
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

A copy of each of the Prospectus Documents and the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of these documents. You should read the whole of this Prospectus including the discussions of certain risks and other factors as set out in the sub-section headed "Warning of the risks of dealing in Shares and Rights Shares" under the section headed "Letter from the Board" in this Prospectus.

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS operated by HKSCC and you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

If you have sold or transferred all of your Shares, you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The securities described herein have not been, and will not be, registered under the US Securities Act, or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable state or local securities laws. There is no intention to register any portion of the Rights Issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

This Prospectus may not be circulated, distributed, forwarded, delivered or redistributed, electronically or otherwise, to persons within the United States, and may not be relied upon as a basis for any investment decision or for any other purpose by any person within the United States.

The Rights Shares in both their nil-paid and fully-paid forms are being offered outside the United States in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of the nil-paid Rights Shares or fully-paid Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the nil-paid Rights Shares or fully-paid Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.



New World China Land Limited

新世界中國地產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 917)

RIGHTS ISSUE OF 2,881,306,455 RIGHTS SHARES AT HK\$1.49 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

Sole Underwriter of the Rights Issue



新世界發展有限公司

New World Development Company Limited

Joint Coordinators to New World China Land Limited

(in alphabetical order)



The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on the Acceptance Date. The procedure for acceptance and payment or transfer of the Rights Shares is set out on pages 16 to 17 of this Prospectus. The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by giving notice to the Company to terminate the obligations of the Underwriter thereunder at any time prior to the Latest Time for Termination on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 8 to 10 of this Prospectus.

If the Underwriter exercises such right of termination, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement) shall cease and terminate immediately and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches) provided that the Company shall remain liable to pay the Underwriter costs, fees and expenses in accordance with the Underwriting Agreement.

It should also be noted that the Shares have been dealt in on an ex-rights basis from Monday, 28 November 2011 and that the Rights Shares are expected to be dealt in their nil-paid form from Wednesday, 7 December 2011 to Wednesday, 14 December 2011 (both days inclusive). Any dealings in the Shares from now up to the date on which all conditions to which the Rights Issue is subject are required to be fulfilled (which is expected to be on Thursday, 22 December 2011), or any dealings in the Rights Shares in their nil-paid form from Wednesday, 7 December 2011 to Wednesday, 14 December 2011 (both days inclusive), are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors in the Company should therefore exercise caution when dealing in the Shares or the Rights Shares in their nil-paid form, and if they are in any doubt about their position, they should consult their professional advisers.

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DEFINITIONS

In the Prospectus, unless the context otherwise requires, the following expressions have the meanings respectively set opposite to them:

| | |
|---------------------------|---|
| “Acceptance Date” | Monday, 19 December 2011, being the last day for acceptance of the offer of and payment for the Rights Shares |
| “AGM” | the annual general meeting of the Company held on Tuesday, 22 November 2011, the circular and notice of meeting of which were issued and despatched to the Shareholders on Saturday, 15 October 2011, and the results of which were announced on Tuesday, 22 November 2011 |
| “Announcement” | the announcement of the Company dated 18 October 2011 relating to the Rights Issue |
| “associate” | has the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors or a duly authorised executive committee thereof |
| “Business Day” | any day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning is in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks are open for ordinary business in Hong Kong |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Committed Shares” | the 1,988,238,457 Rights Shares which NWD has irrevocably undertaken to accept and procure Easywin to accept pursuant to the Underwriting Agreement |
| “Companies Ordinance” | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended and supplemented from time to time |
| “Company” | New World China Land Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange |
| “controlling shareholder” | has the meaning ascribed thereto in the Listing Rules |

DEFINITIONS

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| “Convertible Bonds” | the US Dollar Settled Zero Coupon Guaranteed Convertible Bonds due 2012 of an aggregate principal amount of RMB2,800,000,000 issued by the Convertible Bonds Issuer on 11 June 2007 and 28 June 2007 and guaranteed by the Company (of which an aggregate principal amount of RMB2,218,800,000 and RMB268,000,000 have been redeemed or repurchased by the Group respectively) (Stock Name: NWCLFL B1206) (Stock Code: 1517) |
| “Convertible Bonds Issuer” | New World China Land Finance Limited, a wholly-owned subsidiary of the Company |
| “Director(s)” | the director(s) of the Company |
| “EAF(s)” | the form(s) of application for excess Rights Shares issued in connection with the Rights Issue |
| “Easywin” | Easywin Enterprises Corporation Limited, a wholly-owned subsidiary of NWD |
| “Group” | the Company and its subsidiaries |
| “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 PRC |
| “HSBC” | The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO, and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) |
| “Joint Coordinators” | HSBC and SCB (in alphabetical order) |
| “Last Closing Price” | the closing price of HK\$2.24 per Share as quoted on the Stock Exchange on the Last Trade Day |
| “Last Trade Day” | Monday, 17 October 2011, being the last full trading day for the Shares before the release of the Announcement |
| “Latest Practicable Date” | Friday, 2 December 2011, being the latest practicable date prior to the printing of the Prospectus for the purpose of ascertaining certain information contained herein |

DEFINITIONS

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| “Latest Time for Termination” | 5:00 p.m. on the third Business Day after the Acceptance Date |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Non-Qualifying Shareholder(s)” | Overseas Shareholder(s) in respect of whom, the Directors, based on legal advice(s) provided by legal adviser(s) in the relevant jurisdiction(s), consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “NWD” or “Underwriter” | New World Development Company Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange and which is the controlling shareholder of the Company |
| “Overseas Shareholder(s)” | Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong |
| “PAL(s)” | the provisional allotment letter(s) issued in connection with the Rights Issue |
| “PRC” or “China” | the People’s Republic of China, which for the purpose of the Prospectus excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan |
| “Prospectus” | this prospectus issued by the Company for the Rights Issue |
| “Prospectus Documents” | this Prospectus, PAL and EAF |
| “Qualifying Shareholder(s)” | Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company on the Record Date |
| “Record Date” | Friday, 2 December 2011, the date by reference to which entitlements of the Qualifying Shareholders to subscribe for the Rights Shares were determined |
| “Registrar” | Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong |
| “Rights Issue” | the issue by way of rights of one Rights Share for every two Shares held on the Record Date at the Subscription Price |
| “Rights Shares” | 2,881,306,455 new Shares to be allotted and issued under the Rights Issue |

DEFINITIONS

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|--------------------------|--|
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SCB” | Standard Chartered Securities (Hong Kong) Limited, a licensed corporation under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (Asset Management) regulated activities as defined under the SFO |
| “SFC” | the Securities and Futures Commission in Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Share Option(s)” | the option(s) to subscribe for Share(s) granted under the Share Option Scheme or any other scheme(s) of the Company, including the share option scheme adopted by the Company on 22 November 2011 |
| “Share Option Scheme” | the share option scheme adopted by the Company on 26 November 2002 |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price of HK\$1.49 per Rights Share |
| “Underwriting Agreement” | the conditional underwriting agreement dated 17 October 2011 entered into between the Company and NWD in relation to the underwriting of the Underwritten Shares and certain other arrangements in respect of the Rights Issue |
| “Underwritten Shares” | the Rights Shares other than the Committed Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement |
| “US” or “United States” | the United States of America (including its territories and dependencies, any state in the US and the District of Columbia) |
| “US Person(s)” | any person(s) or entity(s) deemed to be a US person for purposes of Regulation S under US Securities Act |
| “US Securities Act” | the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder |
| “US\$” | US Dollar, the lawful currency of the US |
| “%” | per cent. |

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of the Prospectus:

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|--|---|
| Number of Rights Shares to be issued | 2,881,306,455 Shares |
| Amount to be raised | Approximately HK\$4,293.1 million before expenses |
| Subscription price | HK\$1.49 per Rights Share payable in full on acceptance |
| Latest time for payment and acceptance | 4:00 p.m. on the Acceptance Date (or such other date as the Underwriter may agree in writing with the Company as the last date for acceptance of, and payment for, the Rights Shares) |
| Basis of the Rights Issue | One Rights Share for every two Shares held on the Record Date |
| Excess applications | Qualifying Shareholders may apply for Rights Shares in excess of the provisional allotments |

EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2011

| | |
|---|------------------------------------|
| First day of dealings in nil-paid Rights Shares. | Wednesday, 7 December |
| Latest time and date for splitting of nil-paid Rights Shares | 4:30 p.m. on Friday, 9 December |
| Last day of dealings in nil-paid Rights Shares. | Wednesday, 14 December |
| Latest time and date for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares | 4:00 p.m. on Monday, 19 December |
| Latest time and date for termination of the Underwriting Agreement | 5:00 p.m. on Thursday, 22 December |
| Rights Issue expected to become unconditional | 5:00 p.m. on Thursday, 22 December |
| Publication of the announcement of results of acceptance of and excess applications for the Rights Issue | Wednesday, 28 December |
| Refund cheques for wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before. | Thursday, 29 December |
| Share certificates for fully-paid Rights Shares to be despatched on or before. | Thursday, 29 December |

2012

| | |
|---|--------------------|
| First day of dealings in fully-paid Rights Shares | Tuesday, 3 January |
|---|--------------------|

Note: All times and dates in this Prospectus refer to Hong Kong times and dates. Dates or deadlines specified in this Prospectus are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as appropriate.

EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any time before 12:00 noon and no longer in force after 12:00 noon on Monday, 19 December 2011. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; and

EXPECTED TIMETABLE

- (2) in force in Hong Kong at any time between 12:00 noon and 4:00 p.m. on Monday, 19 December 2011. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in the section headed “Expected timetable” in this Prospectus may be affected. The Company will notify the Shareholders by way of announcements of any change to the expected timetable as soon as practicable in this regard.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Underwriter may, by notice in writing to the Company, at any time prior to the Latest Time for Termination, terminate the Underwriting Agreement if:

- (1) any matter or circumstance arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (2) any breach of any of the warranties and undertakings given by the Company in the Underwriting Agreement comes to the knowledge of the Underwriter, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement, or the Underwriter has cause to believe that any such breach has occurred;
- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement would have rendered any of the warranties and undertakings given by the Company in the Underwriting Agreement untrue, inaccurate, incomplete or misleading in any respect, comes to the knowledge of the Underwriter;
- (4) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (5) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
- (6) the Company's application to the Listing Committee of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (7) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement;
- (8) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Underwriter acting in good faith is material in the context of the Rights Issue; or
- (9) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any events or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political, economic, military, industrial, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgments, decrees or rulings of any governmental authority (the “Laws”) or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;
- (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, the United Kingdom or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, civil commotion, economic sanctions, explosion, epidemic, calamity or lock-out (whether or not covered by insurance);
- (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;
- (v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong or the PRC; or
- (vi) any suspension of dealings in the Shares for a period of over three consecutive Business Days (other than as a result of announcing the Rights Issue),

which, in the opinion of the Underwriter:

- (a) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
- (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (c) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Prospectus Documents.

