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(Stock Code: 0017)

## PROPOSED SHARE CONSOLIDATION

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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 to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

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.

### GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, details of the Share Consolidation and a notice convening the EGM is expected to be despatched to the Shareholders on or before Monday, 1 June 2020.

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

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in the main text below of this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

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

As at the date of this announcement, 10,168,401,658 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 date of this announcement until the effective date of the Share Consolidation, not more than 2,542,100,414 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 Shareholders in relation to fractional Consolidated Shares to which they would otherwise be entitled as mentioned in the paragraph headed “Fractional entitlement to 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 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.

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 will be 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 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 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 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.

## **Fractional entitlement to 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 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 Share 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 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.

Shareholders concerned about losing out on fractional entitlement to which they would otherwise be entitled and/or any investor whose Shares are not held in its/his/her own name concerned about losing out on payment mentioned in the preceding paragraph which they would be entitled to receive had such Shares been registered in its/his/her own name are recommended to consult their 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 will appoint a securities firm 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. Details of the odd lots trading arrangement will be set out in the circular of the Company.

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. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their 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 for the Existing Shares to the Company's share registrar and transfer office in Hong Kong, 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 for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares 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 share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Wednesday, 29 July 2020, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares 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 date of this announcement, the Company has outstanding 2006 Share Options entitling the holders thereof to subscribe for a total of 30,365,352 Existing Shares and outstanding 2016 Share Options entitling the holders thereof to subscribe for a total of 109,725,000 Existing Shares. Under the respective terms and conditions of the 2006 Share Option Scheme and the 2016 Share Option Scheme, the Share Consolidation may lead to adjustments to the number of Shares subject to the 2006 Share Option and/or 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 date of this announcement, 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 date of this announcement.

### **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.

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 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 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.**

### **EXPECTED TIMETABLE**

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

**The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation**

Effective date of the Share Consolidation ..... Tuesday, 23 June 2020

First day for free exchange of existing share certificates for  
new share certificates for the Consolidated Shares.....Tuesday, 23 June 2020

Dealings in the Consolidated Shares commences.....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

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 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

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 Consolidated Shares (in 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 for the Consolidated  
Shares ..... Friday, 31 July 2020

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

## **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\$9.02 per Existing Share (equivalent to the theoretical closing price of HK\$36.08 per Consolidated Share) as at the date of this announcement, (i) the value of each board lot of the Existing Shares is HK\$9,020.00; and (ii) the value of each board lot of 1,000 Consolidated Shares would be HK\$36,080.00 assuming the Share Consolidation had been effective.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and a notice convening the EGM will be despatched to the Shareholders on or before Monday, 1 June 2020. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“ADS(s)”	American depositary share(s) of the Company, each of which represents 2 shares of the Company before the Share Consolidation becomes effective;
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“Board”	the 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;
“CCASS”	the 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”	the directors of the Company;
“EGM”	the 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 becomes effective;
“First EGM”	another extraordinary general meeting of the Company to be convened at the same place and on the same date as the EGM 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 the announcement of the Company dated 24 April 2020);
“Group”	the Company and its subsidiaries from time to time;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange;
“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 to round down the number of Consolidated Shares in the issued share capital of the Company 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;
“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.

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

Hong Kong, 27 April 2020

*As at the date of this announcement, the Board of the Company comprises (a) five executive directors, namely Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia, and Mr. Sitt Nam-Hoi; (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*