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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 (新世界發展有限公司), you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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# 新世界發展有限公司

## New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

### PROPOSED SHARE CONSOLIDATION AND NOTICE OF EGM

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 8 to 15 of this circular.

A notice convening the EGM to be held at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 19 June 2020 at 11:45 a.m. (or as soon thereafter as the First EGM shall have been concluded or adjourned) is set out on pages 16 to 18 of this circular. A proxy form is also enclosed. Whether or not you are able to attend the EGM or any adjourned meeting in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon and deposit it with the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

#### PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

**In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the Shareholders, the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified above, instead of attending the EGM in person.**

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## PRECAUTIONARY MEASURES FOR THE EGM

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The health of the Shareholders, staff and stakeholders of the Company is of paramount importance to us. To prevent and control the spread of the COVID-19, the Company will implement the following at the EGM as part of the control measures to safeguard the health and safety of our attending Shareholders, staff and stakeholders of the Company:

- (1) Compulsory body temperature checks will be conducted for every attendee at the entrance of the EGM venue. Any person who has a body temperature of over 37.5 degrees Celsius or is subject to the mandatory quarantine order imposed by the Hong Kong government will be denied entry into or be required to leave the EGM venue.
- (2) Every attendee must wear a surgical face mask throughout the EGM and inside the EGM venue. **Please note that no masks will be provided at the EGM venue and attendees should bring and wear their own masks.**
- (3) The Company will maintain a safe distance between seats.
- (4) No refreshments or beverages will be served.
- (5) No distribution of coupons for subsequent consumption.

In addition, the Company would like to remind all attending Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. The Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and return the proxy forms to the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be).

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. The Shareholders should check the Company's website ([www.nwd.com.hk](http://www.nwd.com.hk)) or the HKEXnews' website ([www.hkexnews.hk](http://www.hkexnews.hk)) for any future announcements and updates on the EGM arrangements.

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## DEFINITIONS

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

“ADS(s)”	American depository share(s) of the Company, each of which represents 2 shares of the Company before the Share Consolidation becomes effective;
“Board”	board of Directors;
“Business Day”	a day (other than public holiday, a Saturday or Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which banks in Hong Kong are generally open for business and the Stock Exchange is open for business of dealing in securities;
“Cash Payment”	cash payment to be made by the Company to the Shareholders in respect of the fractional Consolidated Share to which they would otherwise be entitled, as further described in the section headed “2. Proposed Share Consolidation — Fractional entitlement to the Consolidated Shares” in “Letter from the Board” of this circular;
“CCASS”	Central Clearing and Settlement System established and operated by the HKSCC;
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0017);
“Consolidated Share(s)”	share(s) of the Company immediately after the Share Consolidation becoming effective;
“Directors”	directors of the Company;
“EGM”	extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, the Share Consolidation;
“Existing Share(s)”	share(s) of the Company before the Share Consolidation becoming effective;
“Existing Share Certificate”	share certificate for the Existing Shares;

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## DEFINITIONS

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“First EGM”	another extraordinary general meeting of the Company to be convened at the same place and on the same date as the EGM at 11:30 a.m. for the purpose of considering and, if thought fit, approving the entering into of the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps (as defined and disclosed in another circular of the Company also dated 1 June 2020);
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	25 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Committee”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Certificate”	share certificate for the Consolidated Shares;
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be;
“Share Consolidation”	the proposed share consolidation on the basis that every four (4) issued Existing Shares be consolidated into one (1) Consolidated Share and the number of the Consolidated Shares in the issued share capital of the Company be rounded down to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom;
“Shareholder(s)”	holder(s) of the Existing Shares or the Consolidated Shares, as the case may be;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“U.S.”	the United States of America;
“2006 Share Option(s)”	the option(s) to subscribe for new shares of the Company granted under the 2006 Share Option Scheme;

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## DEFINITIONS

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“2006 Share Option Scheme”	the share option scheme adopted by the Company on 24 November 2006;
“2016 Share Option(s)”	the option(s) to subscribe for new shares of the Company granted under the 2016 Share Option Scheme; and
“2016 Share Option Scheme”	the share option scheme adopted by the Company on 22 November 2016.