In the event the Underwriter exercises its right to terminate the Underwriting Agreement upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement) shall cease and terminate immediately and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches). If the Underwriter exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

TERMINATION OF THE UNDERWRITING AGREEMENT

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Monday, 28 November 2011. Dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 7 December 2011 to Wednesday, 14 December 2011 (both days inclusive).

The Rights Issue is conditional upon (i) the passing of the resolution for the increase of the authorised share capital of the Company by the Shareholders at the AGM; and (ii) the Underwriting Agreement becoming unconditional and not being terminated. The proposed increase of authorised share capital of the Company has been approved by the Shareholders at the AGM. Please refer to the results announcement of the AGM dated 22 November 2011. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 7 December 2011 to Wednesday, 14 December 2011 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.



New World China Land Limited
新世界中國地產有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 917)

Executive Directors

Dr. Cheng Kar-shun, Henry *GBS*
(Chairman and Managing Director)
Mr. Cheng Kar-shing, Peter
Mr. Cheng Chi-kong, Adrian
Miss Cheng Chi-man, Sonia
Mr. Cheng Chi-him, Conrad
Mr. Fong Shing-kwong, Michael
Ms. Ngan Man-ying, Lynda

Non-executive Directors

Mr. Doo Wai-hoi, William *JP*
Mr. Leung Chi-kin, Stewart
Mr. Chow Kwai-cheung
Mr. Chow Yu-chun, Alexander

Independent Non-executive Directors

Dr. Cheng Wai-chee, Christopher *GBS OBE JP*
Mr. Tien Pei-chun, James *GBS JP*
Mr. Lee Luen-wai, John *BBS JP*

Registered Office

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

*Principal place of business
in Hong Kong*

9th Floor, New World Tower 1
18 Queen's Road Central
Hong Kong

5 December 2011

*To the Qualifying Shareholders,
and for information only, holders of the Convertible Bonds
and Share Options*

Dear Sir or Madam,

**RIGHTS ISSUE OF 2,881,306,455 RIGHTS SHARES AT HK\$1.49 EACH
ON THE BASIS OF ONE RIGHTS SHARE FOR
EVERY TWO SHARES HELD ON THE RECORD DATE**

I. INTRODUCTION

The Company proposes to raise approximately HK\$4,293.1 million before expenses by way of a rights issue of 2,881,306,455 Rights Shares on the basis of one Rights Share in nil-paid form for every two Shares held on the Record Date at the Subscription Price of HK\$1.49 per Rights Share payable in full on acceptance. The Rights Issue is only available to the Qualifying Shareholders and will not be

LETTER FROM THE BOARD

available to the Non-Qualifying Shareholders (if any). All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number) and sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

As at the Latest Practicable Date, NWD and Easywin were the beneficial owner of 3,806,449,096 Shares and 170,027,818 Shares, respectively, representing in aggregate approximately 69.0% of the then issued share capital of the Company.

Pursuant to the Underwriting Agreement, NWD has irrevocably undertaken to the Company to accept, and procure Easywin to accept, the Committed Shares to be provisionally allotted to them, and that 3,806,449,096 Shares and 170,027,818 Shares held by NWD and Easywin, respectively as at the date of the Underwriting Agreement would remain beneficially owned by it and Easywin, respectively as of the Record Date.

The purpose of the Prospectus is to provide you with further details of the Rights Issue, including information on dealings in and transfer of Rights Shares in their nil-paid form and the procedure for the acceptance of provisional allotments of Rights Shares and certain financial and other information of the Group.

The Company considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

II. TERMS OF THE RIGHTS ISSUE

Issue statistics

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|--|---|
| Basis of the Rights Issue: | One Rights Share for every two Shares held on the Record Date |
| Number of Shares in issue: | 5,762,612,911 Shares as at the Latest Practicable Date |
| Number of Rights Shares: | 2,881,306,455 Shares |
| Subscription Price: | HK\$1.49 per Rights Share |
| Aggregate nominal value of the Rights Shares: | HK\$288,130,645.50 |
| Sole Underwriter: | NWD |
| Enlarged issued share capital upon completion of the Rights Issue: | 8,643,919,366 Shares |

As at the Latest Practicable Date:

- (1) there were outstanding Convertible Bonds with an aggregate principal amount of RMB313,200,000 convertible into 54,645,037 Shares at the conversion price of HK\$5.82 per Share (subject to adjustments) using a fixed exchange rate of HK\$1 = RMB0.9848; and

LETTER FROM THE BOARD

(2) there were outstanding Share Options in respect of 52,462,948 Shares.

Save for the outstanding Convertible Bonds and Share Options as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

The aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's issued share capital as at the Latest Practicable Date and will represent approximately 33% of the Company's issued share capital as enlarged by the issue of the Rights Shares immediately after the completion of the Rights Issue.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. To the extent reasonably practicable, the Company will send copies of the Prospectus to each of the Non-Qualifying Shareholders (if any) and the respective holders of the Convertible Bonds and the Share Options for their information only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder or an investor must: (i) have been registered as a member of the Company on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

The latest time and date for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Acceptance Date. The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his or her entitlement under the Rights Issue, his or her proportionate shareholding in the Company will be diluted.

Rights of the Overseas Shareholder(s)

Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong may not be eligible to take part in the Rights Issue as the Prospectus Documents will not be registered or filed under the applicable securities legislation or equivalent legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company on the Record Date, there was one Shareholder whose registered address as shown on such register was outside Hong Kong, namely in Australia.

LETTER FROM THE BOARD

The Directors have made enquiries with the Company's overseas legal adviser regarding the feasibility of extending the Rights Issue to this Overseas Shareholder in accordance with Rule 13.36(2)(a) of the Listing Rules.

The Company has been advised by its legal adviser on the laws of Australia that the Prospectus Documents would not be required to be registered under the relevant laws and regulations of Australia and may be despatched to this Overseas Shareholder with registered address in Australia without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to this Overseas Shareholder with registered address in Australia. This Overseas Shareholder, together with the Shareholders with registered addresses in Hong Kong, are Qualifying Shareholders.

It is the responsibility of any person (including but not limited to nominee, agent and trustee) wishing to accept (or to instruct the registered owner to accept) the offer of the Rights Shares to satisfy himself/herself/itself/themselves as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in any doubt about your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislations or other laws or regulations of any territory or jurisdiction.

If however there were to be Non-Qualifying Shareholders, the Company will make arrangements for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders (if any) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in nil-paid Rights Shares end if a premium in excess of all expenses of sale can be achieved. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (if any) (pro-rata to their shareholdings on the Record Date), provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any unsold Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application on EAFs by the Qualifying Shareholders.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$1.49 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (1) a discount of approximately 33.48% to the Last Closing Price;
- (2) a discount of approximately 25.13% to the theoretical ex-rights price of approximately HK\$1.99 per Share, which was calculated on the Last Closing Price;
- (3) a discount of approximately 30.31% to the average of the closing prices as quoted on the Stock Exchange of approximately HK\$2.14 per Share for the five consecutive trading days ending on the Last Trade Day;
- (4) a discount of approximately 25.39% to the average of the closing prices as quoted on the Stock Exchange of approximately HK\$2.00 per Share for the ten consecutive trading days ending on the Last Trade Day; and
- (5) a discount of approximately 79.41% to the audited consolidated net asset value attributable to equity holders of the Company per Share as at 30 June 2011 of approximately HK\$7.24.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions and the current financial position of the Group. Each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its shareholding in the Company held on the Record Date.

After taking into consideration the reasons for the Rights Issue as stated in the sub-section headed “Reasons for the Rights Issue and use of proceeds” below, the Directors consider that the terms of the Rights Issue, including the Subscription Price and the discounts to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one Rights Share for every two Shares held by the Qualifying Shareholders on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

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Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. No odd lot matching services will be provided. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to the Underwriter or its nominee, and will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for application on EAFs by the Qualifying Shareholders.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the then existing Shares in issue, such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

The Directors would like to inform Shareholders and potential investors that fully-paid Rights Shares shall not entitle the holders thereof to the final dividend for the financial year ended 30 June 2011 as recommended by the Directors at the AGM, as the Rights Shares will be allotted and issued after Monday, 28 November 2011, being the date for determining entitlement to the final dividend.

Procedure for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at or before 4:00 p.m. on the Acceptance Date. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**New World China Land Limited — Provisional Allotment Account**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar at or before 4:00 p.m. on the Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation at or before 4:30 p.m. on Friday, 9

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December 2011 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders for the Rights Shares will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If any of the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed and the monies received in respect of acceptances of the Rights Shares will be refunded to the applicants without interest by means of cheque(s) to be despatched by ordinary post at the risk of such applicants on or before Thursday, 29 December 2011.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders (if any), any unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Qualifying Shareholders who wish to apply for any Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by 4:00 p.m. on the Acceptance Date or such later time and/or date as may be agreed between the Company and the Underwriter. All remittances must be made in Hong Kong dollars and cheques must be drawn on a bank account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**New World China Land Limited — Excess Application Account**" and crossed "**Account Payee Only**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on Wednesday, 28 December 2011.

Applications for excess Rights Shares can be made only by Qualifying Shareholders by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at its discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Board that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and

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- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e., Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for whereas Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will still receive a greater number of Rights Shares than those applying for a smaller number)).

Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to them individually. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post and at his own risk on or before Thursday, 29 December 2011. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to him by ordinary post and at his own risk on or before Thursday, 29 December 2011.

If the Underwriter exercises the right to terminate its obligations under the Underwriting Agreement before the Latest Time for Termination, the monies received in respect of the relevant applications for excess Rights Shares will be returned to the relevant persons without interest, by means of cheques despatched by ordinary post at the risk of such applicants on or before Thursday, 29 December 2011.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected.

An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

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Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Thursday, 29 December 2011. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants by ordinary post at their own risk on or before Thursday, 29 December 2011. Dealings in the fully-paid Rights Shares are expected to commence on or about Tuesday, 3 January 2012.

Application for listing of the Rights Shares on the Stock Exchange

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the Shares is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought, on any other stock exchange. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares (i.e. 2,000 Shares in one board lot).

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

It is expected that dealings in the Rights Shares in nil-paid form will commence on Wednesday, 7 December 2011 and will end on Wednesday, 14 December 2011 and dealings in the Rights Shares in fully-paid form will commence on Tuesday, 3 January 2012.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Adjustment to the Convertible Bonds and Share Options

As at the Latest Practicable Date, there were outstanding Convertible Bonds with an aggregate principal amount of RMB313,200,000 convertible into 54,645,037 Shares at the conversion price of HK\$5.82 per Share (subject to adjustments) using a fixed exchange rate of HK\$1 = RMB0.9848. As a result of the Rights Issue, the conversion price of the outstanding

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Convertible Bonds was adjusted in accordance with the terms and conditions of the Convertible Bonds. Please refer to the announcement of the Company dated 2 December 2011 for details of such adjustment.

