forms) be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly to persons in Singapore other than to (i) existing Shareholder(s) or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275, or where applicable, Section 276, of the Securities and Futures Act, Chapter 289 of Singapore.

NOTICES

South Africa

A copy of this Prospectus (without the PAL and EAF) is being sent to the Non-Qualifying Shareholder in South Africa for such Non-Qualifying Shareholder's information purposes only. The Issue Documents do not constitute (i) an offer to the public in South Africa to subscribe for the Rights Shares (in nil-paid and fully-paid forms) or (ii) an offer made in any way by any person with respect to the acquisition, for consideration, of any Rights Shares in South Africa.

Thailand

The Rights Shares (in nil-paid and fully-paid forms) and the excess Rights Shares being offered have not been and will not be registered under the Securities and Exchange Act B.E. 2535 (1992), as amended of Thailand and may not be offered or sold in Thailand. In addition, the Issue Documents do not, nor are they intended to, constitute or form part of a prospectus or an offer to sell or an invitation to subscribe or purchase any securities within the meaning of the Securities and Exchange Act B.E. 2535 (1992), as amended of Thailand and any regulations and notification issued thereunder. Accordingly, the Issue Documents and any other documents or materials which relate to or are connected with the offer or invitation to subscribe or purchase the Rights Shares (in nil-paid and fully-paid forms) and the excess Rights Shares may not be circulated or distributed (whether directly or indirectly either in whole or in part) to persons in Thailand nor may the Rights Shares and the excess Rights Shares be marketed in Thailand. In the event that any persons situated in Thailand do actually acquire the Rights Shares (whether in nil-paid or fully-paid form) and the excess Rights Shares they confirm that they have actively sought out all information they have received without solicitation by the Company or any members of the Group and that such information was received by such investors outside of Thailand from sources situated outside of Thailand. Further, such persons acknowledge that any subsequent transfer of all or any of the Rights Shares (in nil-paid and fully-paid forms) and the excess Rights Shares in Thailand will likely be subject to legal prohibition, restriction or conditions.

United Kingdom

Due to restrictions under the securities laws of the United Kingdom, no offer of Rights Shares (in nil-paid or fully-paid form) is being made to Shareholders with registered addresses in, or to residents of, the United Kingdom and, accordingly, no offer of Rights Shares (in nil-paid or fully-paid form) or invitation for subscription or purchase of such Rights Shares is being made by the Issue Documents in or into the United Kingdom. The Rights Shares (in nil-paid or fully-paid form) may not be transferred or sold to, or renounced or delivered in or into the United Kingdom, and no purported acceptance by or on behalf of any such Non-Qualifying Shareholders under the Rights Issue will be, or is capable of being, accepted by the Company.

NOTICES

A copy of this Prospectus (without the PAL and EAF) is, however, being sent to Non-Qualifying Shareholder(s) with registered addresses in the United Kingdom for information only.

United States

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the United States, save as provided below. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Rights Shares in their nil-paid and fully-paid forms and the PAL(s) have not been and will not be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The Rights Shares in both nil-paid and fully-paid forms, this Prospectus, the PAL and the EAF have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Shares in both nil-paid and fully-paid forms, the PAL and the EAF or the accuracy or adequacy of this Prospectus.

There will be no public offer of these securities in the United States. The Rights Shares in both nil-paid and fully-paid forms and the PAL(s) are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act. In addition, the Underwriters may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in offshore transactions in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

In addition, until 40 days after the posting date of the Issue Documents, an offer, sale or transfer of the Rights Shares within the United States by a broker/dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

CONTENTS

	<i>Page</i>
Definitions	1
Termination of the Underwriting Agreement	8
Expected Timetable	12
Summary of the Rights Issue	14
Letter from the Board	15
1. Introduction	16
2. Rights Issue	16
3. Underwriting Arrangements	33
4. Conditions of the Rights Issue	39
5. The Proposal and Rule 13 Offer	41
6. Reasons for the Rights Issue and Use of the Proceeds	42
7. Effect of the Rights Issue on Shareholdings in the Company	44
8. Possible Adjustment to the Share Options	44
9. Share Certificates for Rights Shares and Refund Cheques for Rights Issue	44
10. Previous Fund Raising Exercise of the Company	45
11. Taxation	45
12. Warning of the Risks of Dealing in Shares and Nil-paid Rights Shares	45
Appendix I — Financial Information of the Group	I-1
Appendix II — Unaudited Condensed Consolidated Financial Statements of the Group for the six months ended 31 December 2013	II-1
Appendix III — Unaudited Pro Forma Financial Information of the Group	III-1
Appendix IV — Statutory and General Information	IV-1
Appendix V — Joint Announcement	V-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 13 March 2014 regarding the Rights Issue
“Beneficial Owner(s)”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Owner
“Board”	the board of Directors
“business day”	any day (other than a Saturday, a Sunday or a day on which a tropical cyclone warning 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
“CCASS Participant”	a person admitted by HKSCC as a participant of CCASS
“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 under 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
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised, of the Cayman Islands
“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
“Conversion and Subscription Rights”	the conversion rights attaching to the Convertible Bonds and the subscription rights attaching to the Vested Share Options

DEFINITIONS

“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 adjusted conversion price of HK\$21.595 per Share (subject to adjustments, if any) at any time after 16 July 2007 up to the close of business on 25 May 2014, such Convertible Bonds are listed on the Singapore Exchange Securities Trading Limited
“Despatch Date”	Thursday, 3 April 2014, being the date of the despatch of the Issue Documents
“Director(s)”	the director(s) of the Company
“EAF(s)”	the application form(s) for excess Rights Shares
“Easywin”	Easywin Enterprises Corporation Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Final Acceptance Date”	Thursday, 17 April 2014, being the last date for acceptance and payment in respect of provisional allotments under the Rights Issue and for application and payment for excess Rights Shares, or such later date as the Company, HSBC and Standard Chartered may agree, being no later than Friday, 25 April 2014
“FY2014”	financial year ending 30 June 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK\$ m” or “HK\$ million”	million Hong Kong dollars
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“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 contracts), 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)
“Intermediary”	in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant
“Investor Participant”	a person admitted to participate in CCASS as an investor participant
“Irrevocable Undertaking”	the irrevocable undertaking dated 27 March 2014 given by the Major Shareholder in favour of the Company, HSBC and Standard Chartered
“Issue Documents”	this Prospectus, the PAL and the EAF
“Joint Announcement”	the joint announcement of Easywin, the Company and NWCL dated 13 March 2014 relating to, among other things, the Proposal, the Scheme and the Rule 13 Offer, the full text of which is set out in Appendix V to this Prospectus
“Last Closing Price”	the closing price of HK\$9.74 per Share as quoted on the Stock Exchange on the Last Trade Day
“Last Trade Day”	Monday, 10 March 2014, being the last full trading day for the Shares before the release of the Announcement
“Latest Practicable Date”	Monday, 31 March 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Latest Termination Time”	5:00 p.m. on the third business day after the Final Acceptance Date, or such later date as the Company, HSBC and Standard Chartered may agree
“Latest Time for Acceptance”	4:00 p.m. on the Final Acceptance Date

DEFINITIONS

“Listing Committee”	has the meaning as ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholder”	Chow Tai Fook Enterprises Limited
“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 Shareholder(s)”	the Overseas Shareholder(s) whom the Directors, based on legal advice provided by legal advisers in relation to the laws of 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; and any Shareholder(s) or Beneficial Owner(s) who is/are otherwise known by the Company to be resident in any of the Specified Territories at the close of business on the Record Date
“Original Underwriting Agreement”	the underwriting agreement dated 13 March 2014 entered into between the Company, HSBC and the Major Shareholder in relation to the Rights Issue which was amended, restated and superseded by the Underwriting Agreement with effect from the date of the Underwriting Agreement

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business 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 Prospectus, excludes Hong Kong, Macau and Taiwan
“Proposal”	the proposal for the privatisation of NWCL by Easywin by way of the Scheme
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appeared on the register of members of the Company at the close of business on the Record Date
“Record Date”	31 March 2014, being the date by reference to which entitlements to the Rights Issue are determined
“Registered Owner”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Shares in which the Beneficial Owner is beneficially interested
“Registrar”	the Company’s Hong Kong share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the issue by the Company of 2,147,800,806 Rights Shares at the Subscription Price by way of rights on the basis of one Rights Share for every three Shares held on the Record Date
“Rights Shares”	2,147,800,806 new Shares to be issued and allotted under the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC
“Rule 13 Offer”	the offer to be made by or on behalf of Easywin to the holders of NWCL Options

DEFINITIONS

“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
“SFC”	Securities and Futures Commission of Hong Kong
“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
“Share(s)”	share(s) of the Company with no par value
“Shareholder(s)”	holder(s) of Share(s)
“Specified Territories”	Canada, the Channel Islands (Jersey), Cyprus, Malaysia, the Netherlands, Papua New Guinea, the Philippines, the PRC, Singapore, South Africa, Thailand, the United Kingdom and the United States
“Standard Chartered”	Standard Chartered Securities (Hong Kong) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities as defined under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$6.20 per Rights Share
“Underwriters”	HSBC, Standard Chartered and the Major Shareholder
“Underwriting Agreement”	the amended and restated underwriting agreement dated 27 March 2014 entered into between the Company and the Underwriters in relation to the Rights Issue

DEFINITIONS

“Underwritten Shares”	the Rights Shares other than the Committed Shares
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia
“US Securities Act”	the US Securities Act of 1933, as amended
“Vested Share Options”	the Share Options that are validly vested to and exercisable by the holders thereof to enable them to subscribe for Shares to be allotted and issued to them on or before the Record Date
“%” or “per cent.”	percentage or per centum

TERMINATION OF THE UNDERWRITING AGREEMENT

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

HSBC and Standard Chartered 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 contained in the Underwriting Agreement comes to the knowledge of HSBC and Standard Chartered, 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 and Standard Chartered have cause to believe that any such breach has occurred;
- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company 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 and Standard Chartered;
- (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 supplemental 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 and Standard Chartered acting in good faith is material in the context of the Rights Issue; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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),

TERMINATION OF THE UNDERWRITING AGREEMENT

which, in the sole opinion of HSBC and Standard Chartered:

- (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 the Announcement and the Issue Documents.

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

If HSBC and Standard Chartered exercise such rights, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriting Agreement is terminated by HSBC and Standard Chartered.

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

The Shares have been dealt in on an ex-rights basis since 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 and Standard Chartered the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to “Termination of the Underwriting Agreement” above in this Prospectus 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.

TERMINATION OF THE UNDERWRITING AGREEMENT

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all conditions to which the Rights Issue is subject (as set out under the section headed “Letter from the Board — Conditions of the Rights Issue” in this Prospectus) are fulfilled (and the date on which the right of termination of HSBC and Standard Chartered 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 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.

EXPECTED TIMETABLE

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

Event	Date
	<i>2014</i>
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 of 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 the 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

EXPECTED TIMETABLE

Date

2014

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

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

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares 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 “Expected Timetable” above may be affected. The Company will notify the Shareholders by way of an announcement of any change to the expected timetable as soon as practicable.

SUMMARY OF THE RIGHTS ISSUE

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

Basis of the Rights Issue	:	One Rights Share for every three Shares held on the Record Date
Number of Shares in issue on the Record Date	:	6,443,402,419 Shares
Number of Rights Shares to be issued under the Rights Issue	:	2,147,800,806 Rights Shares
Subscription Price	:	HK\$6.20 per Rights Share
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	:	4:00 p.m. on the Final Acceptance Date
Amount to be raised	:	Approximately HK\$13,316 million, before expenses
Right to make excess applications	:	Qualifying Shareholders may apply, by way of excess applications, for Rights Shares in excess of their provisional allotments

LETTER FROM THE BOARD



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

Directors

Executive Directors:

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
Mr. Au Tak-Cheong

Non-executive Directors:

Mr. Doo Wai-Hoi, William
Mr. Cheng Kar-Shing, Peter

Independent Non-executive Directors:

Mr. Yeung Ping-Leung, Howard
Mr. Cha Mou-Sing, Payson
Mr. Cha Mou-Zing, Victor
(Alternate Director to
Mr. Cha Mou-Sing, Payson)
Mr. Ho Hau-Hay, Hamilton
Mr. Lee Luen-Wai, John
Mr. Liang Cheung-Biu, Thomas

Registered office:

30/F., New World Tower,
18 Queen's Road Central,
Hong Kong

3 April 2014

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

Dear Sir or Madam,

**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**

LETTER FROM THE BOARD

(1) INTRODUCTION

The Company proposes to raise approximately HK\$13,316 million, before expenses, by way of the Rights Issue at a subscription price of HK\$6.20 per Rights Share on the basis of one Rights Share for every three Shares held on the Record Date.

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

(2) RIGHTS ISSUE

Issue Statistics

Basis of Rights Issue	:	One Rights Share for every three Shares held on the Record Date
Number of Shares in issue on the Record Date	:	6,443,402,419 Shares
Number of Rights Shares to be issued under the Rights Issue	:	2,147,800,806 Rights Shares
Subscription Price	:	HK\$6.20 per Rights Share
Amount to be raised	:	Approximately HK\$13,316 million, before expenses
Underwriters	:	HSBC, Standard Chartered and the Major Shareholder

The aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's total number of issued Shares as at the Latest Practicable Date and will represent approximately 25.0% of the Company's enlarged total number of issued Shares immediately after the completion of the Rights Issue (assuming no change in the total number of issued Shares of the Company from the Record Date up to the date of completion of the Rights Issue).

LETTER FROM THE BOARD

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 renouncee of any provisional allotment of the Rights Shares or transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (1) a discount of approximately 20.5% to the closing price of HK\$7.80 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (2) a discount of approximately 36.3% to the Last Closing Price;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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
- (7) 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 market conditions prevailing at the time of such determination. 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.

LETTER FROM THE BOARD

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

Basis of provisional allotment

One Rights Share (in nil-paid form) for every three 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. **Shareholders should note 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.**

Qualifying Shareholders

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be a Non-Qualifying Shareholder.

Based on the register of members of the Company as at the close of business on the Record Date, there were a total of 179 Overseas Shareholders whose registered addresses as shown in the register of members of the Company were outside Hong Kong, namely, in Australia, Brunei, Canada, the Channel Islands (Jersey), Cyprus, Germany, Japan, Macau, Malaysia, the Netherlands, New Zealand, Papua New Guinea, the Philippines, the PRC, Singapore, South Africa, Spain, Taiwan, Thailand, the United Kingdom and the United States, holding in aggregate approximately 0.015% of the total number of the issued Shares of the Company at the close of business on the Record Date.

The Company has also been advised by its legal advisers in relation to the laws of Australia, Brunei, Germany, Japan, Macau, New Zealand, Spain and Taiwan that either (i) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirement of any relevant regulatory body or stock exchange with respect to extending the

LETTER FROM THE BOARD

Rights Issue to the Overseas Shareholders with registered addresses in these jurisdictions or (ii) the Company would be exempt from obtaining approval from, and/or registration of the Issue Documents with, the relevant regulatory authorities under the applicable laws and regulations of these jurisdictions. Accordingly, the Rights Issue will be extended to the Overseas Shareholders with registered addresses in Australia, Brunei, Germany, Japan, Macau, New Zealand, Spain and Taiwan.

Qualifying Shareholders who take up their pro-rata entitlements 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 his/her/its entitlement under the Rights Issue in full, his/her/its proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders

Non-Qualifying Shareholders are Overseas Shareholders and Shareholders or Beneficial Owners who are otherwise known by the Company to be residents in places outside Hong Kong, and in respect of whom the Directors, based on enquiries made by the Directors, consider it necessary or expedient not to extend the Rights Issue to such Shareholders or Beneficial Owners on account either of the legal and/or regulatory restrictions under the laws of the relevant jurisdictions in which such Shareholders or Beneficial Owners (as the case may be) are located or the requirements of the relevant regulatory body or stock exchange in those relevant jurisdictions. The Rights Issue has not been, and will not be, extended to the Non-Qualifying Shareholders.

In accordance with Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries with the Company's overseas legal advisers regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions including the Specified Territories and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Rights Shares and the PALs to the Shareholders in those territories. Based on the legal advice of the Company's legal advisers in relation to the laws of the Specified Territories, the extension of the Rights Issue to the Overseas Shareholders with registered addresses in the Specified Territories would, or might, in the absence of compliance with relevant registration and/or filings and/or other special formalities in the Specified Territories, be unlawful or impracticable, and the compliance with the registration and other special formalities in the Specified Territories could be both costly, time-consuming or impracticable, and therefore inexpedient to do so. Having considered the circumstances, likely costs, time involved and impracticability if overseas compliance was to be observed in the Specified Territories, the Directors are of the view that the costs and/or time involved and/or impracticability of overseas compliance would outweigh the benefits which the Company and its Shareholders as a whole would receive by including the Overseas Shareholders in the Specific Territories in the Rights Issue and have therefore decided not to extend the Rights Issue to the Overseas Shareholders with registered addresses in the Specified Territories.

LETTER FROM THE BOARD

Accordingly, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are:

- (i) Shareholders whose name(s) appeared in the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in any of the Specified Territories; and
- (ii) any Shareholder(s) or Beneficial Owner(s) at that time who is/are otherwise known by the Company to be residents in any of the Specified Territories.

Notwithstanding any other provision in this Prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder to take up his/her/its entitlement to Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations or requirements giving rise to the restrictions in question.

Rights Shares have been provisionally allotted to all Qualifying Shareholders. In respect of those Shareholders whose name(s) appeared on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in any of the Specified Territories, the Rights Shares which would otherwise have been provisionally allotted to them have instead been 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. Proceeds of such sale, less expenses and stamp duty, above HK\$100 will be paid to those Non-Qualifying Shareholders who are registered Shareholders as at the close of business on the Record Date in Hong Kong dollars (pro-rata to their respective shareholdings on the Record Date). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares to which those Non-Qualifying Shareholders who are registered Shareholders as at the close of business on the Record Date would otherwise have been entitled will be available for excess applications by Qualifying Shareholders under the EAFs. Non-Qualifying Shareholders who are referred to in paragraph (ii) above (but not being persons referred to in paragraph (i) above) are not entitled to participate in the arrangements set out in this paragraph.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Shares to a stock account in CCASS does not and will not constitute an offer in those jurisdictions where the Directors, based on enquiries made by the Directors, consider it necessary or expedient not to extend the Rights Issue in such jurisdictions or in any territory in which it would be unlawful to extend the Rights Issue, and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Any person (including, without limitation, any custodian, nominee and trustee) who receives a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer nil-paid Rights Shares to any person in, into or from, any of the Specified Territories or in any territory in which it would be unlawful to extend the Rights Issue. If this Prospectus, a PAL or

LETTER FROM THE BOARD

an EAF is received by, or any nil-paid Rights Shares are credited to the stock account in CCASS of, any person in any such territory or his/her agent or nominee, he/she should not take up such nil-paid Rights Shares or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer such nil-paid Rights Shares in CCASS (if applicable) unless such person is able to demonstrate to the satisfaction of the Company or the Company determines at its absolute discretion that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, any custodian, nominee and trustee) who distributes or forwards this Prospectus or a PAL and/or an EAF in, into or from any of the Specified Territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of these paragraphs headed "Non-Qualifying Shareholders".

Notwithstanding the foregoing, the Company reserves the absolute discretion in determining whether a Shareholder or Beneficial Owners in any of the Specified Territories is allowed to participate in the Rights Issue.

Distribution of Issue Documents

The Company will only despatch the Issue Documents to the Qualifying Shareholders. The Company will, to the extent practicable and as permitted by law, send this Prospectus (without the PAL and the EAF) to Non-Qualifying Shareholders whose names appeared on the register of members of the Company at the close of business on the Record Date for information purposes only.

As the Rights Issue has not been extended to, among others, the Overseas Shareholders with registered addresses in Canada, the United States, Papua New Guinea, Thailand and the PRC, no PAL or EAF has been sent to the Overseas Shareholders in these jurisdictions, and further, based on the legal advice of the Company's legal advisers in these jurisdictions in view of the legal and/or regulatory restrictions, requirements and implications, it would be prudent for the Company not to send this Prospectus to the Overseas Shareholders in these jurisdictions, and accordingly, none of the Issue Documents has been sent to the Overseas Shareholders with registered addresses in Canada, the United States, Papua New Guinea, Thailand and the PRC.

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

Distribution of the Issue Documents into jurisdictions other than Hong Kong may be restricted by law. Any person who receives the Issue Documents (including, without limitation, any agent, custodian, nominee and trustee) should be aware of and comply with the

LETTER FROM THE BOARD

applicable restriction in the relevant jurisdiction(s). Failure to comply with any applicable restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Any Shareholder or Beneficial Owner who is in doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as determined by the Company, this Prospectus should not be distributed, forwarded to or transmitted in, into or from any of the Specified Territories together with the PAL or the EAF.

The Issue Documents will not be registered in any jurisdiction other than Hong Kong.

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.

Procedures for Acceptance or Transfer

General

Any person (including, without limitation, any custodian, nominee and trustee outside Hong Kong) wishing to take up the Rights Shares (in nil-paid or fully-paid form) under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders whose registered addresses are in any of the Specified Territories or who are holding Shares on behalf of persons with such addresses is drawn to the paragraphs headed “Non-Qualifying Shareholders” above.

Each subscriber of Rights Shares will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Underwriters and to any person acting on their behalf, unless the Company and the Underwriters waive such requirement in their respective sole discretion in relation to the relevant representation(s) and/or warranty(ies) given to each of them:

- he/she/it was a Shareholder as at the Record Date, or he/she/it lawfully acquired or may lawfully acquire rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, exercise, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;

LETTER FROM THE BOARD

- subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States;
- subject to certain exceptions, he/she/it is not accepting an offer to acquire, take up or exercise rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of the United States at the time the instruction to accept was given;
- he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - a. the instruction to purchase or take up the rights or to subscribe for or accept Rights Shares was received from a person outside the United States; and
 - b. the person giving such instruction has confirmed that it (i) has the authority to give such instruction and (ii) either (A) has investment discretion over such account; or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring rights or Rights Shares with a view to the offer, sale, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the United States; and
- he/she/it understands that neither the rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the rights or Rights Shares are being distributed and offered outside the United States in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

LETTER FROM THE BOARD

Action to be taken by registered Shareholders

Subscription for all Rights Shares provisionally allotted

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles such Qualifying Shareholder to subscribe for the number of the Rights Shares shown thereon. If Qualifying Shareholder(s) wish(es) to exercise his/her/their right to subscribe for all the Rights Shares provisionally allotted to him/her/them as specified in the PAL, he/she/they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by not later than 4:00 p.m. on the Final Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, and cashier's orders must be issued by, a bank in Hong Kong and made payable to "New World Development Company Limited — PAL" and crossed "Account Payee Only".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on the Final Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. **Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the PAL and any acceptance of it have been, or will be, duly complied with.** Any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If HSBC and Standard Chartered exercise their rights to terminate the Underwriting Agreement before the Latest Termination Time (expected to be 5:00 p.m. on Thursday, 24 April 2014) and/or if any of the conditions mentioned in the section headed "Conditions of the Rights Issue" is not fulfilled and/or waived (as the case may be), the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest by means of cheques despatched by ordinary post at the risk of such persons as soon as practicable thereafter.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

LETTER FROM THE BOARD

Transfers and “splitting” of nil-paid Rights Shares

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), by no later than 4:30 p.m. on Wednesday, 9 April 2014 to the Registrar, who will then cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second business day after the surrender of the original PAL. This process is commonly known as “splitting” the nil-paid Rights Shares.

Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for all the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign Form B in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign Form C in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Registrar to effect the transfer by no later than 4:00 p.m. on the Final Acceptance Date.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories

Any registered Shareholder accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or transferring the PAL, or requesting registration of the relevant nil-paid Rights Shares or the fully-paid Rights Shares from within

LETTER FROM THE BOARD

any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representations and warranties.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws of the relevant places or Specified Territories, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)

Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

LETTER FROM THE BOARD

Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)

Any Beneficial Owner accepting and/or transferring a PAL or requesting registration of the Rights Shares comprised therein represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person's use of the PAL will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the relevant nil-paid Rights Shares or the fully-paid Rights Shares from within any of the Specified Territories; (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire the Rights Shares or to use the PAL in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person resident in any of the Specified Territories at the time the instruction to accept or transfer was given; and (iv) such person is not acquiring the Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any of the Rights Shares into any of the Specified Territories.

The Company may treat as invalid any acceptance or purported acceptance of the allotment of Rights Shares comprised in, or transfer or purported transfer of, a PAL if it: (a) appears to the Company to have been executed in, or despatched from, any of the Specified Territories and the acceptance may involve a breach of the laws or other regulatory requirements of the relevant places, or the acceptance is otherwise in a manner which may involve a breach of the laws or other regulatory requirements of any jurisdiction, or if it or its agents believe the same may violate any applicable legal or regulatory requirements; (b) provides an address in any of the Specified Territories for delivery of definitive share certificates for Rights Shares or provides an address for delivery of definitive share certificates in any other jurisdiction outside Hong Kong in which it would violate any applicable legal or regulatory requirements to deliver such certificates; or (c) purports to exclude the representation and/or warranty required by the paragraph immediately above.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

Subscription for Rights Shares provisionally allotted and transfers and "splitting" of nil-paid Rights Shares

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or "split" your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

LETTER FROM THE BOARD

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners’ interests in Rights Shares should be dealt with.

Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS

Any Beneficial Owner holding interests in Shares through CCASS and any CCASS Participant who instructs its Intermediary to make an acceptance and/or transfer in accordance with the procedures set out above represents and warrants to the Company that, except where proof has been provided to the satisfaction of the Company that such person’s acceptance will not result in the contravention of any applicable legal or regulatory requirements in any jurisdiction: (i) such person is not accepting and/or renouncing the PAL, or requesting registration of the nil-paid Rights Shares or the fully-paid Rights Shares from within any of the Specified Territories, (ii) such person is not in any of the Specified Territories or in any territory in which it may otherwise violate any applicable legal or regulatory requirements to make or accept an offer to acquire Rights Shares; (iii) such person is not acting on a non-discretionary basis for a person located within any of the Specified Territories at the time the instruction to accept was given; and (iv) such person is not acquiring Rights Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Rights Shares into any of the Specified Territories. For the avoidance of doubt, HKSCC Nominees Limited, who subscribes the Rights Shares on behalf of CCASS Participants, is not subject to the above representations and warranties.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the Specified Territories and which may involve a breach of the laws or other regulatory requirements of the relevant places or any instruction which otherwise appears to the Company may involve a breach of the laws or other regulatory requirements of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirements; or which purports to exclude the representation and/or warranty required by the paragraph immediately above.

LETTER FROM THE BOARD

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. If a Qualifying Shareholder wishes to apply for excess Rights Shares in addition to his provisional allotment, he must complete and sign an EAF (in accordance with the instructions printed therein) and lodge the same with a separate remittance for the excess Rights Shares being applied for, with the Registrar, by no later than 4:00 p.m. on Thursday, 17 April 2014. All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a bank in Hong Kong and made payable to "**New World Development Company Limited — EAF**" and crossed "**Account Payee Only**". The Company may at its discretion treat an EAF as valid or binding on the person(s) by himself/herself/itself/themselves or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

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 its 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).

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

LETTER FROM THE BOARD

Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories

What is set out under the heading “Important notice and representations and warranties relating to registered Shareholders in any of the Specified Territories” on pages 25 to 26 above in the paragraph headed “Procedures for Acceptance or Transfer” of the nil-paid Rights Shares and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

Important notice and representations, warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories whose Shares are held by a Registered Owner (other than CCASS)” on page 27 above in the paragraph headed “Procedures for Acceptance or Transfer” of the nil-paid Rights Shares and fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Action to be taken by Beneficial Owners holding interest in Shares through CCASS who wish to apply for excess Rights Shares

Excess Rights Shares application procedures

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are an Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the “Expected Timetable” in this Prospectus as the latest time for application and payment for excess Rights Shares and otherwise in accordance

LETTER FROM THE BOARD

with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for application for excess Rights Shares by Beneficial Owners who have been admitted to participate in CCASS as Investor Participants shall be in accordance with the “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares.

Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS

What is set out under the heading “Important notice and representations and warranties relating to Beneficial Owners in any of the Specified Territories holding interests in Shares through CCASS” on page 28 above in the paragraph headed “Procedures for Acceptance or Transfer” of the nil-paid Rights Shares and the fully-paid Rights Shares also applies to applications for excess Rights Shares, with appropriate changes to reflect that the context is an application for excess Rights Shares.

Important notice for Beneficial Owners

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Board will regard the Registered Owner (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement for the allocation of the excess Rights Shares will not be extended to the Beneficial Owners individually (including those Beneficial Owners holding the Shares through HKSCC Nominees Limited). HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC considers fair and appropriate, which is pursuant to the allocation basis as stipulated in Rules 8.10.4(ix) of the CCASS Operational Procedures.

If no excess Rights Shares are allotted to the Qualifying Shareholder who has applied for excess Rights Shares, it is expected that a cheque for the amount tendered on application in full without interest will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Tuesday, 29 April 2014. If the number of excess Rights Shares allotted to the Qualifying Shareholder is less than that applied for, it is expected that a cheque for the amount of the surplus application monies, without interest, will be despatched to his/her/its registered address by ordinary post at his/her/its own risk on or before Tuesday, 29 April 2014.

LETTER FROM THE BOARD

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

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

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

Application for Listing and Dealings

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. Save for the outstanding Convertible Bonds which are listed, but not traded, on the Singapore Exchange Securities Trading Limited, the Company has no other equity or debt securities which are listed or dealt in on any other stock exchange or for which the listing or permission to deal in is being or is proposed to be sought on any other stock exchange. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares i.e. 1,000 Shares in one board lot.

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

It is expected that dealings in the Rights Shares in nil-paid form will commence on Monday, 7 April 2014 and will end on Monday, 14 April 2014 (both days inclusive) and dealings in the Rights Shares in fully-paid form will commence on Wednesday, 30 April 2014.

LETTER FROM THE BOARD

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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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

(3) UNDERWRITING ARRANGEMENTS

Underwriting Agreement:

Date : 27 March 2014

Underwriters : HSBC, Standard Chartered and the Major Shareholder

Number of Rights Shares underwritten : The Rights Issue is 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 the 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 Underwritten Shares not taken up by the Shareholders by way of their rights entitlements, with the balance to be underwritten by HSBC and Standard Chartered in the allocation as shown below:

HSBC 974,194,907 Shares

Standard Chartered 162,500,000 Shares

LETTER FROM THE BOARD

HSBC and Standard Chartered have severally underwritten the remaining number of Underwritten Shares not underwritten by the Major Shareholder pro rata to their respective allocations above

Underwriters' Commission : 2.5% of the aggregate Subscription Price payable in respect of the Underwritten Shares determined on the Record Date

The obligations, liabilities and undertakings of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several).

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

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

Conditions to the Underwriting Agreement

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

Irrevocable Undertakings from the Major Shareholder

As at the Latest Practicable Date, the Major Shareholder together with the Major Shareholder's Subsidiaries held 2,763,317,704 Shares in aggregate, representing approximately 42.89% of the total number of the existing issued Shares of the Company. Pursuant to the Irrevocable Undertaking, the Major Shareholder has irrevocably undertaken to the Company, HSBC and Standard Chartered, 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

LETTER FROM THE BOARD

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 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" below, and (ii) the Underwriting Agreement not being terminated by HSBC and Standard Chartered in accordance with its terms. If the conditions of the Underwriting Agreement are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

Termination of the Underwriting Agreement

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

HSBC and Standard Chartered 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 contained in the Underwriting Agreement comes to the knowledge of HSBC and Standard Chartered, 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 and Standard Chartered have cause to believe that any such breach has occurred;
- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement or before any of the dates or before any time on which the representations, warranties and undertakings are deemed to be given by the Company 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 and Standard Chartered;
- (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;

LETTER FROM THE BOARD

- (6) the Company is required to publish a supplemental 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 and Standard Chartered acting in good faith is material in the context of the Rights Issue;
- (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);

LETTER FROM THE BOARD

- (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 and Standard Chartered:

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

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

If HSBC and Standard Chartered exercise such rights, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement(s) will be made by the Company if the Underwriting Agreement is terminated by HSBC and Standard Chartered.

LETTER FROM THE BOARD

Lock-up

The Company has undertaken to HSBC and Standard Chartered, and the Major Shareholder has undertaken to HSBC and Standard Chartered 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 any interests 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 the HSBC and Standard Chartered (such consent not to be unreasonably withheld or delayed).

The Major Shareholder has undertaken to HSBC and Standard Chartered 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 interests therein beneficially owned or held by the Major Shareholder or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or 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);

LETTER FROM THE BOARD

- (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 and Standard Chartered, 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 and Standard Chartered 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 and Standard Chartered, pledge any Shares (including the Rights Shares) or any interests therein beneficially owned or held by the Major Shareholder. For the avoidance of doubt, the Major Shareholder shall not be restricted from purchasing any Shares during the Lock-up Period provided that such purchase(s) is/are conducted in compliance with all applicable laws and without triggering any general offer obligation under the Codes on Takeovers and Mergers and Share Buy-backs.

(4) 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 and Standard Chartered in accordance with its terms. The obligations of the Underwriters under the Underwriting Agreement are conditional upon:

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

LETTER FROM THE BOARD

- (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, HSBC and Standard Chartered 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, HSBC and Standard Chartered 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, HSBC and Standard Chartered;
- (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 Original Underwriting Agreement and (ii) at any time after the date of the Original 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 each of HSBC and Standard Chartered (in the form and substance to the reasonable satisfaction of HSBC and Standard Chartered) of all the relevant documents to be provided by the Company by the times specified in the Underwriting Agreement.

The Company and the Major Shareholder shall use their best endeavours to procure the fulfillment of their respective conditions to be fulfilled by them under the Underwriting Agreement and in particular shall furnish such information, supply such documents, pay (in the case of the

LETTER FROM THE BOARD

Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by HSBC and Standard Chartered 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 is not fulfilled, or waived if permitted by the terms of the Underwriting Agreement in whole or in part by HSBC and Standard Chartered, 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), 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 and Standard Chartered shall have the right, in their absolute discretion, by giving written notice to the Company and the Major Shareholder on or before the latest time at which, or the latest day on which, any of the above conditions of the Underwriting Agreement may be fulfilled:

- (1) to extend the time or date for the fulfilment of any condition by such time or number of days or in such manner as HSBC and Standard Chartered 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 and Standard Chartered may determine.

As at the Latest Practicable Date, the Major Shareholder together with the Major Shareholder's Subsidiaries were interested in an aggregate of 2,763,317,704 Shares, representing approximately 42.89% of the 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 new Shares (other than Rights Shares) will be allotted and issued after the Record Date, 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 of the Company immediately after completion of the Rights Issue.

(5) THE PROPOSAL AND RULE 13 OFFER

Reference is made to the Joint Announcement whereby it was announced that Easywin requested the board of directors of NWCL to put forward the Proposal to the holders of Scheme Shares regarding the proposed privatisation 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 disclosed in the Joint Announcement, the cash required to implement the Proposal (before taking into account the Rule 13 Offer) and to implement the Rule 13 Offer would be approximately HK\$18,358 million and

LETTER FROM THE BOARD

approximately HK\$128 million, respectively, on the assumption that no NWCL Options as at the date of the Joint Announcement are exercised after the date of the Joint Announcement but before the date on which the Scheme becomes effective in accordance with the Companies Law. If all NWCL Options as at the date of the Joint Announcement are vested and exercised in full before the date on which the Scheme becomes effective in accordance with the Companies Law, the cash required for the Proposal would be approximately HK\$18,603 million. The cash required for the Proposal and the Rule 13 Offer is intended to be financed by Easywin from a credit facility provided by HSBC.

NWCL is the flagship property arm of the Company in the PRC. NWCL and its subsidiaries develop property projects for sale, develop and manage investment properties for rental purposes, and operate resort and hotel projects. Its property projects encompass residential estates, serviced apartments, villas, offices, shopping centres, mixed use comprehensive buildings, hotels and resorts. NWCL and its subsidiaries have undertaken urban redevelopment projects in the old city centre of Beijing, Tianjin and Jinan, and are developers of landmark commercial complexes in Beijing, Shanghai, Wuhan, Tianjin and Dalian and large-scale residential communities in Shenyang, Wuhan, Guangzhou, Chengdu, Changsha and Guiyang.

As at the Latest Practicable Date, the Company directly owned, and through its wholly-owned subsidiary, Easywin, indirectly owned, 5,977,019,371 NWCL Shares in aggregate, representing approximately 68.87% of the issued share capital 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 issued share capital 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. The aggregate remuneration payable to and benefits in kind receivable by the directors of Easywin will not be varied in consequence of the implementation of the Proposal and the Rule 13 Offer. Please refer to the Joint Announcement for details relating to the Proposal, the Scheme and the Rule 13 Offer.

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

(6) 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 Qualifying Shareholders the opportunity to participate, without dilution of 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), 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.

LETTER FROM THE BOARD

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 but not limited to 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. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$6.11. The Directors currently intend to use the net proceeds of the Rights Issue for (i) refinancing of the credit facility provided by HSBC 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.

LETTER FROM THE BOARD

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

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

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

	As at the Record Date		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 and the Major Shareholder's Subsidiaries))	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Major Shareholder	2,512,835,762	39.00	3,350,447,682	39.00	3,440,447,682	40.05
Major Shareholder's Subsidiaries	250,481,942	3.89	333,975,921	3.89	333,975,921	3.89
	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 ⁽¹⁾	—	—	—	—	974,194,907	11.34
Standard Chartered ⁽¹⁾	—	—	—	—	162,500,000	1.89
Total	6,443,402,419	100.00	8,591,203,225	100.00	8,591,203,225	100.00

Note:

(1) Pursuant to its underwriting obligations and excluding any other interests.

(8) POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS

As at the Latest Practicable Date, there were also outstanding Share Options in respect of 125,361,412 Shares, of which Share Options in respect of 74,244,062 Shares were Vested Share Options. As a result of the Rights Issue, the exercise price of the outstanding Share Options may be adjusted in accordance with the respective terms and conditions of the Share Option Scheme. The Company expects to make a further announcement on the appropriate adjustments (if any) and the date it is to take effect in due course.

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

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be despatched to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Tuesday, 29 April 2014. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be despatched to the applicants by ordinary post at their own risk on or before Tuesday, 29 April 2014.

LETTER FROM THE BOARD

(10) 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 the Announcement. The aforementioned proceeds have been and will be used by the Group for general working capital purposes.

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.

(11) TAXATION

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

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

The Shares have been dealt in on an ex-rights basis since 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 and Standard Chartered the right to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. Please refer to “Termination of the Underwriting Agreement” in this Prospectus for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed, 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 section headed “Conditions of the Rights Issue” above in this Prospectus) are fulfilled

LETTER FROM THE BOARD

(and the date on which the right of termination of HSBC and Standard Chartered 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 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/or waived (as the case may be), and any buying or selling of nil-paid Rights Shares, is at each investor's own risk that the Rights Issue may not become unconditional and may not proceed.

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

Yours faithfully,
For and on behalf of
the Board of Directors of
New World Development Company Limited
Dr. Cheng Kar-Shun, Henry
Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of financial position of the Group for the financial years ended 30 June 2011, 2012 and 2013, which are based on the published annual reports of the Company.

Consolidated Income Statement

	Year ended 30 June		
	2013 <i>HK\$ m</i>	2012 <i>HK\$ m</i>	2011 <i>HK\$ m</i>
Revenues	46,779.9	35,620.1	32,882.0
Cost of sales	<u>(28,354.6)</u>	<u>(19,925.7)</u>	<u>(20,672.6)</u>
Gross profit	18,425.3	15,694.4	12,209.4
Other income	198.8	76.0	82.8
Other gains, net	999.0	1,924.5	2,132.6
Selling and marketing expenses	(1,416.2)	(935.0)	(650.6)
Administrative and other operating expenses	(6,381.0)	(5,547.6)	(5,023.1)
Changes in fair value of investment properties	<u>7,460.8</u>	<u>4,902.7</u>	<u>3,534.6</u>
Operating profit	19,286.7	16,115.0	12,285.7
Financing income	1,008.4	686.5	423.5
Financing costs	<u>(1,703.6)</u>	<u>(1,200.0)</u>	<u>(889.4)</u>
	18,591.5	15,601.5	11,819.8
Share of results of			
Jointly controlled entities	3,399.3	1,962.7	2,654.0
Associated companies	<u>1,320.4</u>	<u>1,157.4</u>	<u>1,104.0</u>
Profit before taxation	23,311.2	18,721.6	15,577.8
Taxation	<u>(4,794.8)</u>	<u>(4,400.5)</u>	<u>(2,833.8)</u>
Profit for the year	<u>18,516.4</u>	<u>14,321.1</u>	<u>12,744.0</u>
Attributable to:			
Shareholders of the Company	14,148.7	10,139.0	9,153.9
Non-controlling interests	<u>4,367.7</u>	<u>4,182.1</u>	<u>3,590.1</u>
	<u>18,516.4</u>	<u>14,321.1</u>	<u>12,744.0</u>
Dividends	<u>2,645.2</u>	<u>2,333.0</u>	<u>1,514.1</u>
Earnings per share (HK\$)			
Basic	2.28	1.88	2.10
Diluted	<u>2.24</u>	<u>1.85</u>	<u>2.04</u>

Consolidated Statement of Comprehensive Income

	Year ended 30 June		
	2013 <i>HK\$ m</i>	2012 <i>HK\$ m</i>	2011 <i>HK\$ m</i>
Profit for the year	18,516.4	14,321.1	12,744.0
Other comprehensive income			
Item that will not be reclassified to profit or loss			
Revaluation of investment properties upon reclassification from property, plant and equipment	96.3	12.8	2,302.0
— deferred tax arising from revaluation thereof	(24.1)	(3.2)	(0.7)
Items that may be reclassified subsequently to profit or loss			
Fair value changes of available-for-sale financial assets	498.4	(635.9)	338.7
— deferred tax arising from fair value changes thereof	(141.5)	1.0	(59.2)
Release of investment revaluation deficit to the income statement upon impairment of available-for-sale financial assets	187.5	568.8	149.1
Release of reserve upon disposal of assets held for sale	(2.2)	(0.7)	(29.7)
Release of reserve upon disposal of available-for-sale financial assets	(90.4)	(246.0)	(582.2)
— reversal of deferred tax thereof	—	58.3	73.2
Release of exchange reserve upon disposal of subsidiaries and an associated company	—	(37.7)	(10.6)
Share of other comprehensive income of jointly controlled entities and associated companies	231.8	(1,095.5)	2,803.7
Cash flow hedges	55.1	(115.8)	1.4
Translation differences	2,259.0	493.5	1,792.9
Other comprehensive income for the year	<u>3,069.9</u>	<u>(1,000.4)</u>	<u>6,778.6</u>
Total comprehensive income for the year	<u>21,586.3</u>	<u>13,320.7</u>	<u>19,522.6</u>
Attributable to:			
Shareholders of the Company	16,112.9	9,070.8	14,991.0
Non-controlling interests	5,473.4	4,249.9	4,531.6
	<u>21,586.3</u>	<u>13,320.7</u>	<u>19,522.6</u>

Consolidated Statement of Financial Position

	As at 30 June		
	2013 HK\$ m	2012 HK\$ m	2011 HK\$ m
ASSETS			
Non-current assets			
Investment properties	71,691.2	60,752.2	53,265.0
Property, plant and equipment	15,322.9	12,275.8	10,373.1
Land use rights	2,206.8	2,363.6	2,407.1
Intangible concession rights	16,541.4	16,622.5	763.5
Intangible assets	4,139.3	4,120.9	1,754.7
Interests in jointly controlled entities	43,255.9	40,776.1	40,352.2
Interests in associated companies	16,813.8	15,211.7	10,533.6
Available-for-sale financial assets	4,395.3	4,470.7	6,229.5
Held-to-maturity investments	39.9	38.5	281.5
Financial assets at fair value through profit or loss	275.9	1,009.1	1,006.3
Derivative financial instruments	61.4	—	119.8
Properties for development	27,620.1	20,929.7	17,293.0
Deferred tax assets	814.2	695.8	697.8
Other non-current assets	2,872.0	1,411.5	808.3
	<u>206,050.1</u>	<u>180,678.1</u>	<u>145,885.4</u>
Current assets			
Properties under development	45,888.3	44,760.1	27,714.3
Properties held for sale	16,023.4	12,766.2	10,654.1
Inventories	573.5	710.8	540.8
Available-for-sale financial assets	583.5	583.5	—
Debtors and prepayments	21,245.9	18,331.2	16,955.2
Financial assets at fair value through profit or loss	0.8	1.5	1.4
Derivative financial instruments	19.3	452.2	—
Restricted bank balances	168.5	123.7	121.2
Cash and bank balances	40,091.4	27,909.7	23,971.6
	<u>124,594.6</u>	<u>105,638.9</u>	<u>79,958.6</u>
Non-current assets classified as assets held for sale	<u>1,544.4</u>	<u>54.7</u>	<u>3,271.4</u>
	<u>126,139.0</u>	<u>105,693.6</u>	<u>83,230.0</u>
Total assets	<u>332,189.1</u>	<u>286,371.7</u>	<u>229,115.4</u>

	As at 30 June		
	2013 HK\$ m	2012 HK\$ m	2011 HK\$ m
EQUITY			
Share capital	6,311.6	6,151.1	3,990.1
Reserves	130,925.5	115,669.0	98,673.1
Proposed final dividend	1,893.5	1,722.8	1,117.2
Shareholders' funds	139,130.6	123,542.9	103,780.4
Non-controlling interests	38,614.4	34,497.8	30,588.2
Total equity	177,745.0	158,040.7	134,368.6
LIABILITIES			
Non-current liabilities			
Long-term borrowings	79,229.9	67,845.8	38,849.9
Deferred tax liabilities	8,387.2	7,685.7	4,624.8
Derivative financial instruments	928.6	1,411.7	756.8
Other non-current liabilities	751.6	696.6	650.7
	89,297.3	77,639.8	44,882.2
Current liabilities			
Creditors and accrued charges	32,895.1	25,273.0	23,756.0
Current portion of long-term borrowings	17,890.9	12,391.8	13,023.1
Short-term borrowings	9,291.9	8,473.8	8,735.7
Derivative financial instruments	—	533.8	—
Current tax payable	5,068.9	4,018.8	3,748.8
	65,146.8	50,691.2	49,263.6
Liabilities directly associated with assets held for sale	—	—	601.0
	65,146.8	50,691.2	49,864.6
Total liabilities	154,444.1	128,331.0	94,746.8
Total equity and liabilities	332,189.1	286,371.7	229,115.4
Net current assets	60,992.2	55,002.4	33,365.4
Total assets less current liabilities	267,042.3	235,680.5	179,250.8

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The audited consolidated financial statements of the Group for the year ended 30 June 2013 are disclosed in the annual report of the Company for the year ended 30 June 2013 (pages 133 to 253), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.nwd.com.hk).