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## EXPECTED TIMETABLE

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*The expected timetable for the implementation of the Share Consolidation is as follows:*

<b>Event</b>	<b>Time and Date</b>
Despatch date of circular with notice of the EGM . . . . .	Monday, 1 June 2020
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM. . . . .	4:30 p.m. on Monday, 15 June 2020
Closure of register of members for the entitlement to attend and vote at the EGM. . . . .	Tuesday, 16 June 2020 to Friday, 19 June 2020 (both days inclusive)
Latest date and time for lodging forms of proxy for the EGM. . . . .	11:45 a.m. on Wednesday, 17 June 2020
Record date for attending the EGM . . . . .	Friday, 19 June 2020
Date and time of the EGM . . . . .	11:45 a.m. on Friday, 19 June 2020 (or as soon thereafter as the First EGM shall have been concluded or adjourned)
Announcement of voting results of the EGM. . . . .	Friday, 19 June 2020
<b>The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation</b>	
Effective date of the Share Consolidation . . . . .	Tuesday, 23 June 2020
First day for free exchange of Existing Share Certificates for New Share Certificates . . . . .	Tuesday, 23 June 2020
Dealings in the Consolidated Shares commence . . . . .	9:00 a.m. on Tuesday, 23 June 2020
Original counter for trading in the Existing Shares in board lots of 1,000 Existing Shares (in the form of Existing Share Certificates) temporarily closes . . . . .	9:00 a.m. on Tuesday, 23 June 2020

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## EXPECTED TIMETABLE

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Event	Time and Date
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of Existing Share Certificates) opens . . . . .	9:00 a.m. on Tuesday, 23 June 2020
Original counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of New Share Certificates) re-opens. . . . .	9:00 a.m. on Thursday, 9 July 2020
Parallel trading in the Consolidated Shares (in the form of New Share Certificates and Existing Share Certificates) commences . . . . .	9:00 a.m. on Thursday, 9 July 2020
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . .	9:00 a.m. on Thursday, 9 July 2020
Date of despatch of cheques for the Cash Payment . . . . .	Tuesday, 14 July 2020
Temporary counter for trading in the Consolidated Shares in board lots of 250 Consolidated Shares (in the form of Existing Share Certificates) closes . . . . .	4:10 p.m. on Wednesday, 29 July 2020
Parallel trading in the Consolidated Shares (in the form of New Share Certificates and Existing Share Certificates) ends . . . . .	4:10 p.m. on Wednesday, 29 July 2020
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . .	4:10 p.m. on Wednesday, 29 July 2020
Last day for free exchange of Existing Share Certificates for New Share Certificates . . . . .	Friday, 31 July 2020

All times and dates in this circular refer to Hong Kong local times and dates. The Shareholders should note that the dates and deadlines specified in this circular for events in the expected timetable for the Share Consolidation are subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the EGM, and are therefore for indicative purpose only.

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## EXPECTED TIMETABLE

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In the event that any special circumstances arise, the Board may extend, or make adjustments to, the expected timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

*Executive Directors:*

Dr. Cheng Kar-Shun, Henry, *GBM GBS*

(Chairman)

Dr. Cheng Chi-Kong, Adrian, *JP*

(Executive Vice-chairman and Chief Executive Officer)

Mr. Cheng Chi-Heng

Ms. Cheng Chi-Man, Sonia

Mr. Sitt Nam-Hoi

Ms. Huang Shaomei, Echo

Ms. Chiu Wai-Han, Jenny

*Registered office:*

30th Floor,

New World Tower,

16–18 Queen's Road Central,

Hong Kong

*Non-executive Directors:*

Mr. Doo Wai-Hoi, William, *JP*

(Non-executive Vice-chairman)

Mr. Cheng Kar-Shing, Peter

Ms. Ki Man-Fung, Leonie, *GBS SBS JP*

*Independent non-executive Directors:*

Mr. Yeung Ping-Leung, Howard

Mr. Cha Mou-Sing, Payson, *JP*

Mr. Cha Mou-Zing, Victor

(Alternate director to Mr. Cha Mou-Sing, Payson)

Mr. Ho Hau-Hay, Hamilton

Mr. Lee Luen-Wai, John, *BBS JP*

Mr. Liang Cheung-Biu, Thomas

Mr. Ip Yuk-Keung

1 June 2020

*To the Shareholders and, for information purposes only,  
the holders of the outstanding share options of the Company*

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION  
AND  
NOTICE OF EGM**

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

Reference is made to the announcement of the Company dated 27 April 2020 in relation to the proposed Share Consolidation.

