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The Offer is being made for the securities of a Cayman Islands company and while the Offer is subject to Hong Kong disclosure and procedural requirements, investors should be aware that these requirements are different from those of the United States of America (“US”). The financial statements included in the Composite Document mentioned in this announcement have been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial statements of US companies.



JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION BY WAY OF VOLUNTARY CONDITIONAL CASH OFFER BY UBS AG HONG KONG BRANCH ON BEHALF OF NEW WORLD DEVELOPMENT COMPANY LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF NEW WORLD DEPARTMENT STORE CHINA LIMITED (OTHER THAN THOSE ALREADY HELD BY NEW WORLD DEVELOPMENT COMPANY LIMITED)

Sole Financial Adviser to the Offeror



UBS AG Hong Kong Branch

Dear Sir or Madam,

PROPOSED PRIVATISATION BY WAY OF VOLUNTARY CONDITIONAL CASH OFFER BY UBS AG HONG KONG BRANCH ON BEHALF OF NEW WORLD DEVELOPMENT COMPANY LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF NEW WORLD DEPARTMENT STORE CHINA LIMITED (OTHER THAN THOSE ALREADY HELD BY NEW WORLD DEVELOPMENT COMPANY LIMITED)

The following information is important for all NWDSC Offer Shareholders:

You are urged to read the entire Composite Document carefully, including the appendices, the Form of Acceptance, the First Closing Announcement, the Purchase Announcement, the Second Closing Announcement, and the Third Closing Announcement (all as defined in “INTRODUCTION” to this announcement).

- ***Final Offer Price and no price increase statement:*** The Offer Price is HK\$2.00 in cash per Offer Share. **The Offeror will not increase the Offer Price.**
- ***How to accept the Offer:*** Please return the duly completed and signed Form of Acceptance and the relevant documents to the Registrar. *For additional details, please refer to “Appendix I — Further Terms of the Offer” to the Composite Document.*
- ***Settlement:*** **Payments in cash will be made within seven (7) Business Days** following the later of: (i) the date on which the Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt of your complete and valid acceptance in respect of the Offer.
- ***Final Closing Date and deadline for acceptance (no further extension):*** The Offer will close for acceptances at 4:00 p.m. on Monday, 28 August 2017. **There will be no further extension to the Closing Date if the Offer is not unconditional by that time.**
- ***Your prompt action is critical:*** **The Offer will lapse** if valid acceptances from the NWDSC Offer Shareholders in respect of less than 90% of the Offer Shares or less than 90% of the Disinterested NWDSC Shares are received by 4:00 p.m. on Monday, 28 August 2017. **There will be no further extension to the Closing Date if the Offer is not unconditional by that time. You should therefore act promptly.**

NEED HELP?

Please call the customer service hotline of the Registrar, Tricor Investor Services Limited, at +852 2980-1333 between 9:00 a.m. and 5:00 p.m. on Mondays to Fridays, excluding Hong Kong public holidays, if you have any enquiries concerning administrative matters, such as dates, documentation and procedures relating to the Offer.

The hotline cannot and will not provide advice on the merits of the Offer or give financial or legal advice. If you are in any doubt as to any aspect of the Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

INTRODUCTION

Reference is made to (i) the announcement dated 6 June 2017 jointly issued by New World Development Company Limited (新世界發展有限公司) (the “**Offeror**”) and New World Department Store China Limited (新世界百貨中國有限公司) (“**NWDSC**”) in respect of, amongst other things, the proposed voluntary conditional cash offer by UBS AG Hong Kong Branch (“**UBS**”) on behalf of the Offeror to acquire all the issued shares of NWDSC (other than those already held by the Offeror) (the “**Joint Announcement**”); (ii) the announcement dated 26 June 2017 jointly issued by the Offeror and NWDSC in respect of, amongst other things, the despatch of the Composite Document (as defined below); (iii) the composite offer and response document despatched to the NWDSC Offer Shareholders on 27 June 2017 (the “**Composite Document**”); (iv) the result announcement dated 18 July 2017 jointly issued by the Offeror and NWDSC in respect of, amongst other things, the level of acceptance on the first closing date (the “**First Closing Announcement**”); (v) the announcement dated 26 July 2017 issued by the Offeror in respect of, amongst other things, the level of acceptances on the date of the announcement (the “**Purchase Announcement**”); (vi) the announcement dated 1 August 2017 jointly issued by the Offeror and NWDSC in respect of, amongst other things, the level of acceptance on the second closing date (the “**Second Closing Announcement**”); and (vii) the announcement dated 15 August 2017 jointly issued by the Offeror and NWDSC in respect of, amongst other things, the level of acceptance on the third closing date (the “**Third Closing Announcement**”).

Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as defined in the Composite Document and all references to time and dates contained in this announcement are to Hong Kong time and dates.

FINAL OFFER PRICE AND NO PRICE INCREASE STATEMENT

As provided for in the Third Closing Announcement, the Offer Price will still remain at HK\$2.00 in cash per Offer Share. **The Offeror will not increase the Offer Price.**

HOW TO ACCEPT THE OFFER AND SETTLEMENT

In order to accept the Offer, please return the duly completed and signed Form of Acceptance and the relevant documents to the Registrar. For additional details, please refer to “Appendix I — Further Terms of the Offer” to the Composite Document.

As provided for in the Composite Document, payments in cash will be made within seven (7) Business Days following the later of: (i) the date on which the Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt of your complete and valid acceptance in respect of the Offer.

DEADLINE FOR ACCEPTANCE

As provided for in the Third Closing Announcement, the closing time and date of the Offer made by UBS for and on behalf of the Offeror is 4:00 p.m. on Monday, 28 August 2017 (the Final Closing Date). The Offer will close for acceptances at the mentioned time. The Offer will not be further extended after Monday, 28 August 2017 if the Offer shall not become unconditional on or before 4:00 p.m. on 28 August 2017.

WARNING

Shareholders, holders of securities and potential investors of the Offeror and NWDSC should also note that the Offeror has announced that the Offer will not be extended to another Closing Date if it has not become unconditional on or before 4:00 p.m. on Monday, 28 August 2017 and that the Offer Price will not be increased. Accordingly, NWDSC Offer Shareholders who are interested in accepting the Offer shall send in all the relevant documents to render acceptance under the Offer complete and valid in accordance with the Takeovers Code, the Composite Document and the relevant accompanying Form of Acceptance on or before 4:00 p.m. on Monday, 28 August 2017.

NWDSC Shareholders withdrawing their acceptances pursuant to Rule 17 of the Takeovers Code should note that the Offeror must, as soon as possible but in any event within 10 days after receipt of such withdrawal, post the share certificates lodged with acceptance forms to, or make such share certificates available for collection by, the relevant NWDSC Shareholders. As such, if a NWDSC Shareholder withdraws its acceptance and subsequently wishes to re-accept the Offer, it should note that it may not be able to do so on or before 4:00 p.m. on Monday, 28 August 2017.

Shareholders, holders of securities and potential investors of the Offeror and NWDSC should note that the Offer is subject to the satisfaction and/or waiver (where applicable) of the Conditions. Accordingly, the Offer may or may not become unconditional. Shareholders, holders of securities and potential investors of the Offeror and NWDSC should therefore exercise caution when dealing in the securities of the Offeror and NWDSC. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser(s).

Notice to NWDSC Offer Shareholders in the US: The Offer will not be submitted to the review or registration procedures of any regulator outside Hong Kong and has not been approved or recommended by any governmental securities regulator in the US. The Offer is being made for the securities of a Cayman Islands company and is subject to Hong Kong disclosure and procedural requirements, which are different from those of the US. The financial information included in the Composite Document has been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. The Offer will be made in the US pursuant to exemptions from some of the applicable US tender offer rules and otherwise in accordance with the requirements of the SFO. Accordingly, the Offer will be subject to disclosure and other procedural requirements of Hong Kong, including with respect to withdrawal rights, the timetable of the Offer, settlement procedures and the timing of payments that are different from those applicable under US domestic tender offer procedures and law.

By order of the board of directors of
New World Development Company Limited
(新世界發展有限公司)
Wong Man-Hoi
Company Secretary

By order of the board of directors of
New World Department Store China Limited
(新世界百貨中國有限公司)
Wu Yuk-Kwai, Catherine
Company Secretary

Hong Kong, 18 August 2017

As at the date hereof, the Offeror Board comprises (a) six executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, 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 the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the NWDSC Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of NWDSC) 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 statements in this announcement misleading.

As at the date hereof, the NWDSC Board comprises (a) two executive directors, namely Dr. Cheng Chi-Kong, Adrian and Mr. Cheung Fai-Yet, Philip; (b) three non-executive directors namely, Dr. Cheng Kar-Shun, Henry, Mr. Au Tak-Cheong and Ms. Ngan Man-Ying, Lynda; and (c) four independent non-executive directors, namely Mr. Cheong Ying-Chew, Henry, Mr. Chan Yiu-Tong, Ivan, Mr. Tong Hang-Chan, Peter and Mr. Yu Chun-Fai.

The directors of NWDSC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror Group but excluding the NWDSC Group for this purpose) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of the Offeror) 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 statements in this announcement misleading.