

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this announcement, make no representation as to their 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 is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of New World Department Store China Limited nor shall there be any sale, purchase or subscription for the securities of New World Department Store China Limited in any jurisdiction in which such offer, solicitation or sale would be in contravention of applicable law. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

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

Independent Financial Adviser to the NWDSC Independent Board Committee



To the NWDSC Offer Shareholders

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)

INTRODUCTION

Reference is made to the composite offer and response document in respect of the Offer jointly issued by New World Development Company Limited (the “**Offeror**”) and New World Department Store China Limited (“**NWDSC**”) on 27 June 2017 (the “**Composite Document**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

OFFER PRICE AND TIMING

The Offer is made by UBS on behalf of the Offeror to acquire all of the Offer Shares at the cash consideration of **HK\$2.00 per Offer Share**. According to the expected timetable of the Offer as set out in the Composite Document, the Offer will close for acceptances at 4:00 p.m. on 18 July 2017 (the first Closing Date), unless otherwise revised or extended in accordance with the Takeovers Code.

ACCEPTING THE OFFER

To accept the Offer, NWDSC Offer Shareholders should deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which they intend to accept under the Offer, by post or by hand, to the Registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong marked “New World Department Store China Limited — Offer” on the envelope so as to reach the Registrar as soon as possible but in any event by no later than 4:00 p.m. on 18 July 2017 or such later time and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

POSSIBLE COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING

Subject to compliance with the relevant requirements under section 88 of the Cayman Islands Companies Law, if the Offeror, before the close of the Offer, has received valid acceptances in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested NWDSC Shares, the Offeror intends to privatise NWDSC by exercising its right to compulsorily acquire those Offer Shares not acquired by the Offeror under the Offer. If the Offeror exercises such right and completes the compulsory acquisition, NWDSC will become a direct wholly owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the NWDSC Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Offer reaches the prescribed level under the Cayman Islands Companies Law required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied on the Closing Date, dealings in the NWDSC Shares will be suspended from the Closing Date up to the withdrawal of listing of the NWDSC Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

Should you require further information of the Offer or any assistance on the acceptance, please:

- refer to the Composite Document posted to you or at the following hyperlinks:
 1. <http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0626/LTN20170626644.pdf>;
 2. http://cms.nwd.com.hk/downloadIR/762/e_0017_composite%20doc_0.pdf; and
 3. http://www.nwds.com.hk/wp-content/files_mf/e05compositedocuments.pdf;
- consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser; or
- call the customer service hotline of the Registrar, Tricor Investor Services Limited, at +852 2980 1333 (for administrative matters only, such as dates, documentation and procedures; this hotline cannot and will not provide advice on the merits of the Offer or give financial or legal advice).

WARNING

Shareholders, holders of securities and potential investors of the Offeror and NWDSC should be aware 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.

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

2 July 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.