The purpose of this circular is to provide you with further information regarding, among other things, (i) the Share Consolidation; and (ii) the notice of EGM.

### 2. PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued Existing Shares be consolidated into one (1) Consolidated Share and the number of the Consolidated Shares in the issued share capital of the Company be rounded down to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom.

#### **Effects of the Share Consolidation**

As at the Latest Practicable Date, 10,185,708,392 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or bought back from the Latest Practicable Date until the effective date of the Share Consolidation, not more than 2,546,427,098 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation and the payment to be made to the Shareholders in relation to fractional Consolidated Shares to which they would otherwise be entitled as mentioned in the paragraph headed “Fractional entitlement to the Consolidated Shares” below, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders would otherwise be entitled.

#### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

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## LETTER FROM THE BOARD

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Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is currently expected to be Tuesday, 23 June 2020, being the second Business Day immediately after the date of the EGM.

### **Listing application**

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by the HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by the HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by the HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought. American Depositary Receipt facility has been established to trade the Shares in the form of ADSs in the U.S. over-the-counter market, as described further below. No other equity or debt securities of the Company are listed or dealt in on any other stock exchange nor listing or permission to deal on any other stock exchange is being or is proposed to be sought.

### **Fractional entitlement to the Consolidated Shares**

**Fractional Consolidated Shares will be disregarded and will not be allocated to the Shareholders. Instead, as a token of appreciation for their support over the years, the Board has decided that subject to the Share Consolidation becoming effective, the Company will pay each such Shareholder whose name appears on the register of members of the Company at 8:00 a.m. on the effective date of the Share Consolidation a Cash Payment of a sum equivalent to the closing price per Consolidated Share on the Stock Exchange on the effective date of the Share Consolidation multiplied by a fraction same as the fraction of the Consolidated Share to which such Shareholder would otherwise be entitled.** Fractional Consolidated Shares which would otherwise arise would be determined based on the entire shareholding of a holder of the Existing Shares of the Company regardless of the number of share certificates held by such holder. Any investor whose Shares are maintained with its/his/her licensed securities dealer/custodian bank through CCASS or have been lodged with its/his/her Investor

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## LETTER FROM THE BOARD

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Participant Account with CCASS or otherwise held through a nominee should note that HKSCC Nominees Limited or the relevant nominee (as the case may be) will be regarded as a single Shareholder according to the register of members of the Company.

Any Shareholder concerned about losing out on any fractional entitlement to which it/he/she would otherwise be entitled and/or any investor whose Shares are not held in its/his/her own name concerned about losing out on the Cash Payment mentioned in the preceding paragraph which it/he/she would be entitled to receive had its/his/her Shares been registered in its/his/her own name are recommended to consult its/his/her licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares and/or arrange for the Shares to be registered in its/his/her own name (as the case may be).

### **Arrangement on odd lots trading**

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Halcyon Securities Limited to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9 a.m. on Thursday, 9 July 2020 to 4:10 p.m. on Wednesday, 29 July 2020 (both days inclusive). Any Shareholder who wishes to use this matching service should contact Mr. Hin Ng of Halcyon Securities Limited at 11/F, 8 Wyndham Street, Central, Hong Kong, or at the telephone number (852) 3970 0966 during office hours of such period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots trading arrangement is recommended to consult its/his/her own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 23 June 2020, being the second Business Day immediately after the date of the EGM, the Shareholders may during the business hours, on or after Tuesday, 23 June 2020 and until Friday, 31 July 2020 (both days inclusive) submit Existing Share Certificates in the colour of pink to the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for New Share Certificates in the colour of blue at the expense of the Company.

Thereafter, the Existing Share Certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each Existing Share Certificate submitted for cancellation or each New Share Certificate issued, whichever the number of share certificates cancelled/issued is higher.

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## LETTER FROM THE BOARD

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It is expected that the New Share Certificates in the colour of blue will be available for collection 10 Business Days after the submission of the Existing Share Certificates in the colour of pink to the Company's share registrar for exchange.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Wednesday, 29 July 2020, trading will only be in the Consolidated Shares and Existing Share Certificates will only remain effective as documents of title and may be exchanged for New Share Certificates at any time but will not be accepted for delivery, trading and settlement purposes.