As at the Latest Practicable Date, there were also outstanding Share Options in respect of 52,462,948 Shares. As a result of the Rights Issue, the exercise price of and/or the number of Shares that can be subscribed for under the outstanding Share Options may be adjusted in accordance with the terms and conditions of the Share Option Scheme or any other scheme(s) of the Company, including the share option scheme adopted by the Company on 22 November 2011. The Company expects to make further announcement on the appropriate adjustments and the date it is to take effect in due course.

Underwriting Arrangements

Principal terms of the Underwriting Agreement

| | |
|--------------------------------|---|
| Date: | 17 October 2011 |
| Parties: | the Company and NWD |
| Number of Underwritten Shares: | 893,067,998 Rights Shares |
| Underwriter's Commission: | The commission payable by the Company in respect of the Rights Issue is 2.5% of the aggregate Subscription Price in respect of the actual number of Underwritten Shares as determined on the Record Date. |

The Board considers the terms of the Underwriting Agreement including the rate of commission to be on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned.

NWD is a controlling shareholder and a connected person of the Company as defined under the Listing Rules. Accordingly, the transactions contemplated under the Underwriting Agreement constitute a connected transaction of the Company. Pursuant to Rule 14A.31(3)(c) of the Listing Rules, as arrangements have been made in relation to excess applications in compliance with Rule 7.21 of the Listing Rules, the Underwriting Agreement is exempted from all reporting, announcement and independent shareholders' approval requirements under the Listing Rules. It is not in the ordinary course of business of NWD to underwrite shares.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon (i) the passing of the resolution for the increase of the authorised share capital of the Company by the Shareholders at the AGM; and (ii) the Underwriting Agreement becoming unconditional and not being terminated.

The proposed increase of authorised share capital of the Company has been approved by the Shareholders at the AGM. Please refer to the results announcement of the AGM dated 22 November 2011.

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The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (1) the passing of the resolution for the increase of authorised share capital of the Company by the Shareholders at the AGM;
- (2) the Company posting the Prospectus Documents to the Qualifying Shareholders;
- (3) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms), subject only to the allotment and despatch of the appropriate documents of title; and
- (4) the filing and registration of all documents relating to the Rights Issue, which are required by law to be filed or registered with the Registrar of Companies in Hong Kong in accordance with the Companies Ordinance and otherwise complying with the requirements of the Companies Law, Cap. 22 (Law 3 of the 1961 as consolidated and revised) of the Cayman Islands.

If any of the above conditions shall not have been fulfilled on or before the Latest Time for Termination (or such later time and/or date as the Company and NWD may determine), the Underwriting Agreement shall terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

Irrevocable undertaking from NWD

As at the Latest Practicable Date, NWD and Easywin were the beneficial owners of 3,806,449,096 Shares and 170,027,818 Shares, respectively, representing in aggregate of approximately 69.0% of the then entire issued share capital of the Company.

Pursuant to the Underwriting Agreement, NWD has irrevocably undertaken to the Company to accept, and procure Easywin to accept, the Committed Shares to be provisionally allotted to them, and that 3,806,449,096 Shares and 170,027,818 Shares held by NWD and Easywin, respectively as at the date of the Underwriting Agreement would remain beneficially owned by it and Easywin, respectively as on the Record Date.

NWD has also undertaken that it will not, and shall procure that Easywin shall not, without first having obtained the prior written consent of the Company:

- (1) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein between the date of the Underwriting Agreement and the Record Date; or
- (2) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except by taking up Rights Shares provisionally allotted to it pursuant to the Rights Issue and pursuant to the Underwriting Agreement) any Share or any interest therein between the Record Date and the Acceptance Date.

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Termination of the Underwriting Agreement

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Underwriter may, by notice in writing to the Company, at any time prior to the Latest Time for Termination, terminate the Underwriting Agreement if:

- (1) any matter or circumstances arises as a result of which any of the conditions set out in the Underwriting Agreement has become incapable of satisfaction as at the required time;
- (2) any breach of any of the warranties and undertakings given by the Company in the Underwriting Agreement comes to the knowledge of the Underwriter, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement, or the Underwriter has cause to believe that any such breach has occurred;
- (3) any event occurs or matter arises or is discovered, which, if it had occurred before the date of the Underwriting Agreement would have rendered any of the warranties and undertakings given by the Company in the Underwriting Agreement untrue, inaccurate, incomplete or misleading in any respect, comes to the knowledge of the Underwriter;
- (4) any statement contained in the Prospectus has become or been discovered to be untrue, inaccurate, incomplete or misleading in any material respect;
- (5) any matter arises or is discovered which would, if the Prospectus was to be issued at the time, constitute material omission therefrom;
- (6) the Company's application to the Listing Committee of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (7) any event, act or omission occurs which gives or is likely to give rise to any liability of the Company pursuant to the indemnities referred to in the Underwriting Agreement;
- (8) there is any adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Underwriter acting in good faith is material in the context of the Rights Issue; or
- (9) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
 - (i) any change in, or any events or series of events likely to result in any change in (whether or not permanent) local, national or international financial, political,

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economic, military, industrial, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any change in the system under which the value of the Hong Kong currency is linked to that of the United States) in Hong Kong, the United States, the European Union, the United Kingdom or the PRC;

- (ii) any new laws, rules, statutes, ordinances, regulations, guidelines or circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal or regulatory consequences), orders, judgments, decrees or rulings of any governmental authority (the “Laws”) or changes in existing Laws or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or the PRC;
- (iii) any event of force majeure affecting Hong Kong, the United States, the European Union, the United Kingdom or the PRC including, without limiting the generality thereof, any act of God, war, outbreak or escalation of hostilities (whether or not war is declared) or act of terrorism, or declaration of a national or international emergency or war, civil commotion, economic sanctions, explosion, epidemic, calamity or lock-out (whether or not covered by insurance);
- (iv) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;
- (v) a change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in Hong Kong or the PRC; or
- (vi) any suspension of dealings in the Shares for a period of over three consecutive Business Days (other than as a result of announcing the Rights Issue),

which, in the opinion of the Underwriter:

- (a) is or will be, or is likely to be, materially adverse to the general affairs, management, business, financial trading or other condition or prospects of the Group or to any present or prospective Shareholder in its capacity as such;
- (b) has or will have or is likely to have a material adverse impact on the success of the Rights Issue or dealings in the Rights Shares in the secondary market; or
- (c) makes it impracticable, inadvisable or inexpedient to proceed with the Rights Issue on the terms and in the manner contemplated in the Prospectus Documents.

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In the event the Underwriter exercises its right to terminate the Underwriting Agreement upon the giving of written notice of termination prior to the Latest Time for Termination, all the obligations of the Underwriter and the Company under the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement) shall cease and terminate immediately and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches). If the Underwriter exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Underwriter.

Warning of the risks of dealing in Shares and Rights Shares

The Shares have been dealt in on an ex-rights basis from Monday, 28 November 2011. Dealings in the Rights Shares in the nil-paid form are expected to take place from Wednesday, 7 December 2011 to Wednesday, 14 December 2011 (both days inclusive).

The Rights Issue is conditional upon (i) the passing of the resolution for the increase of the authorised share capital of the Company by the Shareholders at the AGM; and (ii) the Underwriting Agreement becoming unconditional and not being terminated. The proposed increase of authorised share capital of the Company has been approved by the Shareholders at the AGM. Please refer to the results announcement of the AGM dated 22 November 2011. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 7 December 2011 to Wednesday, 14 December 2011 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

Reasons for the Rights Issue and use of proceeds

The Company is principally engaged in property development and property related investment as well as rental and hotel operation in the PRC. The Directors consider that taking into account the prevailing market conditions, various feasible fund raising alternatives available to the Group and the general working capital required for funding the long term investment projects of the Group to be developed under the current development schedules, it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity funding for the Group's working capital by way of the Rights Issue for the reasons stated below.

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In view of the tightening of lending policy of the banks in Hong Kong and PRC, resulting from the prolonged austerity measures imposed on the real estate industry in the PRC, the Directors consider that it is difficult in the short term to secure longer term and more sizable loans from banks to finance the Group's long term investment projects at a reasonable level of borrowing costs. Having considered other fund raising alternatives for the Group, including issuance of debt securities and share placements and taking into account the benefits and costs of each alternative, the Directors consider that the Rights Issue is the preferred means for the Group to raise long-term funds without subjecting itself to heavy interest burden. The Rights Issue also offers existing Shareholders the opportunity to participate without dilution. The Directors consider that the net proceeds of the Rights Issue will also strengthen the Company's capital base and enhance the Group's financial resilience, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms.

The Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole for the reasons mentioned above.

The estimated gross proceeds from the Rights Shares will be approximately HK\$4,293.1 million.

The estimated expenses in relation to the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses, of approximately HK\$38.0 million, will be borne by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$1.48.

The estimated net proceeds of the Rights Issue, after the deduction of all estimated expenses of HK\$38.0 million, will be approximately HK\$4,255.1 million. The Directors currently intend to apply a majority of the net proceeds from the Rights Issue to meet the required offshore injection of registered capital into the PRC operating entities engaging in the Group's long term investment projects in the PRC. Such initial capital injection is a pre-requisite requirement before the Group can arrange project financing from banks in the PRC for its investment projects. These long term investment projects in the pipeline or under current development schedule mainly include (i) Shenyang New World Centre which is a mega-sized multi-functional complex of over 1.3 million square meters of gross floor area with hotels, a shopping mall and a convention and exhibition centre with a target completion date in the middle of 2013 as required by the local government authorities; (ii) Wuhan Guanggu New World Centre which comprises hotel, commercial plaza and office premises with aggregate gross floor area of approximately 340,000 square meters; and (iii) Guiyang Jinyang New World Commercial Centre which involves development of two hotels and a shopping complex. The remaining balance of the net proceeds from the Rights Issue will be applied as general working capital of the Group.

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Previous fund exercise of the Company

Save for the Rights Issue, the Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this Prospectus.

Effect of the Rights Issue on shareholdings in the Company

Based on the assumption that there will be no change in the issued share capital of the Company and shareholding structure of the Company from the date of this Prospectus to the date of completion of the Rights Issue, the shareholdings in the Company as at the Latest Practicable Date and immediately after the completion of the Rights Issue were and will be as follows:

| | As at the Latest Practicable Date | | Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders) | | Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the Qualifying Shareholders (save for NWD and Easywin)) | |
|----------------------------|-----------------------------------|----------------------|---|----------------------|---|----------------------|
| | <i>Approximate</i> | | <i>Approximate</i> | | <i>Approximate</i> | |
| | <i>No. of Shares</i> | <i>%</i> | <i>No. of Shares</i> | <i>%</i> | <i>No. of Shares</i> | <i>%</i> |
| NWD | 3,806,449,096 | 66.05 | 5,709,673,644 | 66.05 | 6,602,741,642 | 76.39 |
| Easywin | 170,027,818 | 2.95 | 255,041,727 | 2.95 | 255,041,727 | 2.95 |
| NWD's affiliated companies | 84,557,223 | 1.47 | 126,835,834 | 1.47 | 84,557,223 | 0.98 |
| Directors | <u>179,657,970</u> | <u>3.12</u> | <u>269,486,955</u> | <u>3.12</u> | <u>179,657,970</u> | <u>2.08</u> |
| | 4,240,692,107 | 73.59 | 6,361,038,160 | 73.59 | 7,121,998,562 | 82.40 |
| Public | <u>1,521,920,804</u> | <u>26.41</u> | <u>2,282,881,206</u> | <u>26.41</u> | <u>1,521,920,804</u> | <u>17.60</u> |
| Total | <u><u>5,762,612,911</u></u> | <u><u>100.00</u></u> | <u><u>8,643,919,366</u></u> | <u><u>100.00</u></u> | <u><u>8,643,919,366</u></u> | <u><u>100.00</u></u> |

If the Underwritten Shares are taken up by the Underwriter in full upon completion of the Rights issue, there may not be sufficient public float for the Shares as required by Rule 8.08 of the Listing Rules. If there are less than 25% of the Shares in public hands following completion of the Rights issue, the Company and NWD will take appropriate steps to ensure that a sufficient public float exists for the Shares as soon as practicable after completion of the Rights Issue and in any event within such period of time as the Stock Exchange may agree. Such steps may include NWD placing down its shareholding interest in the Company to independent third parties.