3. INDEBTEDNESS

Borrowings

At the close of business on 28 February 2014, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings of approximately HK\$118,081.5 million, details of which are set out as follows:

	<i>HK\$ million</i>
Bank loans	
Secured	29,749.8
Unsecured	45,350.7
Other loans	
Secured	72.0
Unsecured	133.0
Convertible bonds	7,575.1
Fixed rate bonds	31,385.0
Loans from non-controlling shareholders, unsecured	<u>3,815.9</u>
Total	<u><u>118,081.5</u></u>

Bank loans and other loans of approximately HK\$29,749.8 million and HK\$72.0 million respectively, were secured by certain of the Group's investment properties, property, plant and equipment, land use rights, intangible concession rights, properties under development, properties for development and bank deposits.

Contingent liabilities

At the close of business on 28 February 2014, the Group's financial guarantee contracts are as follows:

	<i>HK\$ million</i>
Mortgage facilities for certain purchasers of properties (<i>note a</i>)	2,028.1
Guarantees for credit facilities granted to	
— Joint ventures and associated companies (<i>note b</i>)	8,747.1
— A related company	64.7
Indemnity to non-wholly owned subsidiaries for	
Mainland China tax liabilities (<i>note c</i>)	<u>1,673.8</u>
	<u><u>12,513.7</u></u>

Notes:

- (a) At the close of business on 28 February 2014, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group and the outstanding mortgage loans under these guarantees amounted to HK\$2,028.1 million. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.
- (b) At the close of business on 28 February 2014, the Group had contingent liabilities of approximately HK\$8,747.1 million relating to corporate guarantees given in respect of bank loan facilities extended to certain joint ventures and associated companies. As at 28 February 2014, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the joint ventures and associated companies was approximately HK\$5,014.5 million.
- (c) In July 1999, a deed of tax indemnity was entered into between the Company and NWCL, whereby the Company undertakes to indemnify certain subsidiaries of NWCL in respect of, *inter alia*, certain PRC corporate income tax and land appreciation tax payable in consequence of the disposal of certain properties held by NWCL as at 31 March 1999. At the close of business on 28 February 2014, the Group's share of such obligation to NWCL for Mainland China tax liabilities was approximately HK\$1,673.8 million.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 28 February 2014, the Group did not have any outstanding loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, hire purchase or finance lease commitments, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

4. WORKING CAPITAL

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

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group continues to adopt prudent and cautious financial management policies and enhances its cash flow management capability through realisation of the Group's developing assets. By striving to achieve a well-balanced leverage, the Group endeavours to monitor and maintain a healthy financial position.

The Group will continue enhancing its cash flow capability so as to better position itself to grasp market opportunities for the long term benefits of the Shareholders.

The Group will continue its development plan to tap into the huge opportunities brought by the urbanisation in the PRC according to the good side of the market. At the same time, the Group also adopts a prudent approach in developing its PRC operations by appropriately adjusting its plan according to changes in the property market and government policy.

The Group's roads portfolio is well poised to take advantage of the urban development in Mainland China and will be benefited from greater investment opportunities.

Coping with the ever-changing retail market in the PRC, the Group's department stores incessantly review their branding and operating strategies and come up with new and timely measures accordingly. Other than strengthening the Group's category-killers with careful maintenance, stores also improved their merchandise mix to tailor for local preferences. The Group will continuously monitor and adjust the expansion and operations strategies in response to the relevant government policies.

In 2013, the residential properties launched by the Company in Hong Kong, including The Woodsville and Park Signature in Yuen Long, The Austin Station site C project in South-west Kowloon and EIGHT SOUTH LANE in Kennedy Town. The total number of units of those four new projects attributable to the Group was 2,239. With the premium quality and effective marketing promotion, such projects achieved satisfactory sales performance. In the first half of FY2014, the Group already achieved its sales target of attributable contracted sales of HK\$10.0 billion for FY2014, attaining HK\$11.7 billion.

The Group has launched the joint venture project Double Cove Starview in Ma On Shan in January 2014 and has recently re-launched a number of residential projects in the first quarter in 2014, including Park Signature and Double Cove.

The Group has actively reviewed its launch plan of new residential projects by assessing the changes in market condition and the needs of the home-buyers. In the coming 12 months, the Group will launch several new residential projects, including The Woodside in Yuen Long, The Austin Station site D project in South-west Kowloon and The Pavilia Hill in Tin Hau. The abovementioned new residential projects are expected to bring a strong momentum to the Group's property sales.

The investment portfolio of the Group has continuously provided a stable recurrent income and all major properties attained satisfactory occupancy. In the first half of FY2014, the Group's gross rental income in Hong Kong amounted to HK\$754.2 million, up 7% year-on-year.

To strengthen the Group's service portfolio in Hong Kong, a joint venture in which NWS Holdings Limited ("NWS") has a 40% interest, was formed for the construction, development and operation of a private hospital, Gleneagles Hong Kong Hospital, at Wong Chuk Hang. The construction phase commenced in January 2014. In addition, NWS announced the investment in Beijing Capital International Airport Co., Ltd in December 2013, which is the second busiest airport in the world in terms of passenger throughput with more than 80 million passengers per year.

Following the steady development of the property market in the PRC, the overall property contracted sales of NWCL in the first half of FY2014 reached a total gross floor area of 648,918 square metres amounting to RMB9.3 billion, representing a year-on-year increase of 4% and 10% respectively. Gross profit margin of the overall property sales booked was 51%.

New World Department Store China Limited ("NWDS") entered into an agreement with independent third parties to acquire the entire equity interest in Shanghai Hongxin Properties Company Limited which owns and operates a shopping mall in Shanghai on 27 May 2013. The acquisition was completed on 30 July 2013. In the first half of FY2014, NWDS successfully acquired the operating rights of Shanghai Wujiaochang Branch Store, the store has changed from a managed store to a self-owned store. Meanwhile, Yantai Store in Shandong was newly opened during the first half of FY2014 with total gross floor area of 55,000 square metres. The acquisitions and store expansion will further consolidate NWDS presence in the retail market in the PRC.

The Group proposed the disposal of its interest in CSL New World Mobility Limited in consideration of approximately US\$572.3 million (subject to adjustments) in an announcement on 20 December 2013. The Group considers that the disposal can provide an opportunity for the Company to realise value for its Shareholders instead of keeping its minority interest in that non-core asset, and that the proposed disposal is in the interests of the Group and the Shareholders as a whole. It enables the Group to further integrate its business structure, consolidate its overall financial position, and enables the Group to invest further capital on its core business and in turn maximise the return to the Shareholders. As at the Latest Practicable Date, completion was subject to the consent of the Office of the Communications Authority pursuant to the Telecommunications Ordinance.

6. EXPENSES

The estimated expenses in connection with the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses, are estimated to amount to approximately HK\$202 million and will be borne by the Company.

7. MATERIAL ADVERSE CHANGE

Save as disclosed in the indebtedness statement as at 28 February 2014 as set out in the section headed “Indebtedness” in this Appendix I to this Prospectus and save that the indebtedness of the Group will increase by approximately HK\$18 billion in the event that the Scheme becomes effective in accordance with its terms but the Rights Issue does not proceed to completion, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 30 June 2013, being the date to which the latest published audited consolidated financial statements of the Group were made up.

1. SUMMARY OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The following is a summary of the unaudited condensed consolidated income statement, condensed consolidated statement of comprehensive income and condensed consolidated statement of financial position of the Group for the six months ended 31 December 2013 together with comparative figures, which are based on the published interim report of the Company.

Condensed Consolidated Income Statement — Unaudited

	Six months ended	
	31 December	
	2013	2012
	<i>HK\$ m</i>	<i>HK\$ m</i>
Revenues	27,180.2	24,455.0
Cost of sales	<u>(15,841.7)</u>	<u>(14,172.1)</u>
Gross profit	11,338.5	10,282.9
Other income	205.6	17.7
Other gains, net	1,284.2	688.2
Selling and marketing expenses	(837.1)	(648.4)
Administrative and other operating expenses	(3,602.8)	(3,264.7)
Changes in fair value of investment properties	<u>440.2</u>	<u>5,650.7</u>
Operating profit	8,828.6	12,726.4
Financing income	495.3	382.2
Financing costs	<u>(987.6)</u>	<u>(804.4)</u>
	8,336.3	12,304.2
Share of results of joint ventures and associated companies	<u>1,758.6</u>	<u>2,251.3</u>
Profit before taxation	10,094.9	14,555.5
Taxation	<u>(3,190.6)</u>	<u>(2,215.5)</u>
Profit for the period	<u>6,904.3</u>	<u>12,340.0</u>
Attributable to:		
Shareholders of the Company	4,529.2	9,985.9
Non-controlling interests	<u>2,375.1</u>	<u>2,354.1</u>
	<u>6,904.3</u>	<u>12,340.0</u>
Dividend	<u>773.2</u>	<u>751.5</u>
Earnings per share (HK\$)		
Basic	0.72	1.62
Diluted	<u>0.72</u>	<u>1.58</u>

Condensed Consolidated Statement of Comprehensive Income — Unaudited

	Six months ended	
	31 December	
	2013	2012
	<i>HK\$ m</i>	<i>HK\$ m</i>
Profit for the period	6,904.3	12,340.0
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Revaluation of investment properties upon reclassification from property, plant and equipment	—	89.2
— deferred tax arising from revaluation thereof	—	(22.3)
Remeasurement of post employment benefit obligation	(18.5)	—
Items that may be reclassified subsequently to profit or loss		
Fair value changes of available-for-sale financial assets	(201.1)	651.6
— deferred tax arising from fair value changes thereof	22.5	(104.5)
Release of reserves upon deemed disposal of interests in joint ventures	(126.7)	—
Release of reserves upon disposal of assets held for sale	—	(2.4)
Release of reserves upon disposal of available-for-sale financial assets	77.8	(182.5)
Share of other comprehensive income of joint ventures and associated companies	275.7	(113.2)
Cash flow hedges	30.9	(29.4)
Translation differences	758.9	1,722.0
Other comprehensive income for the period	<u>819.5</u>	<u>2,008.5</u>
Total comprehensive income for the period	<u>7,723.8</u>	<u>14,348.5</u>
Attributable to:		
Shareholders of the Company	5,011.5	11,358.8
Non-controlling interests	<u>2,712.3</u>	<u>2,989.7</u>
	<u>7,723.8</u>	<u>14,348.5</u>

Condensed Consolidated Statement of Financial Position — Unaudited

	As at 31 December 2013 <i>HK\$ m</i>	As at 30 June 2013 <i>HK\$ m</i>
ASSETS		
Non-current assets		
Investment properties	75,711.7	71,691.2
Property, plant and equipment	17,361.5	15,322.9
Land use rights	2,197.1	2,206.8
Intangible concession rights	16,381.0	16,541.4
Intangible assets	4,898.1	4,139.3
Interests in joint ventures and associated companies	63,044.4	60,069.7
Available-for-sale financial assets	3,795.2	4,395.3
Held-to-maturity investments	40.6	39.9
Financial assets at fair value through profit or loss	595.2	275.9
Derivative financial instruments	39.5	61.4
Properties for development	26,516.0	27,620.1
Deferred tax assets	983.7	814.2
Other non-current assets	1,613.3	2,872.0
	<u>213,177.3</u>	<u>206,050.1</u>
Current assets		
Properties under development	51,273.8	45,888.3
Properties held for sale	18,541.0	16,023.4
Inventories	635.9	573.5
Available-for-sale financial assets	583.5	583.5
Debtors and prepayments	21,804.6	21,245.9
Financial assets at fair value through profit or loss	0.6	0.8
Derivative financial instruments	81.3	19.3
Restricted bank balances	75.2	168.5
Cash and bank balances	46,143.7	40,091.4
	<u>139,139.6</u>	<u>124,594.6</u>
Non-current assets classified as assets held for sale	2,405.4	1,544.4
	<u>141,545.0</u>	<u>126,139.0</u>
Total assets	<u><u>354,722.3</u></u>	<u><u>332,189.1</u></u>

APPENDIX II

**UNAUDITED CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS OF THE GROUP
FOR THE SIX MONTHS ENDED 31 DECEMBER 2013**

	As at 31 December 2013 <i>HK\$ m</i>	As at 30 June 2013 <i>HK\$ m</i>
EQUITY		
Share capital	6,443.4	6,311.6
Reserves	136,298.3	130,925.5
Proposed final dividend	—	1,893.5
Interim dividend	<u>773.2</u>	<u>—</u>
Shareholders' funds	143,514.9	139,130.6
Non-controlling interests	<u>40,845.1</u>	<u>38,614.4</u>
Total equity	<u><u>184,360.0</u></u>	<u><u>177,745.0</u></u>
LIABILITIES		
Non-current liabilities		
Long-term borrowings	85,972.8	79,229.9
Deferred tax liabilities	9,074.8	8,387.2
Derivative financial instruments	843.8	928.6
Other non-current liabilities	<u>819.0</u>	<u>751.6</u>
	----- <u>96,710.4</u>	----- <u>89,297.3</u>
Current liabilities		
Creditors and accrued charges	38,792.2	32,895.1
Current portion of long-term borrowings	19,010.7	17,890.9
Short-term borrowings	9,702.9	9,291.9
Current tax payable	<u>6,146.1</u>	<u>5,068.9</u>
	----- <u>73,651.9</u>	----- <u>65,146.8</u>
Total liabilities	<u><u>170,362.3</u></u>	<u><u>154,444.1</u></u>
Total equity and liabilities	<u><u>354,722.3</u></u>	<u><u>332,189.1</u></u>
Net current assets	<u><u>67,893.1</u></u>	<u><u>60,992.2</u></u>
Total assets less current liabilities	<u><u>281,070.4</u></u>	<u><u>267,042.3</u></u>

2. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The unaudited condensed consolidated financial statements of the Group for the six months ended 31 December 2013 are disclosed in the interim report of the Company for the six months ended 31 December 2013 (pages 18 to 41), which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.nwd.com.hk).

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 31 December 2013. The statements have been prepared for illustrative purposes only and because of their nature, they may not give a true picture of the Group's financial position on the completion of the Rights Issue.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is an illustrative and unaudited pro forma financial information of the Group (“**Unaudited Pro Forma Financial Information**”), including the unaudited pro forma statement of adjusted consolidated net assets, the unaudited pro forma statement of adjusted consolidated net tangible assets and the unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group, which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 31 December 2013.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 31 December 2013 or at any future date.

(a) Unaudited Pro Forma Statement of Adjusted Consolidated Net Assets of the Group

Unaudited consolidated net assets of the Group attributable to equity holders of the Company as at 31 December 2013 ⁽¹⁾ <i>HK\$ m</i>	Estimated net proceeds from the Rights Issue ⁽²⁾ <i>HK\$ m</i>	Unaudited pro forma adjusted consolidated net assets of the Group attributable to equity holders of the Company after completion of the Rights Issue <i>HK\$ m</i>	Unaudited pro forma adjusted consolidated net assets of the Group attributable to equity holders of the Company after completion of the Rights Issue per Share ⁽³⁾ <i>HK\$</i>
Based on approximately 2,147.8 million Rights Shares (Note 2) to be issued at a subscription price of HK\$6.20 per Rights Share	143,514.9	13,114.4	156,629.3
			18.2

Notes:

- (1) The unaudited consolidated net assets of the Group attributable to the Company's equity holders as at 31 December 2013 is extracted from the published interim report of the Group for the six months ended 31 December 2013.
- (2) The estimated net proceeds from the Rights Issue which are based on approximately 2,147.8 million Rights Shares to be issued (in the proportion of one (1) Rights Share for every three (3) Shares held as at the Record Date) at the subscription price of HK\$6.20 per Rights Share and after deduction of the estimated related expenses of approximately HK\$202 million.
- (3) The unaudited pro forma adjusted consolidated net assets per Share is arrived at after the adjustments referred to in Note 2 above and on the basis that approximately 8,591.2 million Shares were in issue assuming the Rights Issue had been completed on 31 December 2013.
- (4) Other than those mentioned above, no adjustments have been made to the unaudited pro forma adjusted consolidated net assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2013.

(b) Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group

	Unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 31 December 2013 ⁽¹⁾ <i>HK\$ m</i>	Estimated net proceeds from the Rights Issue ⁽²⁾ <i>HK\$ m</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company after completion of the Rights Issue <i>HK\$ m</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity holders of the Company after completion of the Rights Issue per Share ⁽³⁾ <i>HK\$</i>
Based on approximately 2,147.8 million Rights Shares (Note 2) to be issued at a subscription price of HK\$6.20 per Rights Share	119,342.0	13,114.4	132,456.4	15.4

Notes:

- (1) The consolidated net tangible assets of the Group attributable to the Company's equity holders as at 31 December 2013 is based on the unaudited consolidated net assets of the Group attributable to the Company's equity holders as at 31 December 2013 of approximately HK\$143,514.9 million, with an adjustment for the intangible concession rights of approximately HK\$16,381.0 million and intangible assets of approximately HK\$4,898.1 million, as extracted from the published interim report of the Group for the six months ended 31 December 2013, and goodwill included in the interests in joint ventures and associated companies of approximately of HK\$2,893.8 million.
- (2) The estimated net proceeds from the Rights Issue which are based on approximately 2,147.8 million Rights Shares to be issued (in the proportion of one (1) Rights Share for every three (3) Shares held as at the Record Date) at the subscription price of HK\$6.20 per Rights Share and after deduction of the estimated related expenses of approximately HK\$202 million.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in Note 2 above and on the basis that approximately 8,591.2 million Shares were in issue assuming the Rights Issue had been completed on 31 December 2013.
- (4) Other than those mentioned above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2013.

(c) Unaudited Pro Forma Statement of Adjusted Consolidated Assets and Liabilities of the Group

	Unaudited statement of consolidated assets and liabilities of the Group as at 31 December 2013 ⁽¹⁾ <i>HK\$ m</i>	Estimated net proceeds from the Rights Issue ⁽²⁾ <i>HK\$ m</i>	Unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group <i>HK\$ m</i>
ASSETS			
Non-current assets			
Investment properties	75,711.7		75,711.7
Property, plant and equipment	17,361.5		17,361.5
Land use rights	2,197.1		2,197.1
Intangible concession rights	16,381.0		16,381.0
Intangible assets	4,898.1		4,898.1
Interests in joint ventures and associated companies	63,044.4		63,044.4
Available-for-sale financial assets	3,795.2		3,795.2
Held-to-maturity investments	40.6		40.6
Financial assets at fair value through profit or loss	595.2		595.2
Derivative financial instruments	39.5		39.5
Properties for development	26,516.0		26,516.0
Deferred tax assets	983.7		983.7
Other non-current assets	<u>1,613.3</u>		<u>1,613.3</u>
	----- 213,177.3		----- 213,177.3
Current assets			
Properties under development	51,273.8		51,273.8
Properties held for sale	18,541.0		18,541.0
Inventories	635.9		635.9
Available-for-sale financial assets	583.5		583.5
Debtors and prepayments	21,804.6		21,804.6
Financial assets at fair value through profit or loss	0.6		0.6
Derivative financial instruments	81.3		81.3
Restricted bank balances	75.2		75.2
Cash and bank balances	<u>46,143.7</u>	13,114.4	<u>59,258.1</u>
	139,139.6		152,254.0
Non-current assets classified as assets held for sale	<u>2,405.4</u>		<u>2,405.4</u>
	----- 141,545.0		----- 154,659.4
Total assets	<u><u>354,722.3</u></u>		<u><u>367,836.7</u></u>

	Unaudited statement of consolidated assets and liabilities of the Group as at 31 December 2013 ⁽¹⁾ <i>HK\$ m</i>	Estimated net proceeds from the Rights Issue ⁽²⁾ <i>HK\$ m</i>	Unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group <i>HK\$ m</i>
LIABILITIES			
Non-current liabilities			
Long-term borrowings	85,972.8		85,972.8
Deferred tax liabilities	9,074.8		9,074.8
Derivative financial instruments	843.8		843.8
Other non-current liabilities	819.0		819.0
	<u>96,710.4</u>		<u>96,710.4</u>
Current liabilities			
Creditors and accrued charges	38,792.2		38,792.2
Current portion of long-term borrowings	19,010.7		19,010.7
Short-term borrowings	9,702.9		9,702.9
Current tax payable	6,146.1		6,146.1
	<u>73,651.9</u>		<u>73,651.9</u>
Total liabilities	<u>170,362.3</u>		<u>170,362.3</u>
Net current assets	<u>67,893.1</u>		<u>81,007.5</u>
Total assets less current liabilities	<u>281,070.4</u>		<u>294,184.8</u>
Net assets	<u>184,360.0</u>		<u>197,474.4</u>

Notes:

- (1) The balances are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2013 set out in the interim report of the Company for the six months ended 31 December 2013.
- (2) The estimated net proceeds from the Rights Issue which are based on approximately 2,147.8 million Rights Shares to be issued (in the proportion of one (1) Rights Share for every three (3) Shares held as at the Record Date) at the subscription price of HK\$6.20 per Rights Share and after deduction of the estimated related expenses of approximately HK\$202 million.
- (3) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2013.

(B) REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Financial Information of the Group for the purpose of incorporation in this Prospectus.