### **Adjustments in relation to other securities of the Company**

#### *Share Options*

As at the Latest Practicable Date, the Company has outstanding 2006 Share Options entitling the holders thereof to subscribe for a total of 10,773,618 Existing Shares and outstanding 2016 Share Options entitling the holders thereof to subscribe for a total of 108,125,000 Existing Shares. As the exercisable period of the said outstanding 2006 Share Options ends on a date prior to the date on which the Share Consolidation is expected to become effective, there shall be no outstanding 2006 Share Options on the effective date of the Share Consolidation. Under the terms and conditions of the 2016 Share Option Scheme, the Share Consolidation may lead to adjustments to the number of Shares subject to the 2016 Share Option so far as unexercised and/or the exercise price.

The Company will make further announcement(s) on such adjustments as and when appropriate.

#### *American Depositary Shares*

As at the Latest Practicable Date, American Depositary Receipt facility has been established to trade Shares in the form of ADSs in the U.S. over-the-counter market with each ADS represents two (2) Existing Shares. Upon approval of the proposed Share Consolidation at the EGM, the Company intends to effect a simultaneous change to the ratio of ADSs to Shares so that two (2) ADSs will represent one (1) Consolidated Share. The Company will make separate arrangements with its depository, Deutsche Bank Trust Company Americas, in this regard.

Save as disclosed above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### Reasons for the Share Consolidation

The Group has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimisation to create values. The Board believes that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares and will make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors in order to optimise the Shareholder base. When deciding to invest in any particular company, institutional and professional investors tend to look at, among other factors, the stability of the share price performance and how it compares with its peers in a particular sector, including its per share price and how much a board lot worth. It is also generally believed that how much a board lot worth is to be inversely correlated to share price volatility and benchmarking Hong Kong major peers in various factors will naturally be more appealing to investors. Therefore, the Board believes that an upward adjustment in the trading price of the Consolidated Shares will make investing in the Consolidated Shares more attractive to a broader range of institutional and professional investors.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders save for any fractional Consolidated Shares to which the Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation is justifiable notwithstanding the potential costs and impact arising from creation of odd lots to the Shareholders. Accordingly, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

**The Group is financially strong and healthy. It is expected that no equity fund raising is necessary for the Company in the foreseeable future.**

As at the date of this circular, the Company does not intend to carry out within the next 12 months (i) any equity fund raising or (ii) any consolidation or subdivision of Shares or change in board lot size for trading in the Shares, which will have an effect of undermining the intended purpose of the Share Consolidation.

### 3. NO CHANGE IN BOARD LOT SIZE

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 1,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 1,000 Consolidated Shares.

Based on the closing price of HK\$7.94 per Existing Share (equivalent to the theoretical closing price of HK\$31.76 per Consolidated Share) as at the Latest Practicable Date, (i) the value of each board lot of the Existing Shares is HK\$7,940.00; and (ii) the value of each board lot of 1,000 Consolidated Shares would be HK\$31,760.00 assuming the Share Consolidation had been effective.

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## LETTER FROM THE BOARD

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### 4. EGM

The Company will convene and hold the EGM at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 19 June 2020 at 11:45 a.m. (or as soon thereafter as the First EGM shall have been concluded or adjourned) to consider and, if though fit, approve the Share Consolidation. A notice of EGM is set out on pages 16 to 18 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has a material interest in the Share Consolidation. Accordingly, no Shareholder is required to abstain from voting on the ordinary resolution at the EGM.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the EGM will direct that the proposed resolution set out in the notice convening the EGM be voted by poll, except where the chairman of the EGM, acting in good faith, decides to allow a resolution which relates to a purely procedural or administrative matter to be voted on by a show of hands.

After the conclusion of the EGM, the results of the poll will be released on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.nwd.com.hk](http://www.nwd.com.hk).

A proxy form for use in connection with the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.

Completion and return of the proxy form shall not preclude you from attending and voting at the EGM or any adjournment thereof if you so wish.

The register of members of the Company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the EGM, all Share transfers accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 June 2020.

### 5. RECOMMENDATION

The Board considers that the Share Consolidation is in the interest of the Company and its Shareholders as a whole and therefore recommends that all Shareholders vote in favour of the relevant resolution to be proposed at the EGM.