Business review, trend and prospects of the Group

The Group is primarily engaged in the development and sale of property projects in the PRC, focusing on large-scale multi-phased residential real estate projects, targeted at middle to high income group of customers. The Group is now operating in over 17 major cities and developing over 40 projects with a total gross floor area of approximately 18 million square meters. In addition to property development, the Group is also engaged in property investment which derives rental income from its investment property portfolio comprising primarily retail shopping arcade and office premises. The Group also operates seven self-developed hotels in the PRC with aggregate capacity of over 2,500 hotel rooms. In addition to operating self-developed hotels, the Group also provides hotel management services for owners of five hotels which are located in the PRC, Hong Kong, London, the Philippines and Saigon with a total aggregate capacity of over

LETTER FROM THE BOARD

2,100 hotel rooms. Recently, the Group's hotel management services have expanded its operation to cover the provision of hotel management services for 20 luxury hotels and resorts and technical advisory and consulting services to owners of hotels worldwide.

While the US economy recovery is slowing down and the unemployment rate remaining high, and the treat of the euro-zone sovereign debt crisis mounting, the Chinese economy performed well in the first half of 2011 with GDP rose by 9.6% year on year. However, excess liquidity flooded into the market resulted from the implementation of various stimulus measures since the 2008 global financial crisis led to intensified investment activity, assets bubbles and inflationary pressure, especially in emerging markets like China. With the inflation surging to its highest level in nearly three years of 6.4% in June 2011, the People's Bank of China has already raised the capital adequacy ratio and benchmark interest rate repeatedly to contain inflation. The macro policies coupled with the various tightening measures on property market implemented by the Central Government of the PRC since April 2010 are taking effect where the rise in property prices in major cities has slowed down and transaction volume contracted in the third quarter of 2011. In response to this challenge, the Group had appropriately adjusted its marketing strategy to maintain resilient. Apart from the implementation of various tightening measures, the Central Government of the PRC also determined to provide affordable housing and has introduced the idea of public rental housing. Although the tightening measures and policies will inevitably impact the property market in the short-term, the Directors believe that these policies are essential for placing the property market on a sound footing for healthy long term growth.

During the three months ended 30 September 2011, the Group has secured contracted sales amounting to RMB2.0 billion, together with presale proceeds from contracted sales amounting to RMB4.8 billion in relation to projects not yet completed during the year ended 30 June 2011, contracted sale not yet recorded reached RMB6.7 billion in aggregate, representing over 50% of the total recorded gross sale proceeds of the financial year ended 30 June 2011.

The stable operating performance of the Group's investment property portfolio has been continuing, with constant occupancy rate of over 92% from the Group's office premises portfolio. The rental contribution from the Group's retail shopping arcade has been temporarily affected with the temporary closure of shopping arcade of Shanghai Hong Kong New World Tower for massive renovation. On the other hand, the promising performance of the Galleria, the Group's flagship retail mall at Dalian, PRC, with the newly opening of a cinema added to its tenancy, the achieved occupancy reached 61% which will supplement the Group's recurrent rental base. The renovation of the shopping arcade of Shanghai Hong Kong New World Tower is scheduled to complete and re-open in first quarter of 2013, which will further improve the rental operation of the Group.

The Group's hotel operation maintained a stable growth in gross operating profit during the three months ended 30 September 2011. With the Group's recent acquisition of membership interest in Rosewood Hotels and Resorts, L.L.C., the Group's hotel management services fee income base will be enhanced further with broader fee base compared to last year. Nevertheless, under the volatile global economic environment, the Directors expect the performance of the Group's hotel occupancy as well as hotel management services would face a greater challenge ahead in which travel sentiments may switch to negative side depending on the global economy conditions.

LETTER FROM THE BOARD

Financial and trading prospect of the Group

The Group continues to adopt prudent and cautious financial management policies and enhances its cash flow management capability through accelerating the realization of the Group's developing assets. By striving to achieve a well-balanced leverage, the Group endeavours to monitor and maintain a healthy financial position. Upon receipt of the proceeds from the Rights Issue, the financial position of the Group will be further strengthened with reduced gearing which will enhance the Group's financial capability and resilient.

With a sound financial position of low gearing comparing to market average, the Group had been able to obtain sufficient credit facilities at margin better than some other property developers who have higher gearing level. However, with the persistent enforcement of the credit tightening measures, it is expected that the borrowing cost will increase further in next few months. The Group will continue enhancing its cash flow capability so as to better position itself to grasp market opportunities at lower borrowing cost for the long term benefits of the Shareholders.

Government policy will be a key to market development in the PRC. Given the inflation rate remaining high, controlling property prices as an element to contain inflation will continue to present a risk of contraction in property sale volume and price dip in the short to medium term. It is widely expected that the Central Government of the PRC will not make a major shift from its current liquidity tightening measures and restriction on housing in the foreseeable future.

The Group will continue to adopt a prudent approach in managing its business in the PRC. Overall, the Group is cautiously optimistic about the PRC property market and adjusting its plan according to market and policy variations. Furthermore, the Group will continue its selective expansion of its solid recurrent income base from rental income.

Taxation

Qualifying Shareholders and Non-Qualifying Shareholders (if any) are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of, as regards Qualifying Shareholders, holding or disposal of, or dealing in the Rights Shares and as regards, the Non-Qualifying Shareholders (if any), their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be provisionally allotted to them under the Rights Issue. It is emphasized that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

LETTER FROM THE BOARD

III. LISTING RULES IMPLICATIONS

Pursuant to Rule 7.19(6)(a) of the Listing Rules, since the Rights Issue would increase the issued share capital of the Company by no more than 50%, the Rights Issue is not conditional on approval by the Shareholders.

IV. FURTHER INFORMATION

Your attention is drawn to the additional information set out in appendices I to III to the Prospectus.

Yours faithfully,
For and on behalf of the Board of
New World China Land Limited
Cheng Kar-shun, Henry
Chairman and Managing Director

THREE-YEAR FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for each of the three years ended 30 June 2009, 2010 and 2011 are disclosed in the annual reports of the Company for the years ended 30 June 2009 (pages 131 to 224), 2010 (pages 118 to 194) and 2011 (pages 128 to 204) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.nwcl.com.hk>). The auditor of the Company has issued unqualified opinions on the consolidated financial statements of the Group for the years ended 30 June 2009, 2010 and 2011.

INDEBTEDNESS**Borrowings**

At the close of business on 31 October 2011, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of the Prospectus, the Group had outstanding borrowings of approximately HK\$22,637,929,000, details of which are set out as follows:

| | <i>HK\$'000</i> |
|--|-------------------|
| Bank loans | |
| Secured | 4,734,226 |
| Unsecured | 12,866,081 |
| Other loan, unsecured | 151,464 |
| Loans from fellow subsidiaries, unsecured | 2,614,682 |
| Loans from non-controlling shareholders, unsecured | 37,591 |
| Advances from participating interest | 1,847,197 |
| Convertible bonds | <u>386,688</u> |
| | <u>22,637,929</u> |

Bank loans of approximately HK\$4,734,226,000 were secured by the Group's certain investment properties, property, plant and equipment, land use rights, properties under development, properties held for development and bank deposits.

Contingent liabilities*Corporate guarantees for bank facilities*

At the close of business on 31 October 2011, the Group had contingent liabilities of approximately HK\$1,918,990,000 relating to corporate guarantees given in respect of bank loan facilities extended to certain jointly controlled entities. As at 31 October 2011, the Group's attributable portion of the outstanding amount under these bank loan facilities granted to the jointly controlled entities was approximately HK\$1,289,837,000.

Guarantees in respect of mortgage facilities

At the close of business on 31 October 2011, the Group had provided guarantees in respect of mortgage facilities granted by certain banks relating to the mortgage loans arranged for certain purchasers of properties developed by certain subsidiaries of the Group and the outstanding mortgage loans under these guarantees amounted to HK\$1,994,154,000. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties.

Save as aforesaid and apart from intra-group liabilities, at the close of business on 31 October 2011, the Group did not have any outstanding loan capital, bank overdrafts, loan, mortgage, charges or other similar indebtedness, or hire purchase of finance lease commitments, liabilities under acceptances or acceptance credits, guarantees or other material contingent liabilities.

WORKING CAPITAL

The Directors of the Company are of the opinion that, taking into consideration the financial resources available to the Group, including internally generated funds and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

**1. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is set out below to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 30 June 2011.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2011 or any future date.

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group as at 30 June 2011 and adjusted to reflect the effect of the Rights Issue:

| | Audited consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2011 <i>HK\$'000</i> <i>Note 1</i> | Estimated net proceeds from Rights Issue <i>HK\$'000</i> <i>Note 2</i> | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders <i>HK\$'000</i> | Unaudited pro forma adjusted consolidated net tangible assets value per Share <i>HK\$</i> <i>Note 3</i> |
|---|--|---|---|--|
| Based on 2,881,196,455 Rights Shares at subscription price of HK\$1.49 per Rights Share | <u>41,658,066</u> | <u>4,254,989</u> | <u>45,913,055</u> | <u>5.31</u> |

Notes:

- The consolidated net tangible assets of the Group attributable to the Shareholders as at 30 June 2011 is extracted from the published annual report of the Group for the year ended 30 June 2011, which is based on the audited consolidated net assets of the Group attributable to the Shareholders as at 30 June 2011 of approximately HK\$41,694,164,000 with an adjustment for the goodwill arising from acquisition of subsidiaries and jointly controlled entities of HK\$36,098,000. From 1 July 2011 to the Record Date, the Company issued 220,000 Shares upon the exercise of Share Options by the employees. As these Shares were issued subsequent to 30 June 2011, they are not reflected in the unaudited pro forma adjusted consolidated net tangible assets value per Share.
- The estimated net proceeds from the Rights Issue are based on 2,881,196,455 Rights Shares to be issued at the Subscription Price of HK\$1.49 per Rights Share, after deduction of the related expenses of approximately HK\$37,994,000 (including commission on the underwriting of 892,957,998 Shares).
- The unaudited pro forma adjusted consolidated net tangible assets value per Share is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the Shareholders and 5,762,392,911 Shares in issue as at 30 June 2011 and assuming that none of the Share Options was exercised nor any of the Convertible Bonds was converted from 1 July 2011 up to the Record Date and 2,881,196,455 Rights Shares were issued under the Rights Issue as if the Rights Issue has been completed on 30 June 2011.
- No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2011, including but not limited to the final dividend of HK\$0.04 per Share proposed for the year ended 30 June 2011, and the issuance of 220,000 Shares upon the exercise of Share Options from 1 July 2011 to the Record Date.