羅兵咸永道

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED
IN A PROSPECTUS
TO THE DIRECTORS OF NEW WORLD DEVELOPMENT COMPANY LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of New World Development Company Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net assets of the Group as at 31 December 2013, the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2013, the unaudited pro forma statement of adjusted consolidated assets and liabilities of the Group as at 31 December 2013 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-5 of the Company's prospectus dated 3 April 2014 (the "Prospectus"), in connection with the proposed rights issue of the Company (the "Rights Issue"). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-5 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Rights Issue on the Group's financial position as at 31 December 2013 as if the Rights Issue had taken place at 31 December 2013. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's condensed consolidated financial information for the six months ended 31 December 2013, on which no audit or review report has been published.

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

Directors' Responsibility for the Unaudited Pro Forma Financial Information

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

Reporting Accountant's Responsibilities

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

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 31 December 2013 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 3 April 2014

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL, SHARE OPTIONS AND CONVERTIBLE BONDS

Share capital

As at the Latest Practicable Date, the Company did not have an authorised share capital and/or nominal value of shares in its share capital. The share capital structure of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

HK\$

Issued, to be issued and fully-paid or yet to be fully-paid:

6,443,402,419	Shares in issue as at the Latest Practicable Date	50,044,753,747 <i>(fully-paid)</i>
2,147,800,806	Rights Shares to be issued pursuant to the Rights Issue	13,316,364,997 <i>(yet to be fully-paid)</i>

Share capital upon completion of the Rights Issue (assuming no change in the total number of issued Shares from the Latest Practicable Date up to the date of completion of the Rights Issue except the issue of the Rights Shares):

<u>8,591,203,225</u>	Shares	<u>63,361,118,744</u>
----------------------	--------	-----------------------

The Rights Shares, when fully-paid, allotted and issued, will rank *pari passu* with the existing Shares then in issue in all respects, including in particular as to dividends, voting rights and return on capital. 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. Shareholders should note 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.

Share Options and Convertible Bonds

As at the Latest Practicable Date:

- (1) there were outstanding Convertible Bonds in the aggregate principal amount of HK\$6,000 million convertible into 277,842,093 Shares at the adjusted conversion price of HK\$21.595 per Share (subject to adjustments, if any); and
- (2) there were outstanding Share Options in respect of 125,361,412 Shares, of which Shares Options in respect of 74,244,062 Shares are Vested Share Options.

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

Save for the outstanding Convertible Bonds which are listed, but not traded, on the Singapore Exchange Securities Trading Limited, the Company has no other equity or debt securities which is listed or dealt in any other stock exchange or which the listing or permission to deal is being or is proposed to be sought in any other stock exchange.

Share options granted to eligible participants (other than the Directors)

(a) Share Option Scheme of the Company

On 24 November 2006, the Company adopted the Share Option Scheme and certain rules of such scheme were amended on 13 March 2012. Under the Share Option Scheme, the Directors may at their discretion grant options to any eligible participants (including employees) to subscribe for Shares.

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

Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
19 March 2012	(1)	59,213,125	9.756
16 November 2012	(2)	7,305,166	11.979
22 January 2014	(3)	<u>29,100,000</u>	10.400
		<u>95,618,291</u>	

Notes:

- (1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.
- (2) Divided into 4 tranches exercisable from 16 November 2012, 16 November 2013, 16 November 2014 and 16 November 2015 respectively to 15 November 2016.
- (3) Divided into 4 tranches exercisable from 22 January 2014, 22 January 2015, 22 January 2016 and 22 January 2017 respectively to 21 January 2018.
- (4) The cash consideration paid by each participant for the grant of share options is HK\$10.0.

(b) *Share option scheme of NWCL*

On 26 November 2002, NWCL adopted a share option scheme (“**NWCL 2002 Share Option Scheme**”) pursuant to which employees, including directors of NWCL and its subsidiaries, were given opportunity to obtain equity holdings in NWCL. In anticipation of the expiry of the NWCL 2002 Share Option Scheme, NWCL adopted a new share option scheme (“**NWCL 2011 Share Option Scheme**”) at the annual general meeting of NWCL held on 22 November 2011 and terminated the operation of the NWCL 2002 Share Option Scheme. Any share options which were granted under the NWCL 2002 Share Option Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the NWCL 2002 Share Option Scheme.

The following are the outstanding share options granted to eligible participants (other than the Directors) under the NWCL 2002 Share Option Scheme as at the Latest Practicable Date:

Date of grant	Exercisable period (Note)	Number of share options	Exercise price per share (HK\$)
26 June 2009 to 23 July 2009	(1)	1,504,435	3.913
19 November 2009 to 16 December 2009	(1)	3,013	2.953
12 January 2010 to 2 February 2010	(1)	228,661	2.878
18 May 2010 to 14 June 2010	(1)	203,069	2.262
31 May 2010 to 25 June 2010	(1)	210,597	2.349
10 November 2010 to 7 December 2010	(1)	1,789,610	3.013
18 January 2011 to 14 February 2011	(1)	6,612,316	3.036
26 July 2011 to 22 August 2011	(1)	<u>813,803</u>	2.705
		<u>11,365,504</u>	

Notes:

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

The following are the outstanding share options granted to eligible participants (other than the Directors) under the NWCL 2011 Share Option Scheme as at the Latest Practicable Date:

Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
3 May 2012 to 30 May 2012	(1)	4,972,470	2.450
22 October 2012 to 16 November 2012	(1)	456,800	3.370
7 January 2013 to 1 February 2013	(1)	4,220,220	3.880
2 April 2013 to 29 April 2013	(1)	2,044,000	3.350
24 June 2013 to 25 June 2013	(1)	1,288,100	2.762
15 October 2013 to 17 October 2013	(1)	1,779,200	4.010
9 January 2014 to 13 January 2014	(1)	<u>3,936,240</u>	3.970
		<u>18,697,030</u>	

Notes:

(1) The share options are exercisable within five years commencing from one month after the dates of grant, provided that the maximum number of share options that can be exercised during each anniversary year is 20.0% of the total number of the share options granted together with any unexercised share options carried forward from the previous anniversary years.

(2) The cash consideration paid by each eligible participant for each grant of share options is HK\$10.0.

(c) *Share option scheme of NWS Holdings Limited (“NWS”)*

NWS adopted a share option scheme (“**NWS Share Option Scheme**”) on 21 November 2011. No share option has been granted under the NWS Share Option Scheme since its adoption.

(d) *Share option scheme of New World Department Store China Limited (“NWDS”)*

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

There was no outstanding share options granted under the NWDS Share Option Scheme as at the Latest Practicable Date.

3. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office of the Company	30th Floor, New World Tower, 18 Queen's Road Central, Hong Kong
Company secretary of the Company	Mr. Wong Man-Hoi
Authorised representatives of the Company	Dr. Cheng Kar-Shun, Henry 12 Repulse Bay Road, Hong Kong
	Mr. Wong Man-Hoi Flat C, 3rd Floor, Tower 2, Harbour Green, 8 Sham Mong Road, Tai Kok Tsui, Kowloon, Hong Kong
Underwriter	Major Shareholder 38th Floor, New World Tower, 18 Queen's Road Central, Hong Kong
Sole global coordinator, joint bookrunner and underwriter	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong
Joint bookrunner and underwriter	Standard Chartered Securities (Hong Kong) Limited 15th Floor, Two International Financial Centre 8 Finance Street Central, Hong Kong
Legal adviser to the Company	Woo, Kwan, Lee & Lo 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong
Legal adviser to HSBC and Standard Chartered	Linklaters 10th Floor, Alexandra House, 18 Chater Road, Hong Kong
Auditor and reporting accountant	PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building, Central, Hong Kong

Registrar and transfer office

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal bankers

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road, Central, Hong Kong

Bank of Communications Co., Ltd.
20 Pedder Street, Central, Hong Kong

China Construction Bank (Asia)
Corporation Limited
28th Floor, CCB Tower, 3 Connaught Road Central
Central, Hong Kong

China Development Bank Corporation
33th Floor, One International Finance Centre
1 Harbour View Street,
Central, Hong Kong

China Merchants Bank Co., Ltd.
21st Floor, Bank of America Tower,
12 Harcourt Road, Central, Hong Kong

Citibank N.A.
50th Floor, Citibank Tower,
Citibank Plaza,
3 Garden Road, Hong Kong

DBS Bank Ltd.
18th Floor, The Center,
99 Queen's Road Central, Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central,
Central, Hong Kong

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

Mizuho Bank, Ltd.
17th Floor, Two Pacific Place, 88 Queensway,
Hong Kong

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

Standard Chartered Bank (Hong Kong) Limited
4–4A Des Voeux Road Central, Hong Kong

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

The Bank of East Asia, Limited
10 Des Voeux Road, Central, Hong Kong

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

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

4. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

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

Name	Residential address
<i>Executive Directors</i>	
Dr. Cheng Kar-Shun, Henry	12 Repulse Bay Road, Hong Kong
Mr. Cheng Chi-Kong, Adrian	12 Repulse Bay Road, Hong Kong
Mr. Chen Guanzhan	Flat H, 27/F, Tower 27, Ning On Mansion, Taikoo Shing, On Shing Terrace, Hong Kong
Ms. Ki Man-Fung, Leonie	17B, Tower 2, 37 Repulse Bay Road, Repulse Bay, Hong Kong
Mr. Cheng Chi-Heng	12 Repulse Bay Road, Hong Kong
Ms. Cheng Chi-Man, Sonia	12 Repulse Bay Road, Hong Kong
Mr. Au Tak-Cheong	Flat 2505, Block N, Kornhill, Hong Kong
<i>Non-executive Directors</i>	
Mr. Doo Wai-Hoi, William	No. 60 Peak Road, The Peak, Hong Kong
Mr. Cheng Kar-Shing, Peter	12 Repulse Bay Road, Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. Yeung Ping-Leung, Howard	4 Purves Road, Jardine's Lookout, Hong Kong
Mr. Cha Mou-Sing, Payson	55 Shouson Hill Road, Hong Kong
Mr. Cha Mou-Zing, Victor (Alternate Director to Mr. Cha Mou-Sing, Payson)	B1, Country Villa, 28 Shouson Hill Road, Hong Kong
Mr. Ho Hau-Hay, Hamilton	Flat B, 24th Floor, Tower 1, Clovelly Court, 12 May Road, Hong Kong
Mr. Lee Luen-Wai, John	Flat 29B, 70 Tai Hang Road, Hong Kong

Mr. Liang Cheung-Biu, Thomas Flat C, 31st Floor, Block 2,
Estoril Court, 55 Garden Road, Hong Kong

Senior Management

Mr. Wong Man-Hoi Flat C, 3rd Floor, Tower 2,
Harbour Green, 8 Sham Mong Road,
Tai Kok Tsui, Kowloon, Hong Kong

Mr. Sitt Nam-Hoi Flat C, G/F., Parc Regal Tower 1,
19 Ho Man Tin Hill Road, Kowloon,
Hong Kong

Authorised Representatives

Dr. Cheng Kar-Shun, Henry 12 Repulse Bay Road, Hong Kong

Mr. Wong Man-Hoi Flat C, 3rd Floor, Tower 2,
Harbour Green, 8 Sham Mong Road,
Tai Kok Tsui, Kowloon, Hong Kong

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

Executive Directors

DR. CHENG KAR-SHUN, HENRY BA, MBA, DBA(Hon), LLD(Hon), GBS
(Aged 67)

Appointed as Director in October 1972, Executive Director in 1973 and became Managing Director from 1989 and Chairman from March 2012. Dr. Cheng is a member of the Remuneration Committee and the chairman of the Nomination Committee and Executive Committee of the Board of Directors of the Company. Dr. Cheng is the chairman and managing director of New World China Land Limited, the chairman of NWS Holdings Limited, the chairman and non-executive director of New World Department Store China Limited and Newton Resources Ltd, the chairman and executive director of Chow Tai Fook Jewellery Group Limited, the chairman of International Entertainment Corporation, an independent non-executive director of HKR International Limited, and a non-executive director of Lifestyle International Holdings Limited and SJM Holdings Limited, all of them are listed public companies in Hong Kong. Dr. Cheng is also the chairman of New World Hotels (Holdings) Limited and a director of certain subsidiaries of the Group. He is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Dr. Cheng is the chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Twelfth Chinese People's Political Consultative Conference of The

People's Republic of China. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of Hong Kong Special Administrative Region. Dr. Cheng is the father of Mr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia, the brother-in-law of Mr. Doo Wai-Hoi, William, the brother of Mr. Cheng Kar-Shing, Peter and the uncle of Mr. Cheng Chi-Heng.

MR. CHENG CHI-KONG, ADRIAN

(Aged 34)

Appointed as an Executive Director in March 2007, and became Executive Director and Joint General Manager from March 2012. Mr. Cheng is a member of the Executive Committee of the Board of Directors of the Company. Mr. Cheng is an executive director of New World China Land Limited, New World Department Store China Limited, Chow Tai Fook Jewellery Group Limited and International Entertainment Corporation, and a non-executive director of Giordano International Limited and Modern Media Holdings Limited, all being listed public companies in Hong Kong. He is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. He is also the chairman of New World Group Charity Foundation Limited and a director of certain subsidiaries of the Group. Mr. Cheng worked in a major international bank prior to joining the Group in September 2006 and has substantial experience in corporate finance. Mr. Cheng holds a Bachelor of Arts Degree (cum laude) from Harvard University. He is the vice-chairman of the Youth Federation of the Central State-owned Enterprises, the vice-chairman of All-China Youth Federation, a member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, the chairman of China Young Leaders Foundation, the honorary chairman of K11 Art Foundation and the honorary chairman of Fundraising Committee of the Wu Zhi Qiao (Bridge to China) Charitable Foundation. He is the son of Dr. Cheng Kar-Shun, Henry, the brother of Ms. Cheng Chi-Man, Sonia, the nephew of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

MR. CHEN GUANZHAN

(Aged 54)

Appointed as an Executive Director and Joint General Manager in March 2012. Mr. Chen joined the Company as general manager in January 2011. He is a member of the Executive Committee of the Board of Directors of the Company. He also acts as director of New World Group Charity Foundation Limited and certain subsidiaries of the Group. Mr. Chen holds a Bachelor of Science Degree from Sun Yat-Sen University in Guangzhou and Master of Science Degree in Environment Chemical Engineering from South China University of Technology in Guangzhou. He had also been a visiting scholar to the California State University, Northridge in the U.S.A., where he studied Public Administration. Mr. Chen had previously taught at South China University of Technology, and held certificates as university lecturer, senior engineer, and held offices in various departments of the Guangzhou Municipal

People's Government. Mr. Chen has extensive experience in administration management, corporate management and capital management with a strong academic and practical foundation.

MS. KI MAN-FUNG, LEONIE *BA(Hon), SBS, JP*
(Aged 66)

Appointed as a Non-executive Director in December 2008 and was re-designated as Executive Director in March 2012. Ms. Ki is a member of the Executive Committee of the Board of Directors of the Company. Ms. Ki has been the managing director of New World China Enterprises Projects Limited (a subsidiary of the Company) since 1997 and is also a director of certain subsidiaries of the Group. Ms. Ki is an independent non-executive director of Clear Media Limited and Sa Sa International Holdings Limited, both are listed public companies in Hong Kong. Ms. Ki is also a director of Chow Tai Fook Charity Foundation. Ms. Ki has more than 30 years' experience in integrated communication and marketing services. She was the founder, partner and chairman/chief executive officer of Grey Hong Kong Advertising Limited and Grey China Advertising Limited. Ms. Ki is committed to the community and public services. She was the first chief executive of The Better Hong Kong Foundation. She is currently a life member of the Children's Cancer Foundation, chairman of the Working Group of the "Bless Hong Kong Campaign", Societal Engagement Task Force of the Commission on Poverty, council member of UNICEF Hong Kong Committee, trustee member of Ocean Park Conservation Foundation, honorary secretary of Wu Zhi Qiao Charitable Foundation, a member of the Asian Advisory Board of Cheng Yu Tung Management Institute, Richard Ivey School of Business (University of Western Ontario, Canada), a member of the Advisory Board of the EMBA Programme of The Chinese University of Hong Kong, council member of The University of Hong Kong, a National Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China and a member of The Chinese People's Political Consultative Conference of Yunnan Province, and a recipient of Honorary University Fellowship from The Open University of Hong Kong and The University of Hong Kong, the honour of Beta Gamma Sigma from The Chinese University of Hong Kong Faculty of Business Administration, Justice of the Peace and the Silver Bauhinia Star by the Government of the Hong Kong Special Administrative Region.

MR. CHENG CHI-HENG
(Aged 36)

Appointed as an Executive Director in June 2010. Mr. Cheng is a member of the Executive Committee of the Board of Directors of the Company. He also acts as director of certain subsidiaries of the Group. Mr. Cheng is an executive director of Chow Tai Fook Jewellery Group Limited and a non-executive director of China Huishan Dairy Holdings Company Limited, both are listed public companies in Hong Kong. Mr. Cheng is a director of Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, both are substantial shareholders of the Company. Mr. Cheng worked in Yu Ming Investment

Management Limited from 1999 to 2000 as a corporate finance executive. He obtained his Bachelor of Arts degree majoring in Economics from the University of Western Ontario, Canada in 1999. He is the son of Mr. Cheng Kar-Shing, Peter, the nephew of Dr. Cheng Kar-Shun, Henry and Mr. Doo Wai-Hoi, William, and the cousin of Mr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia.

MS. CHENG CHI-MAN, SONIA

(Aged 33)

Appointed as an Executive Director in March 2012. Ms. Cheng is a member of the Executive Committee of the Board of Directors of the Company. She is currently the chief executive officer of Rosewood Hotel Group and oversees the hotel division as well as the project management division of the Group. She is also an executive director of New World China Land Limited, a listed public company in Hong Kong, and a director of certain subsidiaries of the Group. Before joining the Group in 2008, Ms. Cheng worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Ms. Cheng holds a Bachelor of Arts Degree with a concentration in Applied Mathematics from Harvard University in the U.S.A.. Ms. Cheng is a member of the Eleventh Guizhou Municipal Committee of The Chinese People's Political Consultative Conference. Ms. Cheng is the daughter of Dr. Cheng Kar-Shun, Henry, the sister of Mr. Cheng Chi-Kong, Adrian, the niece of Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter, and the cousin of Mr. Cheng Chi-Heng.

MR. AU TAK-CHEONG

(Aged 62)

Appointed as an Executive Director in July 2013. Mr. Au is a member of the Executive Committee of the Board of Directors of the Company. Mr. Au joined the Company in 1975. He is currently the Head of the Finance and Accounts and senior management of the Company and is responsible for overseeing compliance of policy and procedures in relation to accounting matters of the Group. He possesses over 30 years of experience in finance and accounting and treasury. He is also a non-executive director of New World Department Store China Limited, a listed public company in Hong Kong, and a director of certain subsidiaries of the Group.

Non-Executive Directors

MR. DOO WAI-HOI, WILLIAM JP

(Aged 69)

Appointed as the Vice-chairman and Non-executive Director in July 2013. Mr. Doo is also an executive director of Lifestyle International Holdings Limited and an independent non-executive director of The Bank of East Asia, Limited and Shanghai Industrial Urban Development Group Limited, all being listed public companies in Hong Kong. Mr. Doo was the vice-chairman and non-executive director of New World China Land Limited and the

deputy chairman and non-executive director of NWS Holdings Limited up to his resignation on 1 July 2013. Mr. Doo is also a director of certain subsidiaries of the Group. Mr. Doo is the chairman of Fung Seng Enterprises Limited in China and Hong Kong. Mr. Doo is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region. He is also a National Committee Member of the Twelfth Chinese People's Political Consultative Conference of The People's Republic of China, the Honorary Consul General of the Kingdom of Morocco in Hong Kong and Macau, and a Governor of the Canadian Chamber of Commerce in Hong Kong. He was awarded the Chevalier de la Légion d'Honneur by the Republic of France in 2008. Mr. Doo is the brother-in-law of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, and the uncle of Mr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Heng.

MR. CHENG KAR-SHING, PETER

(Aged 61)

Appointed as a Director in October 1994. Mr. Cheng is also an executive director of New World China Land Limited, and independent non-executive director of King Fook Holdings Limited and Symphony Holdings Limited, all being listed public companies in Hong Kong. Also, he is a director of Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited and Chow Tai Fook Enterprises Limited, all of them are substantial shareholders of the Company. Mr. Cheng is a director of New World Hotels (Holdings) Limited, NWS Service Management Limited and certain subsidiaries of the Group. Mr. Cheng is also the chairman of Chow Tai Fook Charity Foundation, The Commissar of the Chinese People's Political Consultative Conference, Guangzhou City and the University Assembly member of University of Macau. He is a Fellow of The Hong Kong Institution of Engineers, a Fellow of The Hong Kong Institute of Arbitrators, a Fellow of Hong Kong Construction Arbitration Centre, an Accredited Mediator of Hong Kong Mediation Centre, a CEDR Accredited Mediator, HKIAC Accredited Mediator (General), a Panel Mediator of Land (Compulsory Sale For Redevelopment) Ordinance Pilot Mediation Scheme of The Joint Mediation Helpline Office and an Arbitrator of Huizhou Arbitration Commission. Mr. Cheng is the brother of Dr. Cheng Kar-Shun, Henry, the brother-in-law of Mr. Doo Wai-Hoi, William, the father of Mr. Cheng Chi-Heng and the uncle of Mr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia.

Independent Non-executive Directors

MR. YEUNG PING-LEUNG, HOWARD

(Aged 57)

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

MR. CHA MOU-SING, PAYSON *JP, DSSc(Hon)**(Aged 71)*

Appointed as a Director in April 1989. Mr. Cha is the chairman of the Audit Committee and a member of the Remuneration Committee of the Board of Directors of the Company. Mr. Cha is also the chairman of HKR International Limited and the non-executive chairman of Hanison Construction Holdings Limited, both of them are listed public companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited — Manager of Champion Real Estate Investment Trust which is listed on The Stock Exchange of Hong Kong Limited, the chairman of Mingly Corporation, a director of Asia Television Limited and an independent non-executive director of Hong Kong International Theme Parks Limited.

MR. CHA MOU-ZING, VICTOR *(Alternate Director to Mr. Cha Mou-Sing, Payson)**(Aged 64)*

Appointed as an Alternate Director in September 2000. Mr. Cha is the deputy chairman and managing director of HKR International Limited, and an independent non-executive director of SOHO China Limited, both are listed public companies in Hong Kong, and a director of United Nigerian Textiles PLC which was privatised and delisted from The Nigerian Stock Exchange in October 2011. He has extensive experience in the textile manufacturing and real estate businesses.

