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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 joint 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

DESPATCH OF COMPOSITE DOCUMENT IN RELATION TO 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



DESPATCH OF COMPOSITE DOCUMENT

The Composite Document containing, amongst other things, (i) the expected timetable in respect of the Offer; (ii) the “Letter from UBS” setting out, amongst other things, details of the Offer; (iii) the “Letter from the NWDSC Independent Board Committee” setting out the recommendations of the NWDSC Independent Board Committee to the Independent NWDSC Shareholders in respect of the Offer; and (iv) the “Letter from the NWDSC Independent Financial Adviser” setting out the advice and recommendations of the Independent Financial Adviser to the NWDSC Independent Board Committee, together with the Form of Acceptance, will be despatched to the NWDSC Offer Shareholders on 27 June 2017 in accordance with the Takeovers Code.

The Offer is open for acceptance on and from Tuesday, 27 June 2017 and the latest time and date for acceptance of the Offer is 4:00 p.m. on Tuesday, 18 July 2017, unless otherwise revised or extended in accordance with the Takeovers Code.

WARNING

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).

INTRODUCTION

Reference is made to (i) the joint announcement dated 6 June 2017 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); and (ii) the composite offer and response document to be despatched to the NWDSC Offer Shareholders on 27 June 2017 (the “**Composite Document**”).

Unless the context requires otherwise, capitalised terms used in this joint announcement shall have the same meanings as defined in the Composite Document.

DESPATCH OF COMPOSITE DOCUMENT

The Composite Document containing, amongst other things, (i) the expected timetable in respect of the Offer; (ii) the “Letter from UBS” setting out, amongst other things, details of the Offer; (iii) the “Letter from the NWDSC Independent Board Committee” setting out the recommendations of the NWDSC Independent Board Committee to the Independent NWDSC Shareholders in respect of the Offer; and (iv) the “Letter from the NWDSC Independent Financial Adviser” setting out the advice and recommendations of the Independent Financial Adviser to the NWDSC Independent Board Committee, together with the Form of Acceptance, will be despatched to the NWDSC Offer Shareholders on 27 June 2017 in accordance with the Takeovers Code.

The Offer is open for acceptance on and from Tuesday, 27 June 2017 and the latest time and date for acceptance of the Offer is 4:00 p.m. on Tuesday, 18 July 2017, unless otherwise revised or extended in accordance with the Takeovers Code.

The NWDSC Offer Shareholders are advised to read the Composite Document (including the “Letter from the NWDSC Independent Board Committee” and the “Letter from the NWDSC Independent Financial Adviser”) and the Form of Acceptance before deciding whether or not to accept the Offer.

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, 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.

EXPECTED TIMETABLE OF THE OFFER

Set out below is the expected timetable of the Offer as extracted from the Composite Document. The timetable set out below is indicative only and is subject to changes. Further announcement(s) will be made jointly by the Offeror and NWDSC in the event of any changes to the timetable as and when appropriate.

Event	Date and Time
Despatch date of the Composite Document and the Form of Acceptance	Tuesday, 27 June 2017
Opening date of the Offer	Tuesday, 27 June 2017
First Closing Date (<i>Note 1</i>)	Tuesday, 18 July 2017
Latest time for acceptance of the Offer on the first Closing Date (<i>Note 2</i>)	4:00 p.m. on Tuesday, 18 July 2017
Announcement of the result of the Offer as at the first Closing Date, on the website of the Stock Exchange	No later than 7:00 p.m. on Tuesday, 18 July 2017
Latest date for despatch of cheques for payment of the amounts due under the Offer in respect of valid acceptances received on or before 4:00 p.m. on the first Closing Date, assuming that the Offer becomes or is declared unconditional on the first Closing Date (<i>Note 3</i>)	Thursday, 27 July 2017
Latest time and date for acceptance of the Offer assuming that the Offer becomes or is declared unconditional in all respects on the first Closing Date (<i>Note 4</i>)	4:00 p.m. on Tuesday, 1 August 2017
Latest time and date by which the Offer can become or be declared unconditional as to acceptances (<i>Note 5</i>)	7:00 p.m. on Monday, 28 August 2017

Notes:

- (1) The Offer will close for acceptances at 4:00 p.m. on Tuesday, 18 July 2017 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the Offer has not become unconditional on the first Closing Date, the Offeror will issue an announcement stating whether the Offer has lapsed or has been revised or extended to another Closing Date or until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to the NWDSC Offer Shareholders who have not accepted the Offer.
- (2) If you wish to accept the Offer, you should ensure your duly completed and signed Form of Acceptance and the relevant documents arrive at the Registrar by no later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage.

Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

All acceptances, instructions, authorisations and undertakings given by the NWDSC Offer Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

- (3) Payment of the consideration (after deducting the seller's ad valorem stamp duty) for the Offer Shares tendered for acceptance under the Offer will be posted by ordinary post to the NWDSC Offer Shareholders who accept the Offer at their own risk. Payment will be made as soon as possible, but in any event 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 the complete and valid acceptance in respect of the Offer, being the date of receipt by the Registrar of 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.
- (4) Pursuant to Rule 15.3 of the Takeovers Code, the final Closing Date should be no less than fourteen (14) days after the date on which the Offer becomes or is declared unconditional in all respects.
- (5) In accordance with the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day the Composite Document is posted. Accordingly, unless the Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Offer will lapse at 7:00 p.m. on Monday, 28 August 2017, being the next business day after the 60th day in accordance with Note 3 to the "Definitions" section in the Takeovers Code.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF THE OFFER AND/OR THE LATEST DATE FOR DESPATCH OF CHEQUES

If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning in force in Hong Kong:

- (1) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer and/or the latest date for despatch of cheques for the amounts due under the Offer in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques will remain on the same Business Day; or

- (2) at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and/or the latest date for despatch of cheques for the amounts due under the Offer in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day and/or the latest date for despatch of cheques will be rescheduled to the following Business Day.

All times and dates in this joint announcement, the Composite Document and the Form of Acceptance shall refer to Hong Kong time and dates.

WARNING

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, 26 June 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) three non-executive directors, namely Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter and Mr. Chen Guanzhan; 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 joint 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 joint 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 joint 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 joint announcement, the omission of which would make any statements in this joint announcement misleading.