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## LETTER FROM THE BOARD

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### 6. RESPONSIBILITY STATEMENT

This circular, 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 enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 herein or this circular misleading.

Yours faithfully,  
By order of the Board  
**Wong Man-Hoi**  
*Company Secretary*



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of New World Development Company Limited (新世界發展有限公司) (the “**Company**”) will be held at Meeting Room N201 (Expo Drive Entrance), Level 2, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Friday, 19 June 2020 at 11:45 a.m. (or as soon thereafter as another extraordinary general meeting of the Company to be convened at the same place and on the same date as the EGM at 11:30 a.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

“**THAT** subject to the fulfilment of all the conditions (the “**Conditions**”) set out in the section headed “2. Proposed Share Consolidation — Conditions of the Share Consolidation” in the circular of the Company dated 1 June 2020 (the “**Circular**”), a copy of which has been tabled at the Meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification:

- (a) with effect from the second Business Day (as such term is defined in the Circular) immediately following the date on which this resolution is passed or the Conditions are fulfilled (whichever is the later):
  - (i) every four (4) issued shares of the Company be consolidated into one (1) share of the Company (each a “**Consolidated Share**”) and the number of the Consolidated Shares be rounded down to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise (the “**Share Consolidation**”);
  - (ii) no shareholder of the Company will be allocated with any fractional Consolidated Shares which they would otherwise be entitled to receive and are disregarded pursuant to paragraph (a)(i) of this resolution, but instead each shareholder of the Company concerned will be paid a sum equivalent to the closing price per Consolidated Share on The Stock Exchange of Hong Kong Limited on the effective date of the Share Consolidation multiplied by a fraction same as the fraction of the Consolidated Share to which such shareholder of the Company would otherwise be entitled;
  - (iii) all of the Consolidated Shares shall rank *pari passu* in all respects with each other; and

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- (b) the directors of the Company (“**Directors**”) and such person or persons authorised by the Directors be and are hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under seal where applicable, on behalf of the Company, as they shall, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

By order of the Board  
**Wong Man-Hoi**  
*Company Secretary*

Hong Kong, 1 June 2020

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or (if he is a holder of two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s share registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time appointed for the meeting or any adjournment thereof (as the case may be).
- (3) Delivery of an instrument appointing a proxy should not preclude member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share, any one of such joint holders may vote at the above meeting, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) The register of members of the Company will be closed from Tuesday, 16 June 2020 to Friday, 19 June 2020, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the above meeting, all share transfers accompanied by the relevant share certificates, must be lodged with the Company’s share registrar, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 June 2020.
- (6) Voting on the above resolution will be taken by poll.
- (7) If a tropical cyclone warning signal number 8 or above is in force in Hong Kong at any time between 7:45 a.m. to 11:45 a.m. on the date of the meeting, the meeting will be automatically postponed to a later date and/or time as determined by the Company. The Company will publish an announcement on its corporate website ([www.nwd.com.hk](http://www.nwd.com.hk)) and the HKEXnews’ website ([www.hkexnews.hk](http://www.hkexnews.hk)) to notify members of the Company of the date, time and location of the rescheduled meeting.
- (8) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

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- (9) As at the date of this notice, the Board of Directors of the Company comprises (a) seven Executive Directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Huang Shaomei, Echo and Ms. Chiu Wai-Han, Jenny; (b) three Non-executive Directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter and Ms. Ki Man-Fung, Leonie; and (c) six 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, Mr. Liang Cheung-Biu, Thomas and Mr. Ip Yuk-Keung.

### PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of the Circular for the measures being taken to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- (1) Compulsory body temperature check
- (2) Compulsory wearing of surgical face mask
- (3) Maintaining a safe distance between seats
- (4) No provision of refreshments or beverages
- (5) No distribution of coupons for subsequent consumption

Any person who does not comply with the precautionary measures will be denied entry into or be required to leave the EGM venue.

**In light of the continuing risks posed by the COVID-19 and as part of the Company's control measures to safeguard the health and safety of the shareholders of the Company (the "Shareholders"), the Company strongly encourages the Shareholders to exercise their right to vote at the EGM by appointing the chairman of the EGM as their proxy and to return their proxy forms by the time specified in note 2 above, instead of attending the EGM in person.**