MR. HO HAU-HAY, HAMILTON*(Aged 63)*

Appointed as a Non-executive Director in August 2004 and was re-designated as Independent Non-executive Director in November 2007. Mr. Ho was an Alternate Director of the Company from 7 January 2004 to 29 August 2004. Mr. Ho is the chairman of the Remuneration Committee and a member of the Audit Committee of the Board of Directors of the Company. He is also an independent non-executive director of King Fook Holdings Limited (a listed public company in Hong Kong) and an executive director of Honorway Investments Limited and Tak Hung (Holding) Company Limited.

MR. LEE LUEN-WAI, JOHN *BBS, JP**(Aged 65)*

Appointed as an Independent Non-executive Director in August 2004. Mr. Lee is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board of Directors of the Company. Mr. Lee is also the managing director and chief executive officer of Lippo Limited, an executive director and the chief executive officer of Lippo China Resources Limited and Hongkong Chinese Limited, as well as an independent non-executive director of New World China Land Limited, all being listed public companies in Hong Kong. He was a non-executive director of Asia Now Resources Corp., a company listed on TSX Venture Exchange of Canada, and Export and Industry Bank, Inc., a former

listed public company in the Republic of Philippines, up to his resignation on 21 June 2012 and 13 December 2011 respectively. Mr. Lee is a Fellow Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and an Associate Member of The Institute of Chartered Accountants in England and Wales. He was a partner of Price Waterhouse (now PricewaterhouseCoopers) in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee is an Honorary Fellow of the City University of Hong Kong and a Justice of Peace in Hong Kong. He serves as a member on a number of Public Boards and Committees including as the chairman of the Board of Trustee of the Hospital Authority Provident Fund Scheme and the chairman of the Queen Elizabeth Hospital Governing Committee. In addition, Mr. Lee serves as a member of Appeal Board Panel (Education).

MR. LIANG CHEUNG-BIU, THOMAS

(Aged 67)

Appointed as Non-executive Director in August 2004 and was re-designated as Independent Non-executive Director in March 2012. Mr. Liang is a member of the Nomination Committee of the Board of Directors of the Company. Mr. Liang is an independent non-executive director of Miramar Hotel and Investment Company, Limited (a listed public company in Hong Kong) and the group chief executive of Wideland Investors Limited. Mr. Liang is a member of the Court of the Hong Kong Baptist University. He has extensive experience in financial management, corporate finance, banking, real estate development and equity investment.

Senior Management

MR. WONG MAN-HOI *BSc(Eng)(Hon), LLB(Hon)*

(Aged 55)

Appointed as the Company Secretary of the Company in January 2011. Mr. Wong joined the Company in November 2000 and has headed the Legal Department since November 2001. Mr. Wong is a member of the Law Society of Hong Kong and has been a qualified solicitor in Hong Kong since 1994. Before joining the Company, Mr. Wong worked as a solicitor specialising in real estate practice. Mr. Wong obtained his Bachelor of Science (Engineering) degree from the University of Hong Kong in 1981, Bachelor of Laws degree from the University of London in 1990 and passed the Solicitors' Final Examination of the Law Society of England and Wales in 1992.

MR. SITT NAM-HOI *BA(Hons), BArch(Distinction), HKIA, Authorised Person (List 1)*

(Aged 59)

Appointed as Head of Projects (Hong Kong) of the Company in February 2011. He is currently the senior director of the Project Management Department of the Company. Mr. Sitt is a Registered Architect and is responsible for overseeing all project management matters for all property development projects of the Company in Hong Kong. Before joining the

Company, Mr. Sitt was the project director of Sun Hung Kai Properties Limited which he worked for over 25 years. Mr. Sitt has extensive project management experience and participated in various significant projects in Hong Kong and the PRC.

Company Secretary

MR. WONG MAN-HOI, aged 55, was appointed as company secretary and an authorised representative of the Company in January 2011. He joined the Company in November 2000 and has headed the Legal Department since November 2001. Mr. Wong is a member of the Law Society of Hong Kong and has been a qualified solicitor in Hong Kong since 1994. Before joining the Company, Mr. Wong worked as a solicitor, specialising in real estate practice. Mr. Wong obtained his Bachelor of Science (Engineering) degree from the University of Hong Kong in 1981, Bachelor of Laws degree from the University of London in 1990 and passed the Solicitors' Final Examination of the Law Society of England and Wales in 1992.

5. DISCLOSURE OF INTERESTS BY DIRECTORS

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

(1) Long position in shares

	Number of Shares			Total	Approximate % of shareholding
	Personal interests	Family interests	Interests of controlled corporation		
The Company					
(Ordinary shares)					
Dr. Cheng Kar-Shun, Henry	—	450,000	—	450,000	0.01
Mr. Doo Wai-Hoi, William	—	—	1,500,000 ⁽¹⁾	1,500,000	0.02
Mr. Ho Hau-Hay, Hamilton	—	—	658,765 ⁽²⁾	658,765	0.01
Mr. Liang Cheung-Biu, Thomas	7,822	—	—	7,822	0.00
Ms. Ki Man-Fung, Leonie	90,000	—	—	90,000	0.00
Dragon Fortune Limited					
(Ordinary shares of US\$1.00 each)					
Mr. Cheng Kar-Shing, Peter	—	—	15,869 ⁽³⁾	15,869	27.41

	Number of Shares			Total	Approximate % of shareholding
	Personal interests	Family interests	Interests of controlled corporation		
NWCL					
(Ordinary shares of HK\$0.10 each)					
Dr. Cheng Kar-Shun, Henry	29,985,826	4,387,500	117,610,200 ⁽⁴⁾	151,983,526	1.75
Mr. Doo Wai-Hoi, William	1,254,663	—	1,317,000 ⁽¹⁾	2,571,663	0.03
Mr. Cheng Kar-Shing, Peter	755,961	—	—	755,961	0.01
Mr. Lee Luen-Wai, John	387,448	—	—	387,448	0.00
Ms. Ki Man-Fung, Leonie	45,000	—	—	45,000	0.00
Ms. Cheng Chi-Man, Sonia	953,669	—	—	953,669	0.01
NWDS					
(Ordinary shares HK\$0.10 each)					
Ms. Ki Man-Fung, Leonie	20,000	—	—	20,000	0.00
Ms. Cheng Chi-Man, Sonia	92,000	—	—	92,000	0.01
NWS					
(Ordinary shares HK\$1.00 each)					
Dr. Cheng Kar-Shun, Henry	18,349,571	—	12,000,000 ⁽⁴⁾	30,349,571	0.82
Mr. Doo Wai-Hoi, William	3,477,834	—	8,330,782 ⁽¹⁾	11,808,616	0.32
Mr. Cheng Kar-Shing, Peter	268,492	—	5,421,204 ⁽⁵⁾	5,689,696	0.15
Ms. Ki Man-Fung, Leonie	15,000	—	—	15,000	0.00
Sun Legend Investments Limited					
(Ordinary shares HK\$1.00 each)					
Mr. Cheng Kar-Shing, Peter	—	—	500 ⁽⁶⁾	500	50.00

Notes:

- (1) These shares are beneficially owned by a company which is wholly owned by Mr. Doo Wai-Hoi, William.
- (2) These shares are beneficially owned by a company in which Mr. Ho Hau-Hay, Hamilton owns 40.0% of its issued share capital.
- (3) 4,102 shares are held by a company wholly owned by Mr. Cheng Kar-Shing, Peter and 11,767 shares are held by Sun City Holdings Limited (“Sun City”), of which Mr. Cheng Kar-Shing, Peter is deemed to be interested in 92.08% of its issued share capital.
- (4) These shares are beneficially owned by a company which is wholly owned by Dr. Cheng Kar-Shun, Henry.
- (5) These shares are beneficially owned by a company which is wholly owned by Mr. Cheng Kar-Shing, Peter.
- (6) Mr. Cheng Kar-Shing, Peter is deemed to be interested in these shares by virtue of his interests in Sun City.

(2) Long position in underlying shares — Share Options

(i) *the Company*

Name of Director	Date of grant	Exercisable period <i>(Note)</i>	Number of share options	Exercise price per share <i>(HK\$)</i>
Dr. Cheng Kar-Shun, Henry	19 March 2012	(1)	10,014,956	9.756
Mr. Doo Wai-Hoi, William	22 January 2014	(2)	500,000	10.400
Mr. Cheng Chi-Kong, Adrian	19 March 2012	(1)	3,505,234	9.756
Mr. Chen Guanzhan	19 March 2012	(1)	3,505,234	9.756
Mr. Yeung Ping-Leung, Howard	19 March 2012	(1)	500,747	9.756
Mr. Cha Mou-Sing, Payson	19 March 2012	(1)	500,747	9.756
Mr. Cheng Kar-Shing, Peter	19 March 2012	(1)	500,747	9.756
Mr. Ho Hau-Hay, Hamilton	19 March 2012	(1)	500,747	9.756
Mr. Lee Luen-Wai, John	19 March 2012	(1)	500,747	9.756
Mr. Liang Cheung-Biu, Thomas	19 March 2012	(1)	500,747	9.756
Ms. Ki Man-Fung, Leonie	19 March 2012	(1)	3,004,486	9.756
Mr. Cheng Chi-Heng	19 March 2012	(1)	500,747	9.756
Ms. Cheng Chi-Man, Sonia	19 March 2012	(1)	3,004,486	9.756
Mr. Au Tak-Cheong	19 March 2012	(1)	2,203,496	9.756
	22 January 2014	(2)	<u>500,000</u>	10.400
			<u><u>29,743,121</u></u>	

Notes:

- (1) Divided into 4 tranches exercisable from 19 March 2012, 19 March 2013, 19 March 2014 and 19 March 2015 respectively to 18 March 2016.
- (2) Divided into 4 tranches exercisable from 22 January 2014, 22 January 2015, 22 January 2016 and 22 January 2017 respectively to 21 January 2018.
- (3) The cash consideration paid by each of the above Directors for each grant of share options is HK\$10.0.

(ii) *NWCL*

Name of Director	Date of grant	Exercisable period (Note)	Number of share options	Exercise price per share (HK\$)
Dr. Cheng Kar-Shun, Henry	18 January 2011	(1)	2,077,922	3.036
Mr. Cheng Chi-Kong, Adrian	18 January 2011	(2)	935,066	3.036
Mr. Cheng Kar-Shing, Peter	18 January 2011	(1)	831,169	3.036
Mr. Lee Luen-Wai, John	18 January 2011	(1)	<u>311,688</u>	3.036
			<u>4,155,845</u>	

Notes:

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

(3) **Long positions in debentures**(i) *Fita International Limited (“Fita”)*

Name of Director	Amount of debentures in USD issued by Fita				Approximate % to the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
Mr. Doo Wai-Hoi, William	—	2,900,000	1,240,000 ⁽¹⁾	4,140,000	0.55
Mr. Lee Luen-Wai, John	<u>1,000,000</u>	<u>1,000,000</u>	<u>—</u>	<u>2,000,000</u>	0.27
	<u>1,000,000</u>	<u>3,900,000</u>	<u>1,240,000</u>	<u>6,140,000</u>	

Note:

- These debentures are beneficially owned by a company which is wholly owned by Mr. Doo Wai-Hoi, William.

(ii) *NWCL*

Name of Director	Amount of debentures in RMB issued by NWCL				Approximate % to the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
Mr. Doo Wai-Hoi, William	—	129,000,000	516,830,000 ⁽¹⁾	645,830,000	8.85
Mr. Cheng Kar-Shing, Peter	—	—	10,000,000 ⁽²⁾	10,000,000	0.14
	—	129,000,000	526,830,000	655,830,000	

Notes:

- (1) These debentures are beneficially owned by companies which are wholly owned by Mr. Doo Wai-Hoi, William.
- (2) These debentures are beneficially owned by a company which is wholly owned by Mr. Cheng Kar-Shing, Peter.

(iii) *NWD (MTN) Limited*

Name of Director	Amount of debentures issued by NWD (MTN) Limited				Approximate % to the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests HK\$	Family interests HK\$	Corporate interests HK\$	Total HK\$	
Ms. Ki Man-Fung, Leonie	4,000,000	—	—	4,000,000	0.04
Mr. Doo Wai-Hoi, William	156,000,000 ⁽¹⁾	23,400,000 ⁽¹⁾	—	179,400,000	1.60
	160,000,000	23,400,000	—	183,400,000	

Note:

- (1) These debentures were issued in USD. Amount denominated in USD have been translated into HK\$ using the rate of USD1=HK\$7.8.

(iv) *Rosy Unicorn Limited*

Name of Director	Amount of debentures in USD issued by Rosy Unicorn Limited				Approximate % to the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests	Family interests	Corporate interests	Total	
Mr. Doo Wai-Hoi, William	—	51,500,000	22,840,000 ⁽¹⁾	74,340,000	14.87

Note:

- (1) These debentures are beneficially owned by a company which is wholly owned by Mr. Doo Wai-Hoi, William.

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

- (b) Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have since 30 June 2013, being the date to which the latest published audited financial statements of the Company were made up, been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group:

- (1) Reference is made to the Joint Announcement in relation to the Proposal and the Rule 13 Offer. Please refer to:

- (a) the disclosures in the section headed “5. Disclosure of Interests By Directors” set out in this Appendix IV for the interests of some of the Directors, namely, Dr. Cheng Kar-Shun, Henry, Mr. Doo Wai-Hoi, William, Mr. Cheng Chi-Kong, Adrian, Mr. Cheng Kar-Shing, Peter, Mr. Lee Luen-Wai, John, Ms. Ki Man-Fung, Leonie and Ms. Cheng Chi-Man, Sonia, in NWCL Shares and NWCL Options as at the Latest Practicable Date; and

- (b) the Joint Announcement for the cash payable in consideration for cancellation of each Scheme Share and NWCL Option under the Proposal to the relevant holders of Scheme Shares and NWCL Options, respectively, as at the Latest Practicable Date.
- (2) On 19 March 2014, a wholly owned subsidiary of NWCL disposed of 7,350,000 shares of, representing 30.625% interest in, Sun City Holdings Limited (“Sun City”) to Potassium Corp. (“Potassium”), which is wholly owned by Mr. Cheng Kar-Shing, Peter (“Mr. Peter Cheng”) for a consideration of HK\$16,000,000. After the acquisition, Mr. Peter Cheng is deemed to have an effective interest of 69.583% in Sun City.

6. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

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

Long positions in shares

Name	Number of shares held			Approximate % of shareholding
	Beneficial interests	Corporate interests	Total	
Cheng Yu Tung Family (Holdings) Limited (“CYTFH”) ⁽¹⁾	—	3,774,423,603	3,774,423,603	43.93
Cheng Yu Tung Family (Holdings II) Limited (“CYTFH-II”) ⁽²⁾	—	3,774,423,603	3,774,423,603	43.93
Chow Tai Fook Capital Limited (“CTFC”) ⁽³⁾	—	3,774,423,603	3,774,423,603	43.93
Chow Tai Fook (Holding) Limited (“CTFHL”) ⁽⁴⁾	—	3,774,423,603	3,774,423,603	43.93
Major Shareholder ⁽⁵⁾	3,440,447,682	333,975,921	3,774,423,603	43.93
HSBC Holdings plc ⁽⁶⁾	—	1,066,562,175	1,066,562,175	12.41

Notes:

- (1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC.
- (2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares deemed to be interested by CTFC.
- (3) CTFC holds 78.58% direct interest in CTFHL and is accordingly deemed to have an interest in the shares deemed to be interested by CTFHL.

- (4) CTFHL holds 100% direct interest in Major Shareholder and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by Major Shareholder.
- (5) Major Shareholder together with its subsidiaries.
- (6) Interests of HSBC Holdings plc include Shares which HSBC is deemed to be interested in pursuant to its underwriting commitment under the Underwriting Agreement.

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

Name of entity	Name of member of the Group	Approximate % of interest held
Chow Tai Fook Enterprises Limited	Advance Planner Limited	40.00
Ever Global Investment Limited	Autowin Limited	30.00
Chow Tai Fook Enterprises Limited	Beames Holdings Limited	36.00
Huamei Wealth (Beijing) International Property Investment Co., Ltd.	Beijing Dongfang Huamei Real Estate Development Co., Ltd.	25.00
Beijing Chong Yuan Investment Co.*	Beijing New World Property Management Co., Ltd.*	11.90
Beijing Li Sheng Hao Ting Real Estate Consultant Co., Ltd.*	Beijing New World Shang Jian Real Estate Development Co., Ltd.*	15.00
Beijing Shang Jian Real Estate Development Co., Ltd.*	Beijing New World Shang Jian Real Estate Development Co., Ltd.*	10.00
Grand Business Development Limited	Beijing New World Visual Media Technologies Co., Ltd.	45.00
Beijing Jizhi Tongda Media Advertising Co., Ltd.*	Beijing Xintong Media & Advertising Co., Ltd.	17.14
Melbourne Enterprises Limited	Billion Park Investment Limited	14.29
Tenswin Limited	Boxwin Limited	16.58
Bolo Ltd	Bright Moon Company, Limited	25.00
Hing Pang Petroleum Chemicals (H.K.) Limited	Chengdu Xinyi Real Estate Development Co., Ltd.	20.00
Chengdu Shen Gang Petroleum Co., Ltd.*	Chengdu Xinyi Real Estate Development Co., Ltd.	20.00
Winteam Holdings Limited	China Step Limited	30.00
Chow Tai Fook Enterprises Limited	Crimson Company Limited	37.00
Georgii Ltd	Crystal Centre Properties (International) Limited	10.00
Dalian Commercial Network Construction and Development Company	Dalian New World Plaza International Co., Ltd.	12.00
Honor Fidelity Limited	Dominion 2000 Limited	30.00
Hotspring Ltd	Easlin Corporation	20.00
Lai Sun Development Company Limited	Easlin Corporation	20.00
Kam Wah Investment Company, Limited	Fook Hang Trading Company Limited	15.00
Foshan Gaoming Hengda Communication Investment Management Company Limited*	Foshan Gaoming Xinming Bridge Company Limited	49.00
Asean Giant Limited	Gold Return Resources Ltd.	10.00
Grand Choice Profits Limited	Gold Return Resources Ltd.	10.00
Guangxi Yulin City Heng Tong Ltd.	Guangxi Yulin Xinye Highways Co., Ltd.	40.00
Guangxi Yulin Yu Shieh Ltd.	Guangxi Yulin Xinyu Highways Co., Ltd.	40.00

Name of entity	Name of member of the Group	Approximate % of interest held
Guangzhou Panyu Communication Investment & Construction Company Limited*	Guangzhou Dongxin Expressway Co., Ltd.	49.00
Guangzhou Yongtong Freeway Company Ltd.	Guangzhou Northring Freeway Company Limited*	10.41
Asian East Worldwide Limited	Guangzhou Northring Freeway Company Limited*	24.30
Guiyang Nanming Jinshui Restaurant*	Guiyang Jinyang Heng Tai Catering Investment Co., Ltd	16.67
Chow Tai Fook Enterprises Limited	HH Holdings Corporation	12.00
Polarway Investment Ltd	Highness Land Investment Company Limited	40.00
Leader Civil Engineering Corporation Limited	Hip Hing — Leader JV Limited	33.33
Ji Lee Company Limited	Hong Kong Jing-Guang Development Limited	18.00
Fortune Leader Overseas Chinese (Daiyawan) Real Estate Development Co., Ltd.*	Huizhou Guang Xin Real Estate Development Co., Ltd.*	30.00
Chow Tai Fook Enterprises Limited	Jade Gain Enterprises Limited	30.00
Sun City Holdings Limited	Keep Crown Investment Limited	42.86
Infinity Regent Inc.	Milestone Overseas Limited	16.67
Sparkle Spirit Limited	Milestone Overseas Limited	16.67
Golden Sphere Investments Limited	New Hope Limited	15.00
Double Yield Holdings Limited	New World Dynamics Limited	30.00
Merino Holdings Limited	New World ZGM Limited	20.00
Lucky Flow Limited	New World ZGM Limited	15.00
Hainan Zhonghong Investments Company Limited	New World Zhonghong Property Co., Ltd.	20.00
Dr Ren Keyong	NoveMed Group Ltd.	20.00
Panion Holdings Ltd.	NoveMed Group Ltd.	15.00
Open Door Investments Ltd	Realistic Reward Limited	30.00
Wisdom River Limited	Regenteam Investments Limited	15.00
Ginza Assets Ltd	Rich Apple Developments Limited	49.99
Weatbest Investments Limited	Right Choice International Limited	35.00
Chow Tai Fook Enterprises Limited	Right Path Holdings Limited	36.00
Changzhi City Changda Highway Development Company	Shanxi Xinda Highways Ltd.	40.00
Changzhi City Changda Highway Development Company	Shanxi Xinhuang Highways Ltd.	40.00
Fung Seng Diamond Co Ltd	Silver Bloom Company Limited	10.00
Wah Tai Co Ltd	Silver Bloom Company Limited	20.00
Hotel Shilla Co., Ltd.	Sky Shilla Limited	25.00
Taiyuan Tongtai Industry & Commerce General Company	Taiyuan Xintai Highways Limited*	40.00
Gujiao Highway-Bridge Development & Construction Company	Taiyuan Xinyuan Highways Limited*	40.00
Tianjin Expressway Group Co., Ltd.	Tianjin Xinzhan Expressway Co., Ltd.	40.00
Triumphal Fountain Limited	Timlex Investment Limited	36.00
Magic Pioneer Limited	Two-Way Communications Limited	10.00
Stanford Ocean Limited	Two-Way Communications Limited	10.00
Wkdeveloper Limited	Ultimate Vantage Limited	20.00
Kinsford International Limited	Ultra Good Development Limited	20.00
Good Step Profits Limited	Well Phase International Limited	20.00
Guangxi Wuzhou Heng Tong Development Ltd.	Wuzhou Xinwu Highways Limited	40.00

* for identification purpose only

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

7. DIRECTORS' SERVICE CONTRACTS

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

8. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS

Pursuant to an agreement dated 5 August 1993 (the “**Agreement**”) made between Hotel Property Investments (B.V.I.) Ltd. (“**HPI**”) and Renaissance Hotel Holdings (B.V.I.) Ltd., both being former subsidiaries of the Group, and CTF Holdings Ltd., HPI agreed to pay CTF Holdings Ltd. an annual fee in accordance with the terms of the Agreement. The Agreement was assigned to New World Hotels (Holdings) Limited, a subsidiary of the Group, on 25 July 1997. CTF Holdings Ltd. was paid a fee of US\$10.0 million (approximately HK\$77.9 million) for the year ended 30 June 2013. Dr. Cheng Kar-Shun, Henry, Director of the Company, and Mr. Doo Wai-Hoi, William, a director of certain subsidiaries of the Group at the relevant time, are interested in this transaction to the extent that they have beneficial interests in CTF Holdings Ltd..