**2. ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF
ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS**

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, in respect of the Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group for the purpose of incorporation in this Prospectus.



羅兵咸永道

**ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED
CONSOLIDATED NET TANGIBLE ASSETS TO THE DIRECTORS OF NEW WORLD CHINA
LAND LIMITED**

We report on the Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets (the “Unaudited Pro Forma Financial Information”) of New World China Land Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) set out on page II-1 under the heading of “Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group” in Appendix II of the Company’s prospectus dated 5 December 2011 (the “Prospectus”), in connection with the rights issue of the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company, for illustrative purposes only, to provide information about how the rights issue might have affected the relevant financial information of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out on page II-1 of the Prospectus.

Respective Responsibilities of Directors of the Company and the Reporting Accountant

It is the responsibility solely of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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*PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the audited consolidated net assets of the Group as at 30 June 2011 with the audited consolidated financial statements of the Group as at 30 June 2011, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the adjusted consolidated net tangible assets of the Group as at 30 June 2011 or any future date.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 5 December 2011

1. RESPONSIBILITY STATEMENT

The Prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were, and immediately following completion of the Rights Issue will be, as follows:

HK\$

Authorised:

| | | |
|----------------|--|---------------|
| 30,000,000,000 | Shares of HK\$0.10 each on the Record Date | 3,000,000,000 |
|----------------|--|---------------|

Issued and to be issued:

| | | |
|---------------|---|----------------|
| 5,762,612,911 | Shares in issue as at the Latest Practicable Date | 576,261,291.10 |
| 2,881,306,455 | Rights Shares to be allotted and issued under the Rights Issue | 288,130,645.50 |
| 8,643,919,366 | Shares in issue immediately after completion of the Rights Issue | 864,391,936.60 |

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

3. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

| | |
|--|--|
| Authorised representatives | Mr. Cheng Kar-shing, Peter 9th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong |
| | Ms. Ngan Man-ying, Lynda 9th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong |
| Legal adviser to the Company | <i>As to Hong Kong law:</i> Stephen Mok & Co. in association with Eversheds LLP 21st Floor, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong |
| Underwriter | NWD 30th Floor, New World Tower, 18 Queen's Road Central, Hong Kong |
| Legal adviser to the Underwriter | Woo, Kwan, Lee & Lo 26th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong |
| Joint Coordinators to the Rights Issue (<i>in alphabetical order</i>) | The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong |
| | Standard Chartered Securities (Hong Kong) Limited 15th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong |
| Auditor and Reporting Accountant | PricewaterhouseCoopers <i>Certified Public Accountants</i> 22nd Floor, Prince's Building, Central, Hong Kong |

| | |
|-------------------------------|---|
| Principal bankers | Bank of China (Hong Kong) Limited 1 Garden Road, Central, Hong Kong |
| | Bank of Communications Co., Ltd. 20 Pedder Street, Central, Hong Kong |
| | The Bank of East Asia, Limited 10 Des Voeux Road Central, Hong Kong |
| | China Merchant Bank Co., Limited 21st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong |
| | CITIC Bank International Limited 232 Des Voeux Road Central, Hong Kong |
| | Hang Seng Bank Limited 83 Des Voeux Road Central, Hong Kong |
| | The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central, Hong Kong |
| | Sumitomo Mitsui Banking Corporation 7-8th Floor, One International Finance Centre, 11 Harbour View Street, Central, Hong Kong |
| | Industrial and Commercial Bank of China (Asia) Limited 33rd Floor, ICBC Tower, 3 Garden Road, Central, Hong Kong |
| Registrar and transfer office | Tricor Standard Limited 26th Floor, Tesbury Centre 28 Queen's Road East, Wanchai, Hong Kong |
| Company secretary | Ms. Ngan Man-ying, Lynda <i>FCCA, CPA</i> |

4. DISCLOSURE OF INTERESTS

Directors and chief executives of the Company

As at Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO) or which were required to be entered into the register required to be kept by the Company under section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, were as follows:

(I) *Interests and short positions in the Shares, underlying Shares and debentures of the Company***(a) *Long position in issued Shares***

| | Number of Shares | | | | Percentage to the relevant issued share capital as at the Latest Practicable Date |
|------------------------------------|--------------------|------------------|---------------------------|-------------|---|
| | Personal interests | Family interests | Corporate interests | Total | |
| Dr. Cheng Kar-shun, Henry | 18,750,000 | 2,925,000 | 78,406,800 ⁽¹⁾ | 100,081,800 | 1.74 |
| Mr. Doo Wai-hoi, William | 13,125,000 | — | 52,258,400 ⁽²⁾ | 65,383,400 | 1.13 |
| Mr. Cheng Chi-kong, Adrian | 371,194 | — | — | 371,194 | 0.01 |
| Miss Cheng Chi-man, Sonia | 168,400 | — | — | 168,400 | 0.00 |
| Mr. Leung Chi-kin, Stewart | 790,000 | — | — | 790,000 | 0.01 |
| Mr. Chow Kwai-cheung | 126 | — | — | 126 | 0.00 |
| Mr. Chow Yu-chun, Alexander | 9,825,000 | — | — | 9,825,000 | 0.17 |
| Mr. Fong Shing-kwong, Michael | 2,187,250 | — | — | 2,187,250 | 0.04 |
| Ms. Ngan Man-ying, Lynda | 600,000 | — | — | 600,000 | 0.01 |
| Dr. Cheng Wai-chee, Christopher | 83,600 | — | — | 83,600 | 0.00 |
| Mr. Tien Pei-chun, James | 83,600 | — | — | 83,600 | 0.00 |
| Mr. Lee Luen-wai, John | 83,600 | — | — | 83,600 | 0.00 |

Notes:

1. These Shares are beneficially owned by a company wholly-owned by Dr. Cheng Kar-shun, Henry.
2. These Shares are beneficially owned by companies wholly-owned by Mr. Doo Wai-hoi, William.

(b) *Long position in underlying Shares*

Under the Share Option Scheme, Share Options were granted to the undermentioned Directors which entitle them to subscribe for Shares and accordingly they are regarded as interested in the underlying Shares. Details of the Share Options held by them as at the Latest Practicable Date are as follows:

| Name of director | Date of grant | Exercisable period (note) | Number of Share Options | Exercise price per Share HK\$ |
|------------------------------------|----------------------|--------------------------------------|--------------------------------|--|
| Dr. Cheng Kar-shun, Henry | 29 December 2008 | (1) | 1,791,045 | 1.340 |
| | 18 January 2011 | (2) | 2,000,000 | 3.154 |
| Mr. Doo Wai-hoi, William | 29 December 2008 | (1) | 727,612 | 1.340 |
| | 18 January 2011 | (2) | 800,000 | 3.154 |
| Mr. Cheng Kar-shing, Peter | 29 December 2008 | (1) | 727,612 | 1.340 |
| | 18 January 2011 | (2) | 800,000 | 3.154 |
| Mr. Cheng Chi-kong, Adrian | 29 December 2008 | (3) | 337,284 | 1.340 |
| | 18 January 2011 | (2) | 1,500,000 | 3.154 |
| Miss Cheng Chi-man, Sonia | 29 December 2008 | (4) | 755,821 | 1.340 |
| Mr. Leung Chi-kin, Stewart | 29 December 2008 | (1) | 127,910 | 1.340 |
| | 18 January 2011 | (2) | 200,000 | 3.154 |
| Mr. Chow Kwai-cheung | 29 December 2008 | (1) | 167,910 | 1.340 |
| | 18 January 2011 | (2) | 200,000 | 3.154 |
| Mr. Chow Yu-chun, Alexander | 29 December 2008 | (1) | 559,701 | 1.340 |
| | 18 January 2011 | (2) | 500,000 | 3.154 |
| Mr. Fong Shing-kwong, Michael | 29 December 2008 | (3) | 43,933 | 1.340 |
| | 18 January 2011 | (2) | 500,000 | 3.154 |
| Ms. Ngan Man-ying, Lynda | 29 December 2008 | (5) | 507,463 | 1.340 |
| | 18 January 2011 | (2) | 1,000,000 | 3.154 |
| Dr. Cheng Wai-chee, Christopher | 29 December 2008 | (1) | 252,221 | 1.340 |
| | 18 January 2011 | (2) | 300,000 | 3.154 |

| Name of director | Date of grant | Exercisable period (note) | Number of Share Options | Exercise price per Share HK\$ |
|--------------------------|------------------|------------------------------|-------------------------|----------------------------------|
| Mr. Tien Pei-chun, James | 29 December 2008 | (1) | 252,221 | 1.340 |
| | 18 January 2011 | (2) | 300,000 | 3.154 |
| Mr. Lee Luen-wai, John | 29 December 2008 | (1) | 252,221 | 1.340 |
| | 18 January 2011 | (2) | 300,000 | 3.154 |

Notes:

- Divided into 4 tranches, exercisable from 30 January 2009, 30 January 2010, 30 January 2011 and 30 January 2012, respectively to 29 January 2013.
- Divided into 5 tranches, exercisable from 19 February 2011, 19 February 2012, 19 February 2013, 19 February 2014 and 19 February 2015, respectively to 18 February 2016.
- Divided into 2 tranches, exercisable from 30 January 2011 and 30 January 2012, respectively to 29 January 2013.
- Divided into 5 tranches, exercisable from 30 January 2009, 30 January 2010, 30 January 2011, 30 January 2012 and 30 January 2013, respectively to 29 January 2014.
- Divided into 3 tranches, exercisable from 30 January 2010, 30 January 2011 and 30 January 2012, respectively to 29 January 2013.

