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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

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)

- (1) LEVEL OF ACCEPTANCES ON THE SECOND CLOSING DATE;
(2) EXTENSION OF VOLUNTARY CONDITIONAL CASH OFFER;
AND
(3) NO PRICE INCREASE STATEMENT**

Sole Financial Adviser to the Offeror



UBS AG Hong Kong Branch

LEVEL OF ACCEPTANCES ON THE SECOND CLOSING DATE

As at 4:00 p.m. on the Second Closing Date, the Offeror had received valid acceptances in respect of 384,225,603 Offer Shares under the Offer, representing approximately 82.23% of the Offer Shares, approximately 82.25% of the Disinterested NWDSC Shares and approximately 22.79% of the issued share capital and voting rights of NWDSC as at the date of this announcement.

Of the 384,225,603 Offer Shares validly tendered for acceptances under the Offer:

- (1) 338,613,603 Offer Shares were tendered for acceptances by the Independent NWDSC Shareholders, representing approximately 72.49% of the Disinterested NWDSC Shares and approximately 20.08% of the issued share capital and voting rights of NWDSC as at the date of this announcement;
- (2) 112,000 Offer Shares were tendered for acceptances by the Offeror Concert Parties, representing approximately 0.01% of the issued share capital and voting rights of NWDSC as at the date of this announcement; and
- (3) 45,500,000 Offer Shares were purchased on market and were tendered for acceptances by the Offeror Concert Party as provided for in the Purchase Announcement, representing approximately 9.74% of the Offer Shares, approximately 2.70% of the issued share capital and voting rights of NWDSC and approximately 9.74% of the Disinterested NWDSC Shares.

As set out in the Joint Announcement and the Composite Document, the Offer shall be conditional, amongst others, on valid acceptance of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may decide, subject to the rules of the Takeovers Code) in respect of such number of NWDSC Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested NWDSC Shares. As the Offeror has not received valid acceptance in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested NWDSC Shares, such Condition has not been satisfied.

NO PRICE INCREASE STATEMENT

As provided for in the First Closing Announcement, UBS announces, for and on behalf of the Offeror, that the Offer Price will still remain at HK\$2 per Offer Share. The Offeror will not increase the Offer Price. NWDSC Offer Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price save in wholly exceptional circumstances, as provided in Rule 18.3 of the Takeovers Code.

EXTENSION OF OFFER PERIOD

The Offeror and NWDSC jointly announce that, pursuant to the Takeovers Code, the closing time and date of the Offer made by UBS for and on behalf of the Offeror will be extended from 4:00 p.m. on 1 August 2017 to 4:00 p.m. on Tuesday, 15 August 2017. All other terms of the Offer, as set out in the Composite Document and the Form of Acceptance, remain unchanged.

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**”); and (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**”).

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.

LEVEL OF ACCEPTANCES ON THE SECOND CLOSING DATE

As at 4:00 p.m. on 1 August 2017 (the “**Second Closing Date**”), the Offeror had received valid acceptances in respect of 384,225,603 Offer Shares under the Offer, representing approximately 82.23% of the Offer Shares, approximately 82.25% of the Disinterested NWDSC Shares and approximately 22.79% of the issued share capital and voting rights of NWDSC as at the date of this announcement.

Of the 384,225,603 Offer Shares validly tendered for acceptances under the Offer:

- (1) 338,613,603 Offer Shares were tendered for acceptances by the Independent NWDSC Shareholders, representing approximately 72.49% of the Disinterested NWDSC Shares and approximately 20.08% of the issued share capital and voting rights of NWDSC as at the date of this announcement;
- (2) 112,000 Offer Shares were tendered for acceptances by the Offeror Concert Parties, representing approximately 0.01% of the issued share capital and voting rights of NWDSC as at the date of this announcement; and
- (3) 45,500,000 Offer Shares were purchased on market and were tendered for acceptances by the Offeror Concert Party as provided for in the Purchase Announcement, representing approximately 9.74% of the Offer Shares, approximately 2.70% of the issued share capital and voting rights of NWDSC and approximately 9.74% of the Disinterested NWDSC Shares.