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

9. MATERIAL CONTRACTS

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

- (a) On 25 February 2013, a conditional merger and contribution agreement (as amended by supplemental agreements dated 23 October 2013 and 1 November 2013 respectively) was entered into among (a) Xiamen International Port Co., Ltd (廈門國際港務股份有限公司), (b) Xiamen Port Holding Group Co., Ltd.* (廈門港務控股集團有限公司), (c) Xiamen Port Logistics Co., Ltd.* (廈門港務物流有限公司), (d) Xiamen Xiangyu Logistics Group Corporation* (廈門象嶼物流集團有限責任公司), (e) New World (Xiamen) Port Investments Limited (新世界(廈門)港口投資有限公司) (“**NWXP**”, an indirect wholly owned subsidiary of NWS Holdings Limited (“**NWS**”)), (f) Xiamen ITG

Group Corp., Ltd.* (廈門國貿集團股份有限公司), (g) Pointer Investment (Hong Kong) Limited (寶達投資(香港)有限公司), (h) Xiamen Port Group Haitian Container Terminals Co., Ltd.* (廈門港務集團海天集裝箱有限公司), (i) Xiamen New World Xiangyu Terminals Co., Ltd.* (廈門象嶼新創建碼頭有限公司), (j) Xiamen ITG Terminals Co., Ltd.* (廈門國貿碼頭有限公司), (k) Xiamen Haicang Port Company Limited* (廈門海滄港務有限公司) and (l) NWS Ports Management (Haicang) Limited, in relation to, among others, the establishment of a joint venture company named Xiamen Container Terminal Group Co., Ltd.* (廈門集裝箱碼頭集團有限公司) (the “**JV Company**”). For the establishment of the JV Company, NWXP has contributed (1) RMB369,864,752.17 in cash; and (2) 50% equity interest in Xiamen New World Xiangyu Terminals Co., Ltd.* by way of the merger of this company to become the JV Company;

- (b) On 13 December 2013, an acquisition agreement was entered into between NWS Ports Management (Haicang) Limited (the “**Vendor**”) and Xiamen Container Terminal Group Co., Ltd.* (廈門集裝箱碼頭集團有限公司) (the “**Purchaser**”), pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire Trend Wood Investments Limited (“**Trend Wood**”), including 100% issued share capital of Trend Wood and the entire right attached to the shareholder’s loan owing by Trend Wood, at a total consideration of RMB369,864,752.17;
- (c) On 17 December 2013, a share purchase agreement was entered into between NWS and Elsdon Investment Pte Ltd (“**Elsdon**”), pursuant to which Elsdon agreed to sell and NWS agreed to buy 383,028,000 H shares in the capital of Beijing Capital International Airport Co., Ltd. (the “**Sale Shares**”) together with all rights accruing or attaching to the Sale Shares at the purchase price of HK\$6.15 per Sale Share, with the aggregate purchase price for the Sale Shares being HK\$2,355,622,200;
- (d) On 20 December 2013, the Company and Upper Start Holdings Limited (“**Upper Start**”), a wholly owned subsidiary of the Group, entered into a share purchase agreement with HKT Limited (“**HKT**”), CSL New World Mobility Limited (“**CSLNW**”), Telstra Holdings (Bermuda) No. 2 Limited (“**Telstra Bermuda**”) and Telstra Corporation Limited, pursuant to which Telstra Bermuda and Upper Start had agreed to sell and HKT had agreed to purchase 100% of the issued share capital of CSLNW on the terms and conditions set out in the said agreement, for an aggregate purchase price of US\$2,425,000,000 (subject to adjustments) comprising (a) an amount of US\$1,852,700,000 payable to Telstra Bermuda and (b) an amount of US\$572,300,000 payable to Upper Start;
- (e) Original Underwriting Agreement; and
- (f) Underwriting Agreement.

* *for identification purpose only*

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

10. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened against the Company or any of its subsidiaries.

11. EXPERT AND CONSENT

(a) Qualification of expert

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

Name	Qualification
PricewaterhouseCoopers	Certified Public Accountants

(b) Consent of expert

PricewaterhouseCoopers has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report on the unaudited pro forma financial information of the Group dated 3 April 2014 in this Prospectus and references to its name in the form and context in which they are included.

(c) Interests of expert

As at the Latest Practicable Date, PricewaterhouseCoopers was not interested in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, PricewaterhouseCoopers has not had any direct or indirect interest in any assets which had been, since 30 June 2013 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Issue Documents and the written consent given by PricewaterhouseCoopers as referred to in the section headed “Expert and Consent” in this Appendix IV has been delivered to the Registrar of Companies in Hong Kong pursuant to Section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

13. GENERAL

- (a) The estimated expenses in connection with the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses, are estimated to amount to approximately HK\$202 million and will be borne by the Company.
- (b) All references to times and dates in this Prospectus refer to Hong Kong times and dates.
- (c) The English text of this Prospectus shall prevail over the Chinese text in the event of any inconsistency.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the office of Messrs. Woo, Kwan, Lee & Lo at 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, on any weekday, except Saturdays, Sundays and public holidays, from the date of this Prospectus up to and including 17 April 2014:

- (a) the articles of association of the Company;
- (b) the material contracts referred to in the section headed “Material Contracts” in this Appendix IV;
- (c) the report on the unaudited pro forma financial information of the Group from PricewaterhouseCoopers, the text of which is set out in Appendix III to this Prospectus;
- (d) the written consent referred to in the section headed “Expert and Consent” in this Appendix IV;
- (e) the annual reports of the Company for the years ended 30 June 2011, 30 June 2012 and 30 June 2013;
- (f) the interim report of the Company for the six months ended 31 December 2013; and
- (g) this Prospectus.

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

This announcement appears for information purposes only and is not intended to and does not constitute, or form part of, any offer to purchase or subscribe for or an invitation to purchase or subscribe for any securities of the Offeror, NWD or NWCL or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of securities of NWCL in any jurisdiction in contravention of applicable law.



新世界發展有限公司
New World Development Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0017)



New World China Land Limited
新世界中國地產有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0917)

Easywin Enterprises Corporation Limited

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

(1) PROPOSED PRIVATISATION OF NEW WORLD CHINA LAND LIMITED BY THE OFFEROR

BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES LAW)

(2) PROPOSED WITHDRAWAL OF LISTING OF NEW WORLD CHINA LAND LIMITED

(3) POSSIBLE MAJOR TRANSACTION AND POSSIBLE CONNECTED TRANSACTIONS FOR NEW WORLD DEVELOPMENT COMPANY LIMITED AND

(4) RESUMPTION OF TRADING IN NWD SHARES, NWD BONDS, NWCL SHARES AND NWCL BONDS

Financial Adviser to the Offeror



Independent Financial Adviser to NWD and the Offeror



INTRODUCTION

The respective directors of the Offeror, NWD and NWCL jointly announce that on 12 March 2014, the Offeror, a wholly-owned subsidiary of NWD, requested the board of directors of NWCL to put forward the Proposal to the Scheme Shareholders regarding the proposed privatisation of NWCL by way of a scheme of arrangement under Section 86 of the Companies Law.

TERMS OF THE PROPOSAL

Under the Proposal, the Scheme Shares will be cancelled in exchange for the payment by the Offeror to each Scheme Shareholder of the Cancellation Price of HK\$6.80 in cash for each Scheme Share. **The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.**

The Cancellation Price represents:

- a premium of approximately 32.3% over the closing price of HK\$5.14 per NWCL Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 36.3% over the average closing price of approximately HK\$4.99 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 42.2% over the average closing price of approximately HK\$4.78 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 53.7% over the average closing price of approximately HK\$4.42 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 64.3% over the average closing price of approximately HK\$4.14 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 78.0% over the average closing price of approximately HK\$3.82 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 1.8% to the unaudited consolidated net asset value per NWCL Share of approximately HK\$6.68 as at 31 December 2013.

NWCL Shareholders should note that the Scheme Document will contain a property valuation report from an independent property valuer pursuant to Rule 11 of the Takeovers Code providing an updated valuation of NWCL's properties as at a date not more than three months prior to the date of the Scheme Document.

NWCL Shareholders should also note that, as shown on the unaudited financial statements of NWCL as at 31 December 2013, a significant portion of NWCL's assets consisted of investment properties, land use rights, properties held for development, properties under development and completed properties held for sale. The value of these assets as stated in such unaudited financial statements may or may not reflect the current market value of these assets.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will be conditional upon the fulfillment or waiver, as applicable, of all the Conditions on or before the Long Stop Date (or such later date as the Offeror, NWCL and HSBC may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse.

SHAREHOLDING STRUCTURE OF NWCL AND SCHEME SHARES

As at the Announcement Date, the authorised share capital of NWCL was HK\$3,000,000,000.00 divided into 30,000,000,000 NWCL Shares of HK\$0.10 each, and the issued share capital of NWCL was HK\$867,666,317.5 divided into 8,676,663,175 NWCL Shares of HK\$0.10 each. There were no preference shares of NWCL in issue.

As at the Announcement Date, the Offeror held 255,041,727 NWCL Shares representing approximately 2.94% of the issued share capital of NWCL. Such NWCL Shares will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting. As at the Announcement Date, the Offeror Concert Parties held in aggregate 5,995,446,770 NWCL Shares, representing approximately 69.10% of the issued share capital of NWCL. Of these Offeror Concert Parties, NWCL Shares held by NWD, the parent company of the Offeror, will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting. NWCL Shares held by the remaining Offeror Concert Parties will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, but such Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

OTHER SECURITIES

As at the Announcement Date, there were 36,076,602 NWCL Options (including 19,860,545 NWCL Options that have not been vested on the Announcement Date). The exercise of such NWCL Options in full would result in the issue of 36,076,602 new NWCL Shares, representing approximately 0.42% of the issued share capital of NWCL as at the Announcement Date and approximately 0.41% of the issued share capital of NWCL as enlarged by the issue of such new NWCL Shares. The Offeror will make (or procure to be made on its behalf) an appropriate offer, namely the Rule 13 Offer, to the holders of NWCL Options for the cancellation of every vested and unvested NWCL Option in accordance with Rule 13 of the Takeovers Code. The Rule 13 Offer will be conditional upon the Scheme becoming effective.

FINANCIAL RESOURCES

The Offeror intends to finance the cash required for the Proposal and the Rule 13 Offer from a credit facility granted by HSBC (in its capacity as lender).

On the assumption that no NWCL Options are exercised before the Effective Date, the amount of cash required to implement the Proposal (before taking into account the Rule 13 Offer) would be approximately HK\$18,358 million. On the assumption that all NWCL Options are vested and exercised in full before the Effective Date, the amount of cash required for the Proposal would be approximately HK\$18,603 million.

On the assumption that no NWCL Options are exercised before the Effective Date, the amount of cash required to implement the Rule 13 Offer to be made would be approximately HK\$128 million.

HSBC, the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror for the payment in full of the cash consideration payable under the Proposal and the Rule 13 Offer in accordance with their respective terms.

WITHDRAWAL OF LISTING OF NWCL SHARES

NWCL will apply to the Stock Exchange for the withdrawal of the listing of NWCL Shares on the Stock Exchange, in accordance with Rule 6.15 of the Listing Rules, immediately following the Effective Date. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or the Proposal otherwise lapses, the listing of NWCL Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for NWCL, except with the consent of the Executive.

NWCL INDEPENDENT BOARD COMMITTEE

The board of directors of NWCL has established NWCL Independent Board Committee, comprising three independent non-executive directors of NWCL, being Dr. Cheng Wai-Chee, Christopher, Hon. Tien Pei-Chun, James and Mr. Ip Yuk-Keung, Albert, to advise the Independent NWCL Shareholders and the holders of NWCL Options as to (i) whether the Proposal and the Rule 13 Offer are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the extraordinary general meeting of NWCL.

The remaining independent non-executive director of NWCL, Mr. Lee Luen-Wai, John, is also an independent non-executive director of NWD. In order to avoid any perceived conflict of interests, Mr. Lee Luen-Wai, John does not form part of NWCL Independent Board Committee.

NWCL Independent Financial Adviser will be appointed (with the approval of NWCL Independent Board Committee) to advise NWCL Independent Board Committee in connection with the Proposal and the Rule 13 Offer. A further announcement will be made after the appointment of NWCL Independent Financial Adviser.

DISPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Proposal and the Scheme, the Rule 13 Offer, the expected timetable, an explanatory memorandum as required under the Companies Law and the Rules of the Grand Court, information regarding NWCL, recommendations from NWCL Independent Board Committee with respect to the Proposal and the Rule 13 Offer, and the advice of NWCL Independent Financial Adviser to NWCL Independent Board Committee, a notice of the Court Meeting and a notice of an extraordinary general meeting of NWCL, together with related proxies, will be dispatched to NWCL Shareholders and holders of NWCL Options as soon as practicable and in compliance with the requirements of the Takeovers Code and the Grand Court, and other applicable laws and regulations.

POSSIBLE MAJOR TRANSACTION AND POSSIBLE CONNECTED TRANSACTIONS OF NWD

If the Proposal and the Rule 13 Offer are completed on the proposed terms, they will constitute a major transaction and connected transactions for NWD under the Listing Rules.

As one or more of the Applicable Percentage Ratios in respect of the Proposal and the Rule 13 Offer will exceed 25% and all of those Applicable Percentage Ratios will be less than 100%, implementation of the Proposal and the Rule 13 Offer will constitute a major transaction for NWD under the Listing Rules. A circular of NWD containing, among others, details of the Proposal and the Rule 13 Offer, information regarding NWCL and a notice to convene an extraordinary general meeting of NWD for considering, and if thought fit, approving the Proposal and the Rule 13 Offer will be dispatched to the shareholders of NWD. As more time is required for preparing the information to be contained in such circular of NWD, it is expected that such circular will be dispatched to the shareholders of NWD on or about 22 April 2014.

As at the Announcement Date, a number of connected persons of NWD under the Listing Rules were interested in NWCL Shares and/or NWCL Options. The aggregate payment of HK\$1,107 million by the Offeror of: (i) the Cancellation Price (on the basis of their respective interests in NWCL Shares as at the Announcement Date) to the aforesaid connected persons in consideration for the cancellation of their respective interests in NWCL Shares; and (ii) the “see-through” price (being the Cancellation Price minus the relevant exercise price of NWCL Options, and on the basis of their respective interests in NWCL Options as at the Announcement Date) to the aforesaid connected persons in consideration for the cancellation of their respective interests in NWCL Options, will constitute connected transactions for NWD under the Listing Rules. Such possible connected transactions will be subject to the reporting and announcement requirements but will be exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules as one or more of the Applicable Percentage Ratios in respect of such aggregate payment by the Offeror of the Cancellation Price and the “see-through” price to these connected persons of NWD will exceed 0.1% but all those Applicable Percentage Ratios will be less than 5%.

SUSPENSION AND RESUMPTION OF TRADING IN NWD SHARES, NWD BONDS, NWCL SHARES AND NWCL BONDS

At the request of NWD, trading in NWD Shares and NWD Bonds on the Stock Exchange was suspended from 9:00 a.m. on 11 March 2014 pending issuance of this announcement. An application has been made by NWD to the Stock Exchange for the resumption of trading in NWD Shares and NWD Bonds on the Stock Exchange with effect from 9:00 a.m. on 14 March 2014.

At the request of NWCL, trading in NWCL Shares and NWCL Bonds on the Stock Exchange was suspended from 9:00 a.m. on 11 March 2014 pending issuance of this announcement. An application has been made by NWCL to the Stock Exchange for the resumption of trading in NWCL Shares and NWCL Bonds on the Stock Exchange with effect from 9:00 a.m. on 14 March 2014.

WARNINGS

Shareholders of NWD and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders of NWD and potential investors should therefore exercise caution when dealing in the securities of NWD. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

NWCL Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. NWCL Shareholders and potential investors should therefore exercise caution when dealing in the securities of NWCL. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

Notice to US investors

The Proposal is being made to cancel the securities of a Cayman Islands company by means of a scheme of arrangement provided for under the Companies Law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities and Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure requirements of the US tender offer rules.

The receipt of cash pursuant to the Proposal by a US holder of Scheme Shares as consideration for the cancellation of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares is urged to consult his independent professional adviser immediately regarding the tax consequences of the Proposal applicable to him.

It may be difficult for US holders of Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and NWCL are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

1. INTRODUCTION

On 12 March 2014, the Offeror requested the board of directors of NWCL to put forward the Proposal to the Scheme Shareholders regarding the proposed privatisation of NWCL by way of a scheme of arrangement under Section 86 of the Companies Law.

If the Proposal is approved and implemented,

- (i) all Scheme Shares held by the Scheme Shareholders on the Effective Date will be cancelled in exchange for the payment of HK\$6.80 per Scheme Share in cash to each Scheme Shareholder by the Offeror;
- (ii) the issued share capital of NWCL will, on the Effective Date, be reduced by cancelling the Scheme Shares. Immediately upon such reduction, the issued share capital of NWCL will be increased to its former amount by the issue at par to the Offeror, credited as fully paid, of the same number of NWCL Shares as the number of Scheme Shares cancelled. The reserve created in the books of accounts of NWCL as a result of the capital reduction will be applied in paying up in full at par the new NWCL Shares so issued to the Offeror;
- (iii) NWD will, directly and indirectly (through the Offeror, its wholly-owned subsidiary), hold 100% issued share capital in NWCL; and
- (iv) NWCL will apply to the Stock Exchange for the withdrawal of the listing of NWCL Shares on the Stock Exchange immediately following the Effective Date pursuant to Rule 6.15 of the Listing Rules.

2. TERMS OF THE PROPOSAL

Cancellation Price

Under the Scheme, the Scheme Shareholders will receive from the Offeror the Cancellation Price of HK\$6.80 in cash for every Scheme Share as consideration for the cancellation of the Scheme Shares held as of the Effective Date.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so.

Comparison of value

The Cancellation Price of HK\$6.80 per Scheme Share represents:

- a premium of approximately 32.3% over the closing price of HK\$5.14 per NWCL Share as quoted on the Stock Exchange on the Last Trading Day;
- a premium of approximately 36.3% over the average closing price of approximately HK\$4.99 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;
- a premium of approximately 42.2% over the average closing price of approximately HK\$4.78 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;
- a premium of approximately 53.7% over the average closing price of approximately HK\$4.42 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day;
- a premium of approximately 64.3% over the average closing price of approximately HK\$4.14 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day;
- a premium of approximately 78.0% over the average closing price of approximately HK\$3.82 per NWCL Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Day; and
- a premium of approximately 1.8% to the unaudited consolidated net asset value per NWCL Share of approximately HK\$6.68 as at 31 December 2013.

NWCL Shareholders should note that the Scheme Document will contain a property valuation report from an independent property valuer pursuant to Rule 11 of the Takeovers Code providing an updated valuation of NWCL's properties as at a date not more than three months prior to the date of the Scheme Document.

NWCL Shareholders should also note that, as shown on the unaudited financial statements of NWCL as at 31 December 2013, a significant portion of NWCL's assets consisted of investment properties, land use rights, properties held for development, properties under development and completed properties held for sale. The value of these assets as stated in such unaudited financial statements may or may not reflect the current market value of these assets.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Day, the highest closing price of NWCL Shares was HK\$5.14 on 10 March 2014 and the lowest closing price of NWCL Shares was HK\$3.69 on 18 December 2013 and 27 December 2013.

Conditions of the Proposal and the Scheme

The Proposal is, and the Scheme will become, effective and binding on NWCL and all NWCL Shareholders, subject to the fulfilment or waiver (as applicable) of the following conditions:

- (a) the approval of the Scheme (by way of poll) by a majority in number of the Scheme Shareholders representing not less than three-fourths in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting, provided that:
 - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by Independent NWCL Shareholders that are cast either in person or by proxy at the Court Meeting; and
 - (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by Independent NWCL Shareholders;
- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by NWCL Shareholders present and voting in person or by proxy at an extraordinary general meeting of NWCL to approve and give effect to the reduction of the issued share capital of NWCL by cancelling the Scheme Shares, and (ii) the passing of an ordinary resolution by NWCL Shareholders at an extraordinary general meeting of NWCL to increase immediately thereafter the issued share capital of NWCL to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new NWCL Shares as is equal to the number of Scheme Shares cancelled for issuance to the Offeror;
- (c) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, the Grand Court's confirmation of the reduction of the share capital of NWCL, and the registration of a copy of the Court Orders by the Registrar of Companies in the Cayman Islands;

- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under Sections 15 and 16 of the Companies Law in relation to the reduction of the issued share capital of NWCL;
- (e) the shareholders of NWD approving the Proposal and the Rule 13 Offer at a general meeting of NWD;
- (f) all Authorisations in connection with the Proposal having been obtained or made from, with or by (as the case may be) the Relevant Authorities of the Cayman Islands, Hong Kong and any other relevant jurisdictions;
- (g) all Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in any relevant laws, rules, regulations or codes in connection with the Proposal or any related matters, documents (including circulars) or things, in each case up to and at the time when the Scheme becomes effective;
- (h) all necessary consents (including consents from the relevant lenders) in connection with the Proposal and the withdrawal of listing of NWCL from the Stock Exchange which may be required under any existing contractual obligations of NWCL being obtained and remaining in effect;
- (i) if required, the obtaining by NWD and the Offeror of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under the applicable laws and regulations;
- (j) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms);
- (k) since 31 December 2013, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of NWCL Group (to an extent which is material in the context of NWCL Group taken as a whole or in the context of the Proposal); and
- (l) since the Announcement Date, there not having been instituted or remaining outstanding any litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of NWCL Group is a party (whether as plaintiff, defendant or otherwise) and no such proceedings having been threatened in writing against any such member

(and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member), in each case which is material and adverse in the context of NWCL Group taken as a whole or in the context of the Proposal.

The Offeror reserves the right to waive conditions (f), (g), (h), (i), (j), (k) and (l) either in whole or in part, either generally or in respect of any particular matter. Conditions (a), (b), (c), (d) and (e) cannot be waived in any event. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror, NWCL and HSBC may agree or, to the extent applicable, as the Grand Court may direct and in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse. NWCL has no right to waive any of the Conditions.

Warnings:

Shareholders of NWD and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders of NWD and potential investors should therefore exercise caution when dealing in the securities of NWD. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

NWCL Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. NWCL Shareholders and potential investors should therefore exercise caution when dealing in the securities of NWCL. Persons who are in doubt as to the action they should take should consult their licensed securities dealer or registered institution in securities, bank manager, solicitor or other professional advisers.