(II) *Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company*

(a) *Long position in the shares of the associated corporations of the Company*

| | Number of shares | | | Total | Percentage to the relevant issued share capital as at the Latest Practicable Date |
|---|--------------------|------------------|---------------------------|------------|---|
| | Personal interests | Family interests | Corporate interests | | |
| NWD | | | | | |
| <i>(Ordinary shares of HK\$1.00 each)</i> | | | | | |
| Dr. Cheng Kar-shun, Henry | — | 450,000 | — | 450,000 | 0.01 |
| Mr. Doo Wai-hoi, William | — | — | 1,500,000 ⁽¹⁾ | 1,500,000 | 0.03 |
| Mr. Leung Chi-kin, Stewart | 201,807 | — | — | 201,807 | 0.00 |
| Mr. Chow Kwai-cheung | 86,341 | — | — | 86,341 | 0.00 |
| Mr. Fong Shing-kwong, Michael | 313,182 | — | — | 313,182 | 0.01 |
| NWS Holdings Limited | | | | | |
| <i>(Ordinary shares of HK\$1.00 each)</i> | | | | | |
| Dr. Cheng Kar-shun, Henry | 13,768,798 | — | 12,000,000 ⁽²⁾ | 25,768,798 | 0.76 |
| Mr. Doo Wai-hoi, William | 3,009,849 | — | 8,830,782 ⁽¹⁾ | 11,840,631 | 0.35 |
| Mr. Cheng Kar-shing, Peter | 343,750 | — | 5,074,520 ⁽³⁾ | 5,418,270 | 0.16 |
| Mr. Leung Chi-kin, Stewart | 2,500,000 | — | — | 2,500,000 | 0.07 |
| Mr. Chow Kwai-cheung | 14,033 | — | — | 14,033 | 0.00 |
| Mr. Fong Shing-kwong, Michael | 2,431,060 | — | — | 2,431,060 | 0.07 |
| Dr. Cheng Wai-chee, Christopher | 1,301,029 | — | — | 1,301,029 | 0.04 |

| | Number of shares | | | Total | Percentage to the relevant issued share capital as at the Latest Practicable Date |
|---|--------------------|------------------|----------------------------|-------------|---|
| | Personal interests | Family interests | Corporate interests | | |
| New World Department | | | | | |
| Store China Limited | | | | | |
| <i>(Ordinary shares of HK\$0.10 each)</i> | | | | | |
| Mr. Cheng Chi-kong, Adrian | — | — | 1,107,000 ⁽⁴⁾ | 1,107,000 | 0.07 |
| Miss Cheng Chi-man, Sonia | 92,000 | — | — | 92,000 | 0.01 |
| Dragon Fortune Limited | | | | | |
| <i>(Ordinary shares of US\$1.00 each)</i> | | | | | |
| Mr. Cheng Kar-shing, Peter | — | — | 15,869 ⁽⁵⁾ | 15,869 | 27.41 |
| Mega Choice Holdings Limited | | | | | |
| <i>(in liquidation)</i> | | | | | |
| <i>(Ordinary shares of HK\$1.00 each)</i> | | | | | |
| Dr. Cheng Kar-shun, Henry | — | — | 420,585,070 ⁽²⁾ | 420,585,070 | 34.61 |
| Sun City Holdings Limited | | | | | |
| <i>(Ordinary shares of HK\$1.00 each)</i> | | | | | |
| Mr. Cheng Kar-shing, Peter | — | 80,000 | 3,570,000 ⁽⁶⁾ | 3,650,000 | 45.63 |
| Sun Legend Investments Limited | | | | | |
| <i>(Ordinary shares of HK\$1.00 each)</i> | | | | | |
| Mr. Cheng Kar-shing, Peter | — | — | 500 ⁽⁷⁾ | 500 | 50.00 |
| YE Holdings Corporation | | | | | |
| <i>(Ordinary shares of HK\$1.00 each)</i> | | | | | |
| Mr. Leung Chi-kin, Stewart | 37,500 | — | — | 37,500 | 1.50 |

Notes:

1. These shares are beneficially owned by companies wholly-owned by Mr. Doo Wai-hoi, William.
2. These shares are beneficially owned by companies wholly-owned by Dr. Cheng Kar-shun, Henry.
3. These shares are beneficially owned by a company wholly-owned by Mr. Cheng Kar-shing, Peter.
4. These shares are beneficially owned by a company wholly-owned by Mr. Cheng Chi-kong, Adrian.
5. 4,102 shares are held by a company wholly-owned by Mr. Cheng Kar-shing, Peter and 11,767 shares are held by Sun City Holdings Limited ("Sun City"), of which Mr. Cheng is deemed to be interested in 45.63% of its issued share capital.
6. These shares are held by a company of which Mr. Cheng Kar-shing, Peter owns an indirect interest of 49.58%.
7. Mr. Cheng Kar-shing, Peter is deemed to be interested in these shares by virtue of his interests in Sun City.

(b) *Long position in underlying shares in the associated corporations of the Company*

(i) NWD

Under the share option scheme of the holding company, NWD, the following Directors have personal interests in share options to subscribe for shares in NWD and are accordingly regarded as interested in the underlying shares of NWD. Details of the share options of NWD held by them as at the Latest Practicable Date are as follows:

| Name of director | Date of grant | Exercisable period (note) | Number of share options | Exercise price per share HK\$ |
|----------------------------------|---------------|------------------------------|-------------------------|----------------------------------|
| Dr. Cheng Kar-shun, Henry | 19 March 2007 | (1) | 40,495,324 | 16.004 |
| Mr. Cheng Kar-shing, Peter | 19 March 2007 | (1) | 221,889 | 16.004 |
| | | (2) | 1,331,351 | 16.004 |
| Mr. Cheng Chi-kong, Adrian | 19 March 2007 | (2) | 554,728 | 16.004 |
| Mr. Leung Chi-kin, Stewart | 19 March 2007 | (1) | 39,385,862 | 16.004 |
| Mr. Chow Kwai-cheung | 19 March 2007 | (2) | 1,331,351 | 16.004 |
| Mr. Chow Yu-chun, Alexander | 19 March 2007 | (2) | 1,664,189 | 16.004 |
| Mr. Fong Shing-kwong, Michael | 19 March 2007 | (3) | 665,674 | 16.004 |
| Mr. Lee Luen-wai, John | 19 March 2007 | (1) | 332,835 | 16.004 |

Notes:

1. Exercisable from 19 March 2007 to 18 March 2012.
2. Divided into 5 tranches exercisable from 19 March 2007, 19 March 2008, 19 March 2009, 19 March 2010 and 19 March 2011, respectively to 18 March 2012.
3. Divided into 3 tranches exercisable from 19 March 2009, 19 March 2010 and 19 March 2011, respectively to 18 March 2012.

(ii) NWS Holdings Limited (“NWS”)

Under the share option scheme of NWS, the following Directors have personal interests in share options to subscribe for shares in NWS and are accordingly regarded as interested in the underlying shares of NWS. Details of the share options of NWS held by them as at the Latest Practicable Date are as follows:

| Name of director | Date of grant | Exercisable period (note) | Number of share options | Exercise price per share HK\$ |
|------------------------------------|----------------|------------------------------|-------------------------|----------------------------------|
| Dr. Cheng Kar-shun, Henry | 21 August 2007 | (1) | 1,821,548 | 10.672 |
| | | (2) | 2,732,323 | 10.672 |
| Mr. Doo Wai-hoi, William | 21 August 2007 | (1) | 1,214,363 | 10.672 |
| | | (2) | 1,821,551 | 10.672 |
| Dr. Cheng Wai-chee, Christopher | 21 August 2007 | (1) | 364,307 | 10.672 |
| | | (2) | 546,464 | 10.672 |

Notes:

1. Exercisable from 21 August 2008 to 20 August 2012.
2. Divided into 3 tranches exercisable from 21 August 2009, 21 August 2010 and 21 August 2011, respectively to 20 August 2012.

(iii) New World Department Store China Limited (“NWDS”)

Under the share option scheme of a fellow subsidiary, NWDS, the following Directors have personal interests in share options to subscribe for shares in NWDS and are accordingly regarded as interested in the underlying shares of NWDS. Details of the share options of NWDS held by them as at the Latest Practicable Date are as follows:

| Name of director | Date of grant | Exercisable period | Number of share options | Exercise price per share HK\$ |
|----------------------------|------------------|--------------------|-------------------------|----------------------------------|
| Dr. Cheng Kar-shun, Henry | 27 November 2007 | (note) | 1,000,000 | 8.660 |
| Mr. Cheng Chi-kong, Adrian | 27 November 2007 | (note) | 500,000 | 8.660 |
| Ms. Ngan Man-ying, Lynda | 27 November 2007 | (note) | 500,000 | 8.660 |

Note: Divided into 5 tranches exercisable from 27 November 2008, 27 November 2009, 27 November 2010, 27 November 2011 and 27 November 2012, respectively to 26 November 2013, provided that the maximum number of share options that can be exercised during each anniversary year is 20% of the total number of share options granted together with any unexercised share options carried forward from the previous anniversary years.

(c) *Long position in debentures*

The following Director has interest in the debentures issued by a wholly-owned subsidiary of NWD, Fita International Limited (“Fita”). Details of the debentures of Fita held by him as at the Latest Practicable Date are as follows:

| Name of Director | Amount of debentures in USD issued by Fita | | | Percentage to the total debentures in issue as at the Latest Practicable Date |
|------------------------|--|------------------|-----------|---|
| | Personal interests | Family interests | Total | |
| Mr. Lee Luen-wai, John | 1,000,000 | 1,000,000 | 2,000,000 | 0.27 |

Save as disclosed in this Prospectus, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(III) *Directors’ interests in competing business*

As at the Latest Practicable Date, according to the Listing Rules, the following Directors had interests in the following businesses (“Competing Businesses”) which are considered to compete or are likely to compete, either directly or indirectly, with the business of the Group other than those business where the Directors were appointed as directors to represent the interests of the Company and/or the Group pursuant to the Listing Rules:

| Name of Director | Name of entity which businesses are considered to compete or likely to compete with the business of the Group | Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group | Nature of interest of the Director in the entity |
|---------------------------|---|---|--|
| Dr. Cheng Kar-shun, Henry | Chow Tai Fook (Holding) Limited (“CTFH”) group of companies | Property investment and development as well as hotel operation | Director |
| | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |

| Name of Director | Name of entity which businesses are considered to compete or likely to compete with the business of the Group | Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group | Nature of interest of the Director in the entity |
|-----------------------------|--|--|---|
| Dr. Cheng Kar-shun, Henry | Supreme Harvest Development Limited group of companies | Property investment and development in Shanghai | Director |
| Mr. Doo Wai-hoi, William | Golden Wealth Investment Limited group of companies | Property investment and development in Shanghai | Shareholder and Director |
| | Guilherme Holdings (Hong Kong) Limited group of companies | Property development and other investment | Shareholder and Director |
| Mr. Cheng Kar-shing, Peter | CTFH group of companies | Property investment and development as well as hotel operation | Director |
| | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |
| | Shanghai New World Shangxian Lane Development Ltd. | Property development in Shanghai | Director |
| Mr. Cheng Chi-kong, Adrian | CTFH group of companies | Property investment and development as well as hotel operation | Director |
| | Cheung Hung Development (Holdings) Limited (“Cheung Hung”) group of companies | Property investment and development | Shareholder and Director |
| Miss Cheng Chi-man, Sonia | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |
| Mr. Cheng Chi-him, Conrad | Cheung Hung group of companies | Property investment and development | Shareholder and Director |
| Mr. Chow Kwai-cheung | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |
| Mr. Chow Yu-chun, Alexander | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |
| | Cheung Hung group of companies | Property investment and development | Director |
| | Shanghai New World Shangxian Lane Development Ltd. | Property development in Shanghai | Director |

| Name of Director | Name of entity which businesses are considered to compete or likely to compete with the business of the Group | Description of businesses of the entity which are considered to compete or likely to compete with the business of the Group | Nature of interest of the Director in the entity |
|----------------------------------|---|---|--|
| Mr. Fong Shing-kwong, Michael | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |
| | Cheung Hung group of companies | Property investment and development | Director |
| | Morning Star Resources Limited | Property development | Shareholder |
| Ms. Ngan Man-ying, Lynda | NWD group of companies | Property development and investment as well as hotel operation in the PRC | Director |
| | Cheung Hung group of companies | Property investment and development | Director |
| | Shanghai New World Shangxian Lane Development Ltd. | Property development in Shanghai | Director |

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

The Company does not rely on any of the Competing Businesses in the carrying on of the Company's business. The Directors are of the view that the Company is capable of carrying on its business independently of, and at arm's length from the Competing Businesses.