As set out in the Joint Announcement and the Composite Document, the Offer shall be conditional, amongst others, on valid acceptance of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may decide, subject to the rules of the Takeovers Code) in respect of such number of NWDSC Shares which would result in the Offeror holding at least 90% of the Offer Shares with the further proviso that, within that holding, the Offeror would also hold at least 90% of the Disinterested NWDSC Shares. As the Offeror has not received valid acceptance in respect of not less than 90% of the Offer Shares and not less than 90% of the Disinterested NWDSC Shares, such Condition has not been satisfied.

INTERESTS OF THE OFFEROR AND THE OFFEROR CONCERT PARTIES IN NWDSC SHARES

Immediately before the commencement of the Offer Period, the total number of, and rights over, NWDSC Shares that the Offeror and the Offeror Concert Parties held, controlled or directed was 1,219,012,000 NWDSC Shares, representing approximately 72.30% of the issued share capital and voting rights of NWDSC as at the date of this announcement.

Save for the acceptances of the Offer described in the paragraph headed “Level of Acceptances on the Second Closing Date” above and the purchase of the NWDSC Shares made by the Offeror Concert Party as provided for in the Purchase Announcement, during the Offer Period and up to the date of this announcement, neither the Offeror nor any of the Offeror Concert Parties has acquired or agreed to acquire any NWDSC Shares or rights over NWDSC Shares.

Neither the Offeror nor any of the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of NWDSC during the Offer Period and up to the date of this announcement, save for any borrowed NWDSC Shares which have been either on-lent or sold.

NO PRICE INCREASE STATEMENT

As provided for in the First Closing Announcement, UBS announces, for and on behalf of the Offeror, that the Offer Price will still remain at HK\$2 per Offer Share. The Offeror will not increase the Offer Price. NWDSC Offer Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Offer Price save in wholly exceptional circumstances, as provided in Rule 18.3 of the Takeovers Code.

EXTENSION OF OFFER PERIOD

The Offeror and NWDSC jointly announce that, pursuant to the Takeovers Code, the closing time and date of the Offer made by UBS for and on behalf of the Offeror will be extended from 4:00 p.m. on 1 August 2017 to 4:00 p.m. on Tuesday, 15 August 2017. All other terms of the Offer, as set out in the Composite Document and the Form of Acceptance, remain unchanged. The revised timetable in respect of the Offer is set out below:

Event	Hong Kong Time
Latest time for acceptances of the Offer ^(Note 1)	4:00 p.m. on Tuesday, 15 August 2017
Closing Date ^(Note 2)	Tuesday, 15 August 2017
Announcement of the result of the Offer (or its further extension or revision, if any) to be published on the website of the Stock Exchange	No later than 7:00 p.m. on Tuesday, 15 August 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 Closing Date, assuming that the Offer becomes or is declared unconditional on the Closing Date ^(Note 3)	Thursday, 24 August 2017
Latest time and date by which the Offer can become or be declared unconditional as to acceptances ^(Note 4) 7:00 p.m. on Monday, 28 August 2017	
Latest time and date for acceptances of the Offer assuming that the Offer becomes or is declared unconditional in all respects on the Closing Date ^(Note 5)	4:00 p.m. on Friday, 27 October 2017

Notes:

1. 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.

2. The Offer will close for acceptances at 4:00 p.m. on Tuesday, 15 August 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 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.

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. 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.
5. 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. Assuming that the Offer becomes or is declared unconditional in all respects on the Closing Date, the Offeror intends to extend the period for acceptance of the Offer until Friday, 27 October 2017, which ties to the timing requirements regarding the exercise of compulsory acquisition rights under the Cayman Islands Companies Law.

Effect of Bad Weather on the Latest Time for Acceptances 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 acceptances 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 acceptances 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 acceptances 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 acceptances 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.

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, 1 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.