3. SHAREHOLDING STRUCTURE OF NWCL AND THE SCHEME SHARES

On the assumption that no NWCL Options are exercised before the Effective Date and there is no other change in shareholding of NWCL before completion of the Proposal, the table below sets out the shareholding structure of NWCL as at the Announcement Date and immediately upon completion of the Proposal:

NWCL Shareholders	As at the Announcement Date		Immediately upon completion of the Proposal (Note 14)	
	Number of NWCL Shares	%	Number of NWCL Shares	%
Offeror (Note 1)	255,041,727	2.94	2,954,685,531	34.05
Offeror Concert Parties				
NWCL Shares held not subject to the Scheme:				
— NWD (Note 2)	5,721,977,644	65.95	5,721,977,644	65.95
	5,977,019,371	68.89	8,676,663,175	100.00
Offeror Concert Parties				
NWCL Shares held subject to the Scheme:				
— High Earnings (Note 3)	93,073,738	1.07	—	—
— Great Worth (Note 4)	22,508,064	0.26	—	—
— HSBC (Note 5)	672,557	0.01	—	—
— Dr. Cheng Kar-Shun, Henry (Note 6)	151,983,526	1.75	—	—
— Mr. Cheng Kar-Shing, Peter (Note 7)	755,961	0.01	—	—
— Ms. Cheng Chi-Man, Sonia (Note 8)	953,669	0.01	—	—
— Mr. Lee Luen-Wai, John (Note 9)	387,448	0.00	—	—
— Mr. Doo Wai-Hoi, William (Note 10)	2,571,663	0.03	—	—
— Mr. William Junior Guilherme Doo (Note 11)	517,500	0.01	—	—
— Ms. Ki Man-Fung, Leonie (Note 12)	45,000	0.00	—	—
	273,469,126	3.15	—	—
Aggregate number of NWCL Shares held by the Offeror Concert Parties	5,995,446,770	69.10	5,721,977,644	65.95
Aggregate number of NWCL Shares held by the Offeror and the Offeror Concert Parties	6,250,488,497	72.04	8,676,663,175	100.00
Independent NWCL Shareholders	2,426,174,678	27.96	—	—
	8,676,663,175	100.00	8,676,663,175	100.00
Total number of Scheme Shares (Note 13)	2,699,643,804	31.11	—	—

Notes:

1. NWCL Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled.
2. The Offeror is wholly-owned by NWD, which is acting in concert with the Offeror in relation to NWCL. NWCL Shares held by NWD will not form part of the Scheme Shares and will not be cancelled.
3. High Earnings is wholly-owned by NWS. NWS is a non-wholly owned subsidiary of NWD. The shares of NWS are listed on the Stock Exchange with the stock code 659. High Earnings is acting in concert with the Offeror in relation to NWCL.
4. Great Worth is a non-wholly owned subsidiary of NWD and is acting in concert with the Offeror in relation to NWCL.
5. HSBC is the financial adviser to the Offeror and relevant members of the HSBC group (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) which hold NWCL Shares are presumed to be acting in concert with the Offeror in relation to NWCL in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code. Details of holdings or borrowings or lendings of, and dealings in, NWCL Shares or derivatives in respect of them by other parts of the HSBC group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be jointly made by NWD and NWCL if the holdings, borrowings, lendings, or dealings of the other parts of the HSBC group are significant. The statements in this announcement as to the holdings or borrowings or lendings of, or their dealings in, NWCL Shares or derivatives in respect of NWCL Shares by parties acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of the other parts of the HSBC group.
6. Dr. Cheng Kar-Shun, Henry, who is an executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL. As at the Announcement Date, Dr. Cheng Kar-Shun, Henry is also interested in 2,077,922 NWCL Options, of which 1,662,336 are vested.
7. Mr. Cheng Kar-Shing, Peter, who is a non-executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL. As at the Announcement Date, Mr. Cheng Kar-Shing, Peter is also interested in 831,169 NWCL Options, of which 664,936 are vested.
8. Ms. Cheng Chi-Man, Sonia, who is an executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL.
9. Mr. Lee Luen-Wai, John, who is an independent non-executive director of NWD and an independent non-executive director of NWCL, is acting in concert with the Offeror in relation to NWCL. As at the Announcement Date, Mr. Lee Luen-Wai, John is also interested in 311,688 NWCL Options, of which 249,352 are vested.
10. Mr. Doo Wai-Hoi, William, who is a non-executive director of NWD, is acting in concert with the Offeror in relation to NWCL.
11. Mr. William Junior Guilherme Doo, who is the son of Mr. Doo Wai-Hoi, William, a non-executive director of NWD, is acting in concert with the Offeror in relation to NWCL.
12. Ms. Ki Man-Fung, Leonie, who is an executive director of NWD, is acting in concert with the Offeror in relation to NWCL.

13. The total number of NWCL Shares (assuming that no NWCL Options are exercised before the Effective Date and there is no other change in shareholding of NWCL before completion of the Proposal) minus the aggregate number of NWCL Shares held by the Offeror and NWD equals the total number of Scheme Shares (on the same assumptions).
14. Under the Scheme, the issued share capital of NWCL will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that no NWCL Options are exercised before the Effective Date and the assumption that there is no other change in shareholding of NWCL before completion of the Proposal, forthwith upon such reduction, the issued share capital of NWCL will be increased to HK\$867,666,317.5 divided into 8,676,663,175 NWCL Shares by the issue of 2,699,643,804 NWCL Shares to the Offeror at par and the reserve created in NWCL's books of account as a result of the capital reduction will be applied in paying up in full at par the 2,699,643,804 new NWCL Shares so issued to the Offeror.
15. All percentages in the above table are approximations.

On the assumption that all NWCL Options are vested and exercised in full before the Effective Date and the assumption that there is no other change in shareholding of NWCL before completion of the Proposal, the table below sets out the shareholding structure of NWCL before completion of the Proposal and immediately upon completion of the Proposal:

NWCL Shareholders	Assuming that all NWCL Options are vested and exercised in full before the Effective Date and there is no other change in shareholding of NWCL before completion of the Proposal		Immediately upon completion of the Proposal (Note 15)	
	Number of NWCL Shares	%	Number of NWCL Shares	%
Offeror (Note 1)	255,041,727	2.93	2,990,762,133	34.33
Offeror Concert Parties				
NWCL Shares held not subject to the Scheme:				
— NWD (Note 2)	5,721,977,644	65.67	5,721,977,644	65.67
	5,977,019,371	68.60	8,712,739,777	100.00
Offeror Concert Parties				
NWCL Shares held subject to the Scheme:				
— High Earnings (Note 3)	93,073,738	1.07	—	—
— Great Worth (Note 4)	22,508,064	0.26	—	—
— HSBC (Note 5)	672,557	0.01	—	—
— Dr. Cheng Kar-Shun, Henry (Note 6)	154,061,448	1.77	—	—
— Mr. Cheng Kar-Shing, Peter (Note 7)	1,587,130	0.02	—	—
— Ms. Cheng Chi-Man, Sonia (Note 8)	953,669	0.01	—	—
— Mr. Lee Luen-Wai, John (Note 9)	699,136	0.01	—	—
— Mr. Cheng Chi-Kong, Adrian (Note 10)	935,066	0.01	—	—
— Mr. Doo Wai-Hoi, William (Note 11)	2,571,663	0.03	—	—
— Mr. William Junior Guilherme Doo (Note 12)	517,500	0.01	—	—
— Ms. Ki Man-Fung, Leonie (Note 13)	45,000	0.00	—	—
	277,624,971	3.19	—	—
Aggregate number of NWCL Shares held by the Offeror Concert Parties	5,999,602,615	68.86	5,721,977,644	65.67
Aggregate number of NWCL Shares held by the Offeror and the Offeror Concert Parties	6,254,644,342	71.79	8,712,739,777	100.00
Independent NWCL Shareholders	2,458,095,435	28.21	—	—
	8,712,739,777	100.00	8,712,739,777	100.00
Total number of Scheme Shares (Note 14)	2,735,720,406	31.40	—	—

Notes:

1. NWCL Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled.
2. The Offeror is wholly-owned by NWD, which is acting in concert with NWD in relation to NWCL. NWCL Shares held by NWD will not form part of the Scheme Shares and will not be cancelled.
3. High Earnings is wholly-owned by NWS. NWS is a non-wholly owned subsidiary of NWD. The shares of NWS are listed on the Stock Exchange with the stock code 659. High Earnings is acting in concert with the Offeror in relation to NWCL.
4. Great Worth is a non-wholly owned subsidiary of NWD and is acting in concert with the Offeror in relation to NWCL.
5. HSBC is the financial adviser to the Offeror and relevant members of the HSBC group (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code) which hold NWCL Shares are presumed to be acting in concert with the Offeror in relation to NWCL in accordance with class 5 of the definition of “acting in concert” under the Takeovers Code. Details of holdings or borrowings or lendings of, and dealings in, NWCL Shares or derivatives in respect of them by other parts of the HSBC group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be jointly made by NWD and NWCL if the holdings, borrowings, lendings, or dealings of the other parts of the HSBC group are significant. The statements in this announcement as to the holdings or borrowings or lendings of, or their dealings in, NWCL Shares or derivatives in respect of NWCL Shares by parties acting in concert with the Offeror are subject to the holdings, borrowings, lendings, or dealings (if any) of the other parts of the HSBC group.
6. Dr. Cheng Kar-Shun, Henry, who is an executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL.
7. Mr. Cheng Kar-Shing, Peter, who is a non-executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL.
8. Ms. Cheng Chi-Man, Sonia, who is an executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL.
9. Mr. Lee Luen-Wai, John, who is an independent non-executive director of NWD and an independent non-executive director of NWCL, is acting in concert with the Offeror in relation to NWCL.
10. Mr. Cheng Chi-Kong, Adrian, who is an executive director of NWD and an executive director of NWCL, is acting in concert with the Offeror in relation to NWCL.
11. Mr. Doo Wai-Hoi, William, who is a non-executive director of NWD, is acting in concert with the Offeror in relation to NWCL.
12. Mr. William Junior Guilherme Doo, who is the son of Mr. Doo Wai-Hoi, William, a non-executive director of NWD, is acting in concert with the Offeror in relation to NWCL.
13. Ms. Ki Man-Fung, Leonie, who is an executive director of NWD, is acting in concert with the Offeror in relation to NWCL.

14. The total number of NWCL Shares (assuming that all NWCL Options are vested and exercised in full before the Effective Date and there is no other change in shareholding of NWCL before completion of the Proposal) minus the aggregate number of NWCL Shares held by the Offeror and NWD equals the total number of Scheme Shares (on the same assumptions).
15. Under the Scheme, the issued share capital of NWCL will, on the Effective Date, be reduced by cancelling the Scheme Shares. On the assumption that all NWCL Options are vested and exercised in full before the Effective Date and the assumption that there is no other change in shareholding of NWCL before completion of the Proposal, forthwith upon such reduction, the issued share capital of NWCL will be increased to HK\$871,273,977.7 divided into 8,712,739,777 NWCL Shares by the issue of 2,735,720,406 NWCL Shares to NWD at par and the reserve created in NWCL's books of account as a result of the capital reduction will be applied in paying up in full at par the 2,735,720,406 new NWCL Shares so issued to the Offeror.
16. All percentages in the above table are approximations.

Following the Effective Date and the withdrawal of listing of NWCL Shares on the Stock Exchange, NWD will hold 100% of the issued share capital of NWCL, of which (i) 65.95% will be held directly; and (ii) 34.05% will be held indirectly through the Offeror, a wholly-owned subsidiary of NWD on the assumption that no NWCL Options are exercised before the Effective Date and there is no other change in shareholding in NWCL before completion of the Proposal.

As at the Announcement Date, the authorised share capital of NWCL was HK\$3,000,000,000.00 divided into 30,000,000,000 NWCL Shares of HK\$0.10 each, and the issued share capital of NWCL was HK\$867,666,317.5 divided into 8,676,663,175 NWCL Shares of HK\$0.10 each. There were no preference shares of NWCL in issue.

As at the Announcement Date, the Offeror held 255,041,727 NWCL Shares representing approximately 2.94% of the issued share capital of NWCL. Such NWCL Shares will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting. As at the Announcement Date, the Offeror Concert Parties held in aggregate 5,995,446,770 NWCL Shares, representing approximately 69.10% of the issued share capital of NWCL. Of these Offeror Concert Parties, NWCL Shares held by NWD will not form part of the Scheme Shares and will not be voted on the Scheme at the Court Meeting. NWCL Shares held by the remaining Offeror Concert Parties will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, but such Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

Save for 4,155,845 NWCL Options, there were no options, warrants or convertible securities in respect of NWCL Shares held by the Offeror or the Offeror Concert Parties or outstanding derivatives in respect of NWCL Shares entered into by the Offeror or the Offeror Concert Parties as at the Announcement Date, and save for 36,076,602 NWCL Options, NWCL did not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into NWCL Shares as at the Announcement Date.

4. RULE 13 OFFER

As at the Announcement Date, there were 36,076,602 NWCL Options granted under the Share Option Schemes (including 19,860,545 NWCL Options which have not been vested on the Announcement Date), each giving the holder of each NWCL Option the right to subscribe for one new NWCL Share. The exercise of such NWCL Options in full would result in the issue of 36,076,602 new NWCL Shares, representing approximately 0.42% of the issued share capital of NWCL as at the Announcement Date and approximately 0.41% of the issued share capital of NWCL as enlarged by the issue of such new NWCL Shares.

The Offeror will make (or procure to be made on its behalf) an appropriate offer, namely the Rule 13 Offer, to the holders of NWCL Options for the cancellation of every vested and unvested NWCL Option in accordance with Rule 13 of the Takeovers Code. The Rule 13 Offer will be conditional upon the Scheme becoming effective. Under the Rule 13 Offer, the Offeror will offer the holders of NWCL Options cash equal to the “see-through” price (being the Cancellation Price minus the relevant exercise price of NWCL Options) for each NWCL Option that they hold. The last day for acceptance of the Rule 13 Offer shall be 14 days after the Effective Date, and payment to accepting holders of NWCL Options under the Rule 13 Offer will be made within seven business days following the later of the date the Rule 13 Offer becomes unconditional and the date of receipt of a valid acceptance.

The relevant exercise price applicable to each NWCL Option, which is set out in the tables below, ranges from HK\$2.262 to HK\$4.01.

NWCL Options under the share option scheme of NWCL adopted on 26 November 2002

NWCL Option exercise price (HK\$)	“See-through” price (HK\$)	Total outstanding options (vested and unvested)
3.913	2.8870	1,598,517
2.953	3.8470	103,013
2.878	3.9220	362,661
2.262	4.5380	203,069
2.349	4.4510	210,597
3.013	3.7870	1,901,833
3.036	3.7640	10,971,350
2.705	4.0950	853,662

NWCL Options under the share option scheme of NWCL adopted on 22 November 2011

NWCL Option exercise price (HK\$)	“See-through” price (HK\$)	Total outstanding options (vested and unvested)
2.45	4.3500	5,037,400
3.37	3.4300	612,000
3.88	2.9200	4,678,700
3.35	3.4500	2,116,000
2.762	4.0380	1,288,400
4.01	2.7900	1,840,000
3.97	2.8300	4,299,400

Further information on the Rule 13 Offer will be set out in a letter to the holders of NWCL Options which will be dispatched at or around the same time as the dispatch of the Scheme Document.

If any NWCL Option is vested and is exercised in accordance with the terms of the Share Option Schemes prior to the date for determining entitlements under the Scheme, any NWCL Shares issued as a result of the exercise of NWCL Options prior to the date for determining entitlements under the Scheme will be subject to and eligible to participate in the Scheme.

5. OVERSEAS NWCL SHAREHOLDERS

The making of (i) the Proposal to the Scheme Shareholders; and (ii) the Rule 13 Offer to the holders of NWCL Options, who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders or holders of NWCL Options respectively are located. Such Scheme Shareholders and such holders of NWCL Options should inform themselves about and observe any applicable legal, tax or regulatory requirements. It is the responsibility of any overseas Scheme Shareholders and overseas holders of NWCL Options wishing to take any action in relation to the Proposal and the Rule 13 Offer, respectively, to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any acceptance by such Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to NWCL, NWD, the Offeror, and their respective advisers, including HSBC, the financial adviser to the Offeror, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the dispatch of the Scheme Document to overseas Scheme Shareholders or overseas holders of NWCL Options is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of NWCL regard as unduly onerous or burdensome (or otherwise not in the best interests of NWCL or NWCL Shareholders, the Scheme Document will not be dispatched to such overseas Scheme Shareholders or such overseas holders of NWCL Options. For that purpose, NWCL will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to dispatch the Scheme Document to such overseas Scheme Shareholders or such overseas holders of NWCL Options. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Scheme Shareholders and overseas holders of NWCL Options, as the case may be.

Scheme Shareholders and holders of NWCL Options are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal or the Rule 13 Offer. It is emphasised that none of the Offeror, NWD, NWCL and HSBC or any of their respective directors, officers or associates or any other person involved in the Proposal or the Rule 13 Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal or the Rule 13 Offer.

6. FINANCIAL RESOURCES

On the assumption that no NWCL Options are exercised before the Effective Date, the amount of cash required to implement the Proposal (before taking into account the Rule 13 Offer) would be approximately HK\$18,358 million. On the assumption that all NWCL Options are vested and exercised in full before the Effective Date, the amount of cash required for the Proposal would be approximately HK\$18,603 million.

On the assumption that no NWCL Options are exercised before the Effective Date, the amount of cash required to implement the Rule 13 Offer to be made, would be approximately HK\$128 million.

The Offeror intends to finance the cash required for the Proposal and the Rule 13 Offer from a credit facility granted by HSBC (in its capacity as lender).

HSBC, the financial adviser to the Offeror in connection with the Proposal and the Rule 13 Offer, is satisfied that sufficient financial resources are available to the Offeror for the payment in full of the cash consideration payable under the Proposal and the Rule 13 Offer in accordance with their respective terms.

7. REASONS FOR, AND BENEFITS OF, THE PROPOSAL

For the Scheme Shareholders

The Cancellation Price represents a premium of approximately 1.8% to the unaudited consolidated net asset value per NWCL Share of approximately HK\$6.68 as at 31 December 2013 and a premium of approximately 32.3% over the closing price of NWCL Shares of HK\$5.14 as quoted by the Stock Exchange on the Last Trading Day. The Cancellation Price has been determined on a commercial basis after taking into account the prices of NWCL Shares traded on the Stock Exchange, the trading multiples of comparable trading companies and with reference to other privatisation transactions in Hong Kong in recent years.

NWCL Shareholders should note that the Scheme Document will contain a property valuation report from an independent property valuer pursuant to Rule 11 of the Takeovers Code providing an updated valuation of NWCL's properties as at a date not more than three months prior to the date of the Scheme Document.

NWCL Shareholders should also note that, as shown on the unaudited financial statements of NWCL as at 31 December 2013, a significant portion of NWCL's assets consisted of investment properties, land use rights, properties held for development, properties under development and completed properties held for sale. The value of these assets as stated in such unaudited financial statements may or may not reflect the current market value of these assets.

During the six-month period ended on and including the Last Trading Day, the lowest and highest closing prices per NWCL Share on the Stock Exchange were HK\$3.69 and HK\$5.14 respectively, with a simple average closing price of approximately HK\$4.09.

Over the one-year period ended on and including the Last Trading Day, liquidity in NWCL Shares was restricted to an average daily turnover of HK\$13.8 million or 3.5 million NWCL Shares on the Stock Exchange. Such average daily turnover in number of NWCL Shares represented only approximately 0.13% of the number of Scheme Shares.

The Cancellation Price represents a substantial premium of approximately 66.2% over the simple average closing prices of six-month period ended on and including the Last Trading Day.

NWCL Shares have habitually been traded at a discount to their attributable net asset value. The closing price of NWCL Shares on the Last Trading Day represented a discount of approximately 23.1% to the unaudited consolidated net asset value per NWCL Share (based on the unaudited financial statements of NWCL as at 31 December 2013 and 8,676,663,175 NWCL Shares in issue as at the Last Trading Day). By contrast, the Cancellation Price is a premium to such net asset value per NWCL Share of 1.8%.

Since the Offeror and its parent company NWD already own, on an aggregated basis, approximately 68.89% of the issued share capital of NWCL as at the Announcement Date, the directors of the Offeror believe that it is unlikely that the Scheme Shareholders will receive any other general offer from a third party to acquire the Scheme Shares, as such offer would not succeed without the approval of the Offeror and NWD.

In addition, NWCL Shareholders should note that no discussions have taken place (or are taking place) with any third party regarding the disposal of any of NWCL Shares held by the Offeror and NWD. The Offeror and NWD intend to continue the existing business of NWCL in the near term upon successful implementation of the Proposal. The Offeror and NWD have no intention to make any material changes to the existing operation and management structure of NWCL Group after implementation of the Proposal. However, it will continue to assess business opportunities as they arise.

The Offeror accordingly considers that the Proposal provides an opportunity for the holders of the Scheme Shares to dispose of their NWCL Shares and receive cash at a price significantly above the prevailing market price. In light of the low liquidity of NWCL Shares, it is difficult for the holders of the Scheme Shares to realise their Scheme Shares in the stock market without adversely affecting the market price of NWCL Shares. The Offeror considers that the Proposal also affords the holders of the Scheme Shares with the opportunity to realise their investments in NWCL as referred to above, and if they so wish, invest the monies received under the Scheme in alternative investments with higher liquidity than NWCL Shares or use them for other purposes.

For NWCL

NWCL will require substantial funding for its future developments. Without being subject to the requirements relevant to being run as a standalone listed public company, NWCL will be able to fund larger property development projects through leveraging NWD's greater financial strength, including the latter's access to more competitive financing terms for raising bank borrowings. Additionally, upon becoming an unlisted wholly-owned subsidiary of NWD, the provision of intra-group funding from NWD will be facilitated. Due to the low liquidity of NWCL Shares and the significant discount to the net asset value per NWCL Share of its trading price on the Stock Exchange, the public equity capital market does not provide NWCL a viable funding alternative.

For NWD and NWD's shareholders

Given the low liquidity of NWCL Shares, the directors of NWD believe that NWCL's ability to raise funds from the public equity markets is currently limited and any significant improvement in this regard in the foreseeable future is unlikely. Consequently, the directors of NWD consider that the costs and management resources associated with the maintenance of NWCL's listing on the Stock Exchange and its publicly listed status, which are needed in order to access the public equity capital markets, are no longer warranted.

NWD accordingly considers that the Proposal would be in the interests of NWD and its shareholders as it will simplify the group structure and create more flexibility to manage NWCL's business in an efficient and sustainable manner.

8. INFORMATION ON NWCL

NWCL is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since July 1999 with the stock code 917.

NWCL is the flagship property arm of NWD in the PRC and is one of the large-scale national developers in the PRC with unaudited consolidated total assets of approximately HK\$124.1 billion as at 31 December 2013. The audited consolidated net profits before and after taxation and extraordinary items of NWCL for the year ended 30 June 2013 were approximately HK\$7,906,897,000 and approximately HK\$4,855,356,000 respectively and the audited consolidated net profits before and after taxation and extraordinary items of NWCL for the year ended 30 June 2012 were approximately HK\$6,092,204,000 and approximately HK\$3,279,500,000 respectively. NWCL Group's development portfolio comprises 36 major projects spanning over 21 large cities or major transportation hubs as at 31 December 2013.