(IV) Other Directors' interests

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group respectively, since 30 June 2011, the date to which the latest published audited consolidated financial statements of the Group were made up.

Save for the existing master services agreement and the new master services agreement entered into between the Company and Mr. Doo Wai-hoi, William (details of which were contained in the announcements of the Company dated 16 May 2011 and 19 May 2011, respectively), none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this Prospectus which is significant to the business of the Group.

As at the Latest Practicable Date, the following Directors were also directors of the following companies, each of which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name of Director | Name of substantial shareholder |
|----------------------------|---|
| Dr. Cheng Kar-shun, Henry | Cheng Yu Tung Family (Holdings) Limited (“CYTF”) Cheng Yu Tung Family (Holdings II) Limited (“CYTF II”) Chow Tai Fook Capital Limited (“CTFC”) Chow Tai Fook (Holding) Limited (formerly known as Centennial Success Limited) (“CTFH”) Chow Tai Fook Enterprises Limited (“CTF”) NWD |
| Mr. Cheng Kar-shing, Peter | CYTF CYTF II CTFC CTFH CTF NWD |
| Mr. Cheng Chi-kong, Adrian | CTFH CTF NWD |
| Mr. Leung Chi-kin, Stewart | NWD |
| Mr. Chow Kwai-cheung | NWD |
| Mr. Lee Luen-wai, John | NWD |

Substantial shareholders of the Group

(a) Company

As at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company, each of the following persons, other than a Director or chief executive of the Company, had an interest in the Shares which falls to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Long position in issued Shares

| Name | Beneficial interests | Corporate interests | Number of Rights Shares to be taken up | Total | Percentage to the issued share capital as at the Latest Practicable Date |
|------------------------|----------------------|----------------------------|--|---------------|--|
| CYTF ⁽¹⁾ | — | 4,061,034,137 | 2,881,306,455 ⁽³⁾ | 6,942,340,592 | 80.31 ⁽⁵⁾ |
| CYTF II ⁽¹⁾ | — | 4,061,034,137 | 2,881,306,455 ⁽³⁾ | 6,942,340,592 | 80.31 ⁽⁵⁾ |
| CTFC ⁽¹⁾ | — | 4,061,034,137 | 2,881,306,455 ⁽³⁾ | 6,942,340,592 | 80.31 ⁽⁵⁾ |
| CTFH ⁽¹⁾ | — | 4,061,034,137 | 2,881,306,455 ⁽³⁾ | 6,942,340,592 | 80.31 ⁽⁵⁾ |
| CTF ⁽²⁾ | — | 4,061,034,137 | 2,881,306,455 ⁽³⁾ | 6,942,340,592 | 80.31 ⁽⁵⁾ |
| NWD | 3,806,449,096 | 254,585,041 ⁽⁴⁾ | 2,881,306,455 ⁽³⁾ | 6,942,340,592 | 80.31 ⁽⁵⁾ |

Notes:

1. CYTF and CYTF II hold 48.98% and 40.23% interests in CTFC, respectively. CTFC in turn owns 74.07% interest in CTFH which holds the entire interests in CTF. Therefore, CYTF, CYTF II, CTFC and CTFH are deemed to have interests in the Shares in which CTF is deemed to be interested by virtue of its interests in NWD as mentioned in note 2 below.
2. CTF and its subsidiaries have interests in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the Shares in which NWD is interested or deemed to be interested.
3. These include 1,988,238,457 Committed Shares and 893,067,998 Underwritten Shares, assuming no Rights Shares are taken up by the Qualifying Shareholders (save for NWD and Easywin).
4. The number of Shares held under the corporate interests of NWD includes the interest in 170,027,818 Shares owned by Easywin, 22,508,064 Shares held by Great Worth Holdings Limited, its 59% owned subsidiary, and 62,049,159 Shares held by High Earnings Holdings Limited, its 59.79% owned subsidiary.
5. The percentage of shareholding in the Company is based on the total number of 8,643,919,366 Shares in issue upon completion of the Rights Issue.

(b) Other members of the Group

As at the Latest Practicable Date, so far as was known to the Directors or chief executives of the Company and save as otherwise disclosed in this Prospectus, the persons (other than a Director or chief executive of the Company) who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

| <u>Name of substantial shareholder</u> | <u>Name of subsidiary</u> | <u>Number of shares/ amount of equity interest held</u> |
|---|--|---|
| Dalian Commercial Network Construction and Development Company | Dalian New World Plaza International Co., Ltd. | RMB6,960,000 (12% of the equity interest) |
| Hing Pang Petroleum Chemicals (H.K.) Limited | Chengdu Xinyi Real Estate Development Co., Ltd. | US\$19,900,000 (20% of the equity interest) |
| Huamei Wealth (Beijing) International Property Investment Co., Ltd. | Beijing Dongfang Huamei Real Estate Development Co., Ltd. | RMB50,000,000 (25% of the equity interest) |
| Melbourne Enterprises Ltd. | Billion Park Investment Limited | 142,900 shares (14.29% of the equity interest) |
| 貴陽市南明區金水食府 | Guiyang Jinyang Heng Tai Catering Investment Co., Ltd. | RMB1,000,000 (16.67% of the equity interest) |
| Shenyang Zhengju Enterprises Ltd. | New World (Shenyang) Property Development Limited | 10% (note) |
| Hainan Zhonghong Investments Company Limited | New World Zhonghong Property Co. Ltd. | RMB70,000,000 (20% of the equity interest) |
| 成都深港石化有限公司 | Chengdu Xinyi Real Estate Development Co., Ltd. | US\$19,900,000 (20% of the equity interest) |

| <u>Name of substantial shareholder</u> | <u>Name of subsidiary</u> | <u>Number of shares/ amount of equity interest held</u> |
|--|-------------------------------------|---|
| 武漢市國營漢口漁場 | Wuhan Xin Han Development Co., Ltd. | 30% (note) |
| 北京勵升豪廷房地產顧問有限公司 | 北京新世界商建房地產開發有限公司 | RMB4,500,000 (15% of the equity interest) |
| 北京商建房地產開發有限公司 | 北京新世界商建房地產開發有限公司 | RMB3,000,000 (10% of the equity interest) |
| 北京崇遠投資經營公司 | 北京新世界物業管理有限公司 | US\$83,300 (11.9% of the equity interest) |
| 廣盛華僑(大亞灣)房產開發有限公司 | 惠州市廣新房地產開發有限公司 | RMB300,000 (30% of the equity interest) |

Note: Referred to as profit sharing ratio as set out in the relevant co-operative joint venture contracts.

Save as disclosed above, as at the Latest Practicable Date, there was no other person, other than a Director or chief executive of the Company, who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, other than contracts expiring or terminable by the Company within one year without payment of compensation other than statutory compensation.

6. EXPERT AND CONSENT

The following sets out the qualification of the expert who has given opinions or advise, which is contained or referred to in this Prospectus:

| Name | Qualification |
|------------------------|------------------------------|
| PricewaterhouseCoopers | Certified Public Accountants |

As at the Latest Practicable Date, PricewaterhouseCoopers:

- (a) has given and has not withdrawn its written consent to the issue of the Prospectus with the inclusion of its report and references to its name, in the form and context in which they are included;
- (b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and

- (c) did not have any direct or indirect interest in any assets which had since 30 June 2011, being the date to which the latest published audited financial statements of the Group were made up, been acquired or disposed of by, or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, none of the Directors was aware of any material adverse change in the financial or trading position of the Group since 30 June 2011 (being the date to which the latest published audited financial statements of the Group were made up).

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

9. EXPENSES

The estimated expenses in connection with the Rights Issue, including but not limited to underwriting commission, financial, legal, subsequent issue fee, printing, registration, translation and other related expenses are estimated to amount to approximately HK\$38.0 million and will be borne by the Company.

10. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) had been entered into by the Group within the two years immediately preceding the date of this Prospectus which are, or may be, material:

- (1) A purchase and sale agreement dated 18 June 2011 and entered into between New World Hotel Management (BVI) Limited (“NWHM”), Hotel Value Fund L.P., Rosewood Hotels and Resorts Holdings, Inc., The Carlyle, LLC and HVF Madison Corp. whereby NWHM agreed to acquire from Hotel Value Fund L.P. and Rosewood Hotels and Resorts Holdings, Inc. their 100% interest in Rosewood Hotels and Resorts, L.L.C. and the intellectual property rights in relation to the Carlyle Hotel or the “Carlyle” name from The Carlyle, LLC for a consideration of US\$229.5 million (subject to adjustment) and US\$28 million respectively.
- (2) The Underwriting Agreement.

11. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

(a) Qualification of the Directors

Executive Director

Dr. Cheng Kar-shun, Henry GBS (aged 64)

Dr. Cheng became the Chairman and Managing Director of the Company in 1999. He is also a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Dr. Cheng is the Managing Director of

NWD, a substantial shareholder of the Company, the Chairman of NWS Holdings Limited, the Chairman and Non-Executive Director of New World Department Store China Limited, the Chairman of International Entertainment Corporation as well as an Independent Non-Executive Director of HKR International Limited and a Non-Executive Director of Lifestyle International Holdings Limited, all being listed public companies in Hong Kong. He was also the Chairman of Taifook Securities Group Limited (now known as Haitong International Securities Group Limited), a listed public company in Hong Kong, up to his resignation on 13 January 2010. In addition, Dr. Cheng is the Managing Director of New World Hotels (Holdings) Limited and a Director of several substantial shareholders of the Company, namely Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited (formerly known as Centennial Success Limited) and Chow Tai Fook Enterprises Limited. He is the Chairman of the Advisory Council for The Better Hong Kong Foundation and a Standing Committee Member of the Eleventh Chinese People's Political Consultative Conference of the People's Republic of China. In 2001, Dr. Cheng was awarded the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region. Dr. Cheng is the brother of Mr. Cheng Kar-shing, Peter, the brother-in-law of Mr. Doo Wai-hoi, William, the father of Mr. Cheng Chi-kong, Adrian and Miss Cheng Chi-man, Sonia, and the uncle of Mr. Cheng Chi-him, Conrad.