NWCL Group develops property project for sale, develops and manages investment properties for rental purposes, and operates resort and hotel projects. Its property projects encompass residential estates, serviced apartments, villas, offices, shopping centres, mixed use comprehensive buildings, hotels and resorts. NWCL Group has undertaken urban redevelopment projects in the old city centre of Beijing, Tianjin and Jinan, and is the developer of landmark commercial complexes in Beijing, Shanghai, Wuhan, Tianjin and Dalian and large-scale residential communities in Shenyang, Wuhan, Guangzhou, Chengdu, Changsha and Guiyang.

9. INFORMATION ON THE OFFEROR AND NWD

The Offeror is a wholly-owned subsidiary of NWD.

NWD is the parent company of NWCL and a company incorporated in Hong Kong with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since 1972 with the stock code 17. It is a constituent stock of the Hong Kong Hang Seng Index with a total unaudited asset value of approximately HK\$354.7 billion as at 31 December 2013.

NWD Group is a leading property development company based in Hong Kong. NWD was founded in 1970 and for more than four decades, NWD Group has expanded its business portfolio from a single focus on the property business to five core areas, including property, infrastructure, services, hotel and department store in Hong Kong, the PRC and Macau.

NWD Group is also involved in direct investment and an array of other businesses, including telecommunications.

10. WITHDRAWAL OF LISTING OF NWCL SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates in respect of the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

NWCL will apply to the Stock Exchange for the withdrawal of the listing of NWCL Shares on the Stock Exchange, in accordance with Rule 6.15 of the Listing Rules, immediately following the Effective Date. A detailed timetable for the implementation of the Proposal will be included in the Scheme Document.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in NWCL Shares on the Stock Exchange and the day on which the Scheme and the withdrawal of the listing of NWCL Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, among other things, further details of the Scheme.

11. IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The Scheme will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of NWCL Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for NWCL, except with the consent of the Executive.

If NWCL Independent Board Committee or NWCL Independent Financial Adviser does not recommend the Proposal, and the Scheme is not approved, all expenses incurred by NWCL in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

12. SCHEME SHARES, MEETING OF SCHEME SHAREHOLDERS AND EXTRAORDINARY GENERAL MEETING OF NWCL

As at the Announcement Date, the Offeror and NWD held 255,041,727 NWCL Shares and 5,721,977,644 NWCL Shares representing approximately 2.94% and 65.95% of the issued share capital of NWCL, respectively. Such NWCL Shares will not form part of the Scheme Shares and will not be cancelled upon the Scheme becoming effective. As the Offeror and NWD are not Scheme Shareholders, they will not vote on the Scheme at the Court Meeting. The Offeror and NWD will undertake to the Grand Court that they will be bound by the Scheme, so as to ensure that they will be subject to the terms and conditions of the Scheme.

By reason of being the financial adviser to the Offeror, HSBC is presumed to be acting in concert with the Offeror in relation to NWCL. As at the Announcement Date, and so far as the Offeror is aware taking into account Note 1 to Rule 3.5 of the Takeovers Code, members of the HSBC group (except those which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code) which are presumed to be acting in concert with the Offeror in relation to NWCL held a long position in 672,557 NWCL Shares (representing approximately 0.01% of the issued share capital of NWCL).

As at the Announcement Date, the Offeror Concert Parties held in aggregate 5,995,446,770 NWCL Shares, representing approximately 69.10% of the issued share capital of NWCL. NWCL Shares held by the Offeror Concert Parties (except NWCL Shares held by NWD) will form part of the Scheme Shares and will be cancelled upon the Scheme becoming effective, but such Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting.

All NWCL Shareholders will be entitled to attend the extraordinary general meeting of NWCL and vote on (i) the special resolution to approve and give effect to the reduction of the issued share capital of NWCL by cancelling the Scheme Shares, and (ii) the ordinary resolution to immediately thereafter increase the issued share capital of NWCL to the amount prior to the cancellation of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation of the Scheme Shares to pay up in full at par such number of new NWCL Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme for issue to the Offeror. The Offeror and NWD have indicated that if the Scheme is approved at the Court Meeting, those NWCL Shares held by them will be voted in favour of the resolutions to be proposed at the extraordinary general meeting of NWCL.

13. NWCL INDEPENDENT BOARD COMMITTEE

The board of directors of NWCL has established NWCL Independent Board Committee, comprising three independent non-executive directors of NWCL, being Dr. Cheng Wai-Chee, Christopher, Hon. Tien Pei-Chun, James and Mr. Ip Yuk-Keung, Albert, to advise the Independent NWCL Shareholders and the holders of NWCL Options as to (i) whether the Proposal and Rule 13 Offer are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the extraordinary general meeting of NWCL.

The remaining independent non-executive director of NWCL, Mr. Lee Luen-Wai, John, is also an independent non-executive director of NWD. In order to avoid any perceived conflict of interests, Mr. Lee Luen-Wai, John does not form part of NWCL Independent Board Committee.

NWCL Independent Financial Adviser will be appointed (with the approval of NWCL Independent Board Committee) to advise NWCL Independent Board Committee in connection with the Proposal and the Rule 13 Offer. A further announcement will be made after the appointment of NWCL Independent Financial Adviser.

14. DISPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among other things, further details of the Proposal and the Scheme, the Rule 13 Offer, the expected timetable, an explanatory memorandum as required under the Companies Law and the Rules of the Grand Court, information regarding NWCL, recommendations from NWCL Independent Board Committee with respect to the Proposal and the Rule 13 Offer, and the advice of NWCL Independent Financial Adviser to NWCL Independent Board Committee, a notice of the Court Meeting and a notice of an extraordinary general meeting of NWCL, together with proxies in relation thereto, will be dispatched to NWCL Shareholders and holders of NWCL Options as soon as practicable and in compliance with the requirements of the Takeovers Code and the Grand Court, and other applicable laws and regulations. A letter to the holders of NWCL Options will also be dispatched at or around the same time as the dispatch of the Scheme Document. The aggregate percentage holding in NWCL Shares of the Offeror and the Offeror Concert Parties will also be disclosed in the Scheme Document, together with information on their dealings for value in NWCL Shares (if any) during the period commencing six months prior to the Announcement Date and ending with the latest practicable date for ascertaining information in the Scheme Document.

The Scheme Document will contain important information and the Scheme Shareholders are urged to read the Scheme Document containing such disclosures carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the extraordinary general meeting of NWCL. Any acceptance or other response to the Proposal or the Rule 13 Offer should be made only on the basis of information in the Scheme Document or any other document by which the Proposal or the Rule 13 Offer is made.

15. POSSIBLE MAJOR TRANSACTION AND POSSIBLE CONNECTED TRANSACTIONS FOR NWD

If the Proposal and the Rule 13 Offer are completed on the proposed terms, they will constitute a major transaction and connected transactions for NWD under the Listing Rules.

Possible major transaction

As one or more of the Applicable Percentage Ratios in respect of the Proposal and the Rule 13 Offer will exceed 25% and all of those Applicable Percentage Ratios will be less than 100%, implementation of the Proposal and the Rule 13 Offer will constitute a major transaction for NWD under the Listing Rules. To the best knowledge, information and belief of the directors of NWD, having made all reasonable enquiries of NWCL Shareholders, save for the connected persons of NWD listed below, the Scheme Shareholders and the holders of NWCL Options are third parties independent of NWD and its connected persons.

A circular of NWD containing, among others, details of the Proposal and the Rule 13 Offer, information regarding NWCL and a notice to convene an extraordinary general meeting of NWD for considering, and if thought fit, approving the Proposal and the Rule 13 Offer will be dispatched to the shareholders of NWD. As more time is required for preparing the information to be contained in such circular of NWD, it is expected that such circular will be dispatched to the shareholders of NWD on or about 22 April 2014.

Possible connected transactions

As at the Announcement Date, the following connected persons of NWD are interested in NWCL Shares and/or NWCL Options:

Name	Relationship with NWD	Interests	
		NWCL Shares	NWCL Options
Dr. Cheng Kar-Shun, Henry	Dr. Cheng Kar-Shun, Henry is an executive director of NWD and an executive director of NWCL.	151,983,256	2,077,922
Mr. Cheng Kar-Shing, Peter	Mr. Cheng Kar-Shing, Peter is a non-executive director of NWD and an executive director of NWCL.	755,961	831,169
Ms. Cheng Chi-Man, Sonia	Ms. Cheng Chi-Man, Sonia is an executive director of NWD and an executive director of NWCL.	953,669	Nil
Mr. Lee Luen-Wai, John	Mr. Lee Luen-Wai, John is an independent non-executive director of NWD and an independent non-executive director of NWCL.	387,448	311,688
Mr. Doo Wai-Hoi, William	Mr. Doo Wai-Hoi, William is a non-executive director of NWD.	2,571,663	Nil
Ms. Ki Man-Fung, Leonie	Ms. Ki Man-Fung, Leonie is an executive director of NWD.	45,000	Nil
Mr. Cheng Chi-Kong, Adrian	Mr. Cheng Chi-Kong, Adrian is an executive director of NWD and an executive director of NWCL.	Nil	935,066
Ms. Ngan Man-Ying, Lynda	Ms. Ngan Man-Ying, Lynda is an executive director of NWCL.	Nil	1,038,961
Mr. Fong Shing-Kwong, Michael	Mr. Fong Shing-Kwong, Michael is an executive director of NWCL.	1,856,895	449,481
Dr. Cheng Wai-Chee, Christopher	Dr. Cheng Wai-Chee, Christopher is an independent non-executive director of NWCL.	387,448	311,688
Hon. Tien Pei-Chun, James	Hon. Tien Pei-Chun, James is an independent non-executive director of NWCL.	387,448	311,688
		159,328,788	6,267,663

The aggregate payment of HK\$1,107 million by the Offeror of:

- (i) the Cancellation Price (on the basis of their respective interests in NWCL Shares as at the Announcement Date) to the aforesaid connected persons in consideration for the cancellation of their respective interests in NWCL Shares; and
- (ii) the “see-through” price (being the Cancellation Price minus the relevant exercise price of NWCL Options (being HK\$3.036 per NWCL Share), and on the basis of their respective interests in NWCL Options as at the Announcement Date) to the aforesaid connected persons in consideration for the cancellation of their respective interests in NWCL Options,

will constitute connected transactions for NWD under the Listing Rules. Such connected transactions will be subject to the reporting and announcement requirements but will be exempted from the independent shareholders’ approval requirement under Chapter 14A of the Listing Rules as one or more of the Applicable Percentage Ratios in respect of such aggregate payment by the Offeror of the Cancellation Price and the “see-through” price to the connected persons of NWD will exceed 0.1% but all those Applicable Percentage Ratios will be less than 5%.

For the purposes of the above analysis of the possible connected transactions of NWD, NWD believes the various original purchase costs of the Scheme Shares and/or NWCL Options incurred on the various dates by the aforesaid respective connected persons should be those deduced from their respective filings to the Stock Exchange and to NWCL made pursuant to the SFO. Further information relating to the original purchase costs of the Scheme Shares and/or NWCL Shares by such connected persons will be provided to the shareholders of NWD as soon as practicable, unless such requirement is waived by the Stock Exchange.

The directors (including the independent non-executive directors) of NWD believe the terms of the Proposal and the Rule 13 Offer are fair and reasonable and in the interests of the shareholders of NWD as a whole.

NWD and the Offeror have engaged Quam Capital Limited as their independent financial adviser pursuant to Rule 2.4 of the Takeovers Code and Quam Capital Limited has indicated that having taken into account, among others, the Cancellation Price, the benefits of the Proposal from the perspective of NWD and its shareholders (as set out in the section headed “Reasons for, and benefits of, the Proposal” above) and the financial impacts of the Proposal and the Rule 13 Offer on NWD, it considers that the Proposal and the Rule 13 Offer are in the interests of the respective shareholders of NWD and the Offeror.

Ms. Ip Mei-Hing, Katherine (who is the wife of Dr. Cheng Kar-Shun, Henry and the mother of Mr. Cheng Chi-Kong, Adrian and Ms. Cheng Chi-Man, Sonia, each of whom is a director of NWD and is interested in NWCL Shares and/or NWCL Options as mentioned above) and Ms. Ki Man-Fung, Leonie (who is a director of NWD and is interested in NWCL Shares as mentioned above), who respectively hold 450,000 and 90,000 NWD Shares (respectively

representing approximately 0.007% and 0.001% of the entire issued share capital in NWD), will abstain from voting on the relevant resolution(s) for approving the Proposal and the Rule 13 Offer at the relevant general meeting of NWD. Chow Tai Fook Enterprises Limited and its subsidiaries, which hold an aggregate of 2,763,317,704 NWD Shares (representing approximately 42.89% of the entire issued share capital in NWD), will also abstain from voting on the relevant resolution(s) for approving the Proposal and the Rule 13 Offer at the relevant general meeting of NWD.

Shareholders of NWD who have a material interest in the Proposal and/or the Rule 13 Offer will be required to abstain from voting on the resolution(s) for approving the Proposal and the Rule 13 Offer at the relevant general meeting of NWD.

16. DISCLOSURE OF DEALINGS

Associates of the Offeror, NWCL or NWD (as defined in the Takeovers Code, including shareholders holding 5% or more of the relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Offeror, NWCL or NWD) are hereby reminded to disclose their dealings in any securities of NWCL under Rule 22 of the Takeovers Code during the offer period.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

17. PRECAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

This announcement includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror, NWD and/or NWCL (as the case may be) and are naturally subject to uncertainty and changes in circumstances. The forward-looking statements contained in this announcement include statements about the expected effects on NWCL of the Proposal and the Rule 13 Offer, the expected timing and scope of the Proposal and the Rule 13 Offer, and all other statements in this announcement other than historical facts.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, the satisfaction of the conditions to the Proposal and Rule 13 Offer, as well as additional factors, such as general, social, economic and political conditions in the countries in which NWD Group and/or NWCL Group operate or other countries which have an impact on NWD Group and/or NWCL Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which NWD Group and/or NWCL Group operate, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which NWD Group and/or NWCL Group operate and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which NWD Group and/or NWCL Group operate and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

All written and oral forward-looking statements attributable to the Offeror, NWD, NWCL or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Announcement Date.

18. GENERAL

The Offeror has appointed HSBC as its financial adviser in connection with the Proposal and the Rule 13 Offer.

The executive directors of NWCL believe that the terms of the Proposal and the Rule 13 Offer are fair and reasonable and in the interests of NWCL Shareholders and holders of NWCL Options as a whole.

Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Him, Conrad, who being directors of NWCL and are interested in the Proposal and/or the Rule 13 Offer have abstained from voting in respect of the board resolutions of NWCL in relation to the Proposal and the Rule 13 Offer.

In addition, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia, Mr. Lee Luen-Wai, John, Mr. Doo Wai-Hoi, William and Ms. Ki Man-Fung, Leonie, who being directors of NWD and are interested in the Proposal and/or the Rule 13 Offer have abstained from voting in respect of the board resolutions of NWD in relation to the Proposal and the Rule 13 Offer.

Save for the Proposal and the Rule 13 Offer, there are no arrangements (whether by way of option, indemnity or otherwise) relating to relevant securities which may be an inducement to deal or refrain from dealing as described in Note 8 to Rule 22 of the Takeovers Code between the Offeror or any of the Offeror Concert Parties and any other person in relation to shares of the Offeror or NWD or NWCL Shares which might be material to the Proposal.

There are no agreements or arrangements to which the Offeror is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal.

The Offeror and the Offeror Concert Parties have not borrowed or lent any NWCL Shares or any other securities of NWCL as at the Announcement Date.

No irrevocable commitment to vote for or against the Scheme has been received by the Offeror or any of the Offeror Concert Parties, as at the Announcement Date.

NWCL Shareholders whose names appear on the register of members of NWCL as at 16 April 2014 shall be entitled to the interim dividend for the six months ended 31 December 2013. It is expected that the Effective Date shall occur after 16 April 2014.

19. SUSPENSION AND RESUMPTION OF TRADING IN NWD SHARES, NWD BONDS, NWCL SHARES AND NWCL BONDS

At the request of NWD, trading in NWD Shares and NWD Bonds on the Stock Exchange was suspended from 9:00 a.m. on 11 March 2014 pending issuance of this announcement. An application has been made by NWD to the Stock Exchange for the resumption of trading in NWD Shares and NWD Bonds on the Stock Exchange with effect from 9:00 a.m. on 14 March 2014.

At the request of NWCL, trading in NWCL Shares and NWCL Bonds on the Stock Exchange was suspended from 9:00 a.m. on 11 March 2014 pending issuance of this announcement. An application has been made by NWCL to the Stock Exchange for the resumption of trading in NWCL Shares and NWCL Bonds on the Stock Exchange with effect from 9:00 a.m. on 14 March 2014.

20. DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement Date”	13 March, 2014, being the date of this announcement
“Applicable Percentage Ratios”	the percentage ratios (all as defined in Rule 14.04(9) of the Listing Rules) applicable to the Proposal and the Rule 13 Offer in accordance with Chapters 14 and 14A of the Listing Rules
“associate”	has the meaning ascribed to it in the Takeovers Code
“Authorisations”	all the necessary authorisations, registrations, filings, rulings, consents, permissions and approvals required in connection with the Proposal
“Beneficial Owner”	any beneficial owner of NWCL Shares whose NWCL Shares are registered in the name of a Registered Owner
“Cancellation Price”	the cancellation price of HK\$6.80 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961), as consolidated and revised of the Cayman Islands

“Conditions”	the conditions to the implementation of the Proposal and the Scheme as described in the section headed “2. Terms of the Proposal — Conditions of the Proposal and the Scheme” of this announcement
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Court Orders”	the orders of Grand Court confirming the sanction of the Scheme as required by the Companies Law and confirming the reduction of capital of NWCL as required by the Companies Law
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Law
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate thereof
“Grand Court”	the Grand Court of the Cayman Islands
“Great Worth”	Great Worth Holdings Ltd., a non-wholly owned subsidiary of NWD
“High Earnings”	High Earnings Holdings Ltd, a wholly-owned subsidiary of NWS
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, the financial adviser to the Offeror in connection with the Proposal and Rule 13 Offer. HSBC is 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 contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Independent NWCL Shareholder(s)”	NWCL Shareholder(s) other than the Offeror and the Offeror Concert Parties. For the avoidance of doubt, Independent NWCL Shareholders include any member of the HSBC group acting in its capacity as a Registered Owner of Scheme Shares held on behalf of a Beneficial Owner where the Beneficial Owner (i) controls the voting rights attaching to those NWCL Shares; (ii) if NWCL Shares are voted, gives instructions as to how those NWCL Shares are to be voted; and (iii) is not the Offeror or an Offeror Concert Party
“Last Trading Day”	10 March, 2014, being the last trading day of NWCL Shares prior to the issuance of this announcement
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date which is 120 days after the Announcement Date
“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 (stock code: 917)
“NWCL Bonds”	bonds issued by NWCL with the stock codes 85914 and 86021 respectively
“NWCL Group”	NWCL and its subsidiaries

“NWCL Independent Board Committee”	the independent board committee of NWCL, comprising Dr. Cheng Wai-Chee, Christopher, Hon. Tien Pei-Chun, James and Mr. Ip Yuk-Keung, Albert, established by the board of directors of NWCL to make a recommendation to the Independent NWCL Shareholders and holders of NWCL Options in respect of the Proposal and the Rule 13 Offer
“NWCL Independent Financial Adviser”	the independent financial adviser to NWCL Independent Board Committee in connection with the Proposal and the Rule 13 Offer
“NWCL Option(s)”	the outstanding, vested and unvested, share option(s), each relating to one NWCL Share, granted under the Share Option Schemes from time to time
“NWCL Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of NWCL
“NWCL Shareholder(s)”	registered holder(s) of NWCL Shares
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of NWCL and the parent company of the Offeror, the shares of NWD are currently listed on the Main Board of the Stock Exchange (stock code: 17)
“NWD Bonds”	bonds issued by NWD’s wholly-owned subsidiary, Fita International Ltd. and guaranteed by NWD with the stock code 04315 and bonds issued by NWD’s wholly-owned subsidiary, NWD (MTN) Ltd., and guaranteed by NWD with the stock code 06029
“NWD Group”	NWD and its subsidiaries
“NWD Shares”	ordinary share(s) in the share capital of NWD
“NWS”	NWS Holdings Limited, a non-wholly owned subsidiary of NWD and the shares of which are listed on the Stock Exchange with the stock code 659

“Offeror”	Easywin Enterprises Corporation Limited, a wholly-owned subsidiary of NWD
“Offeror Concert Parties”	parties acting in concert with the Offeror in relation to NWCL including HSBC (except members of the HSBC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purposes of the Takeovers Code) which is presumed to be acting in concert with the Offeror in relation to NWCL
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and the Republic of Taiwan)
“Proposal”	the proposal for the privatisation of NWCL by the Offeror by way of the Scheme
“Registered Owner”	any owner of NWCL Shares (including, without limitation, a nominee, trustee, depository or any other authorised custodian or other party) whose name is entered in the register of members of NWCL
“Relevant Authorities”	appropriate governments and/or governmental bodies, regulatory bodies, courts or institutions
“Rule 13 Offer”	the offer to be made by or on behalf of the Offeror 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
“Scheme Document”	the composite scheme document of NWCL, the Offeror and NWD containing, among other things, further details of the Proposal together with the additional information specified in the section headed “14. Dispatch of Scheme Document” of this announcement
“Scheme Share(s)”	NWCL Share(s) other than those held by the Offeror and NWD

“Scheme Shareholder(s)”	holder(s) of Scheme Shares as at the Effective Date
“Securities and Futures Commission”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Schemes”	the share option schemes adopted by NWCL on 26 November 2002 and 22 November 2011 respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Code on Takeovers and Mergers of Hong Kong
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“US”	United States of America

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

By Order of the Board of
New World China Land Limited
Dr. Cheng Kar-Shun, Henry
Chairman and Managing Director

Hong Kong, 13 March, 2014

As at the Announcement Date, the directors of NWD comprise (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.

The directors of NWD jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to NWCL Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by NWCL Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to NWCL Group) misleading.

As at the Announcement Date, the directors of the Offeror are Dr. Cheng Kar-Shun, Henry, Mr. Chen Guanzhan and Mr. Au Tak-Cheong.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to NWCL Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by NWCL Group or by NWD) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement (other than that relating to NWCL Group) misleading.

As at the Announcement Date, the executive directors of NWCL are Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Chi-Him, Conrad, Mr. Fong Shing-Kwong, Michael and Ms. Ngan Man-Ying, Lynda; and the independent non-executive directors of NWCL are Dr. Cheng Wai-Chee, Christopher, Hon. Tien Pei-Chun, James, Mr. Lee Luen-Wai, John and Mr. Ip Yuk-Keung, Albert.

The directors of NWCL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to NWCL Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement by NWCL Group have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement relating to NWCL Group misleading.