Non-Executive Director

Mr. Doo Wai-hoi, William JP (Aged 67)

Mr. Doo was appointed an Executive Director of the Company in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 8 January 2010. He is the Vice-Chairman of the Company, a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Mr. Doo is currently the Deputy Chairman and Non-Executive Director of NWS Holdings Limited, an Executive Director of Lifestyle International Holdings Limited and an Independent Non-Executive Director of The Bank of East Asia, Limited and Shanghai Industrial Urban Development Group Limited, all being listed public companies in Hong Kong. He was also the Vice-Chairman of Taifook Securities Group Limited (now known as Haitong International Securities Group Limited), a listed public company in Hong Kong, up to his resignation on 13 January 2010. He is also a Director of New World Hotels (Holdings) Limited and Fung Seng Diamond Company Limited. Mr. Doo has been serving as a Governor of the Canadian Chamber of Commerce in Hong Kong since 1995. In addition, he is a Member of the Standing Committee of the Eleventh Chinese People's Political Consultative Conference in Shanghai, and the Convener of the Shanghai Committee in Hong Kong and Macau. In 2005, he was appointed as the Honorary Consul of the Kingdom of Morocco in Hong Kong. In 2009, he was awarded the Chevalier de la Légion d'Honneur by the Republic of France. Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter, and the uncle of Mr. Cheng Chi-kong, Adrian, Miss Cheng Chi-man, Sonia and Mr. Cheng Chi-him, Conrad.

*Executive Director***Mr. Cheng Kar-shing, Peter (aged 59)**

Mr. Cheng was appointed an Executive Director of the Company in June 1999. He is also a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Mr. Cheng also acts as a Non-Executive Director of NWD, a substantial shareholder of the Company, and an Independent Non-Executive Director of King Fook Holdings Limited and Symphony Holdings Limited, all being listed public companies in Hong Kong. In addition, he is a Director of several substantial shareholders of the Company, namely Cheng Yu Tung Family (Holdings) Limited, Cheng Yu Tung Family (Holdings II) Limited, Chow Tai Fook Capital Limited, Chow Tai Fook (Holding) Limited (formerly known as Centennial Success Limited) and Chow Tai Fook Enterprises Limited. He is also a Director of NWS Service Management Limited, New World Hotels (Holdings) Limited, Polytown Company Limited as well as the Chairman of Chow Tai Fook Charity Foundation, a non-profit making charitable organization. Mr. Cheng is a Fellow of The Hong Kong Institution of Engineers, a Fellow of The Hong Kong Institute of Arbitrators, an Accredited Mediator of Hong Kong Mediation Centre, a CEDR Accredited Mediator, HKIAC Accredited Mediator (General), a panel mediator of Land (Compulsory Sale For Redevelopment) Ordinance Pilot Mediation Scheme of The Joint Mediation Helpline Office and an Arbitrator of Huizhou Arbitration Commission. He is the brother of Dr. Cheng Kar-shun, Henry, the brother-in-law of Mr. Doo Wai-hoi, William, the father of Mr. Cheng Chi-him, Conrad as well as the uncle of Mr. Cheng Chi-kong, Adrian and Miss Cheng Chi-man, Sonia.

*Executive Director***Mr. Cheng Chi-kong, Adrian (aged 32)**

Mr. Cheng was appointed an Executive Director of the Company in March 2007. He is a member of the Executive Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Mr. Cheng is also an Executive Director of NWD, a substantial shareholder of the Company, New World Department Store China Limited and International Entertainment Corporation, all being listed public companies in Hong Kong. In addition, he is a Director of Chow Tai Fook (Holding) Limited (formerly known as Centennial Success Limited) and Chow Tai Fook Enterprises Limited, both substantial shareholders of the Company. Mr. Cheng worked in a major international bank prior to joining the New World Group in September 2006 and has substantial experience in corporate finance area. Mr. Cheng holds a Bachelor of Arts Degree (*Cum Laude*) from Harvard University. He is the Vice-Chairman of All-China Youth Federation, a Member of the Tianjin Municipal Committee of The Chinese People's Political Consultative Conference, a Consultant of the Beijing Municipal Committee of The Chinese People's Political Consultative Conference, the Chairman of China Young Leaders Foundation and the Honorary Chairman of Fundraising Committee of the Wu Zhi Qiao (Bridge to China) Charitable Foundation. Mr. Cheng is the son of Dr. Cheng Kar-shun, Henry, the nephew of both Mr. Doo Wai-hoi, William and Mr. Cheng Kar-shing, Peter. He is also the brother of Miss Cheng Chi-man, Sonia and the cousin of Mr. Cheng Chi-him, Conrad.

*Executive Director***Miss Cheng Chi-man, Sonia (aged 31)**

Miss Cheng was appointed an Executive Director of the Company in January 2010. She joined the Group in February 2009 as Executive Vice Chairman of New World Hotel Management Limited (“NWHM”), a wholly-owned subsidiary of the Company, and is responsible for overseeing the Company’s hotel operations. She has been appointed the Chairman of NWHM with effect from 1 January 2011. She is currently a director of certain subsidiaries of the Company. Before joining the Group, she had worked in a major international investment bank and a global US private equity firm specialising in real estate investments. Miss Cheng holds a Bachelor of Arts Degree in Applied Mathematics with concentration in Economics from Harvard University in U.S.A.. She is the daughter of Dr. Cheng Kar-shun, Henry, the niece of both Mr. Doo Wai-hoi, William and Mr. Cheng Kar-shing, Peter. She is also the sister of Mr. Cheng Chi-kong, Adrian and the cousin of Mr. Cheng Chi-him, Conrad.

*Executive Director***Mr. Cheng Chi-him, Conrad (aged 33)**

Mr. Cheng was appointed an Executive Director of the Company in January 2010. He graduated from University of Toronto in Canada with a Bachelor of Arts degree in Statistics and has been specialising in project management of property projects in China since 2005. He is currently an executive director of International Entertainment Corporation, a listed public company in Hong Kong. He was also an Executive Director of New Times Energy Corporation Limited (formerly known as New Times Group Holdings Limited), a listed public company in Hong Kong, from 5 February 2008 to 19 October 2009. He is the son of Mr. Cheng Kar-shing, Peter, the nephew of both Dr. Cheng Kar-shun, Henry and Mr. Doo Wai-hoi, William. He is also the cousin of Mr. Cheng Chi-kong, Adrian and Miss Cheng Chi-man, Sonia.

*Non-Executive Director***Mr. Leung Chi-kin, Stewart (aged 72)**

Mr. Leung was appointed an Executive Director of the Company in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 8 January 2010. He is a Non-Executive Director and the Principal Adviser of NWD (a listed public company in Hong Kong and a substantial shareholder of the Company) upon re-designation from Executive Director on 1 January 2011. He also acts as the Chairman of the Executive Committee of The Real Estate Developers Association of Hong Kong and is a member of the General Committee of The Chamber of Hong Kong Listed Companies.

*Non-Executive Director***Mr. Chow Kwai-cheung (aged 69)**

Mr. Chow was appointed an Executive Director of the Company in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 8 January 2010. He is currently a Non-Executive Director of NWD, a listed public company in Hong Kong and a substantial shareholder of the Company. He is also a Director of Golden Land Property Development Public Company Limited, a public listed company in Thailand, and a Director of Hip Hing Construction Company Limited. Mr. Chow joined the New World Group in 1971 and has over 40 years experience in property development and investment businesses.

*Non-Executive Director***Mr. Chow Yu-chun, Alexander (aged 64)**

Mr. Chow was appointed an Executive Director of the Company in June 1999 and has been re-designated as a Non-Executive Director of the Company with effect from 1 January 2011. Mr. Chow joined the New World Group in 1973 and was responsible for the financial operations of the Company and the New World Group prior to his re-designation as a Non-Executive Director of the Company. He is currently an Independent Non-Executive Director of Playmates Toys Limited, Top Form International Limited and China Strategic Holdings Limited, all being listed public companies in Hong Kong. He is a fellow of the Association of Chartered Certified Accountants (UK) and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and has over 30 years of experience in property development and investment in Hong Kong.

*Executive Director***Mr. Fong Shing-kwong, Michael (aged 63)**

Mr. Fong was appointed an Executive Director of the Company in January 2003. He is also a director of certain subsidiaries of the Company. Mr. Fong is an Independent Non-Executive Director of Chuang's Consortium International Limited, a listed public company in Hong Kong, and a Director of several unlisted companies, including NWS Service Management Limited, New World Hotels (Holdings) Limited and Kiu Lok Property Services (China) Ltd.. Mr. Fong joined the New World Group in 1978 and was appointed an Executive Director of New World Hotels International Limited from 1983 to 1997. He is responsible for hotel corporate management and project development of the Company and the New World Group. Besides his over 30 years experience in the hospitality industry, Mr. Fong has extensive experience in property development, asset & facility management and investment business in the PRC.

*Executive Director***Ms. Ngan Man-ying, Lynda (aged 46)**

Ms. Ngan was appointed an Executive Director of the Company in January 2006. She is also a member of the Executive Committee and the Remuneration Committee of the Board of Directors of the Company and a director of certain subsidiaries of the Company. Ms. Ngan is an Executive Director of New World Department Store China Limited, a listed public company in Hong Kong. Ms. Ngan joined the Group in 1999 and is the Financial Controller and a committee member of the Group's Operation Committee responsible for overseeing the Group's financial accounting, treasury management and corporate governance monitoring. Prior to joining the Company, Ms. Ngan worked for an international accounting firm in Hong Kong and a tax consulting company in Australia. Ms. Ngan is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of United Kingdom and has over 24 years of experience in auditing, accounting, business advisory and tax consultancy. Ms. Ngan is the Company Secretary of New World China Land Limited.

*Independent Non-Executive Director***Dr. Cheng Wai-chee, Christopher GBS OBE JP (aged 63)**

Dr. Cheng was appointed an Independent Non-Executive Director of the Company in June 1999. He also acts as the Chairman of the Audit Committee and the Remuneration Committee of the Board of Directors of the Company. Dr. Cheng is the Chairman of Wing Tai Properties Limited (formerly known as USI Holdings Limited) and Winsor Properties Holdings Limited. He is an Independent Non-Executive Director of NWS Holdings Limited and Kingboard Chemical Holdings Limited, all being listed public companies in Hong Kong, and an Independent Non-Executive Director of DBS Group Holdings Limited, a listed public company in Singapore. He is also a Non-Executive Director of Eagle Asset Management (CP) Limited (as manager of Champion Real Estate Investment Trust). He was an Independent Non-Executive Director of PICC Property and Casualty Company Limited, a listed public company in Hong Kong, up to his resignation on 23 October 2009.

Dr. Cheng has a keen interest in the public services. He is currently a member of the Hong Kong Government Exchange Fund Advisory Committee, a member of the Council of The University of Hong Kong and a steward of the Hong Kong Jockey Club. He also serves as a member of the board of Overseers at Columbia Business School, the board of Temasek Foundation CLG Limited, and a member on the President's Council on International Activities of the Yale University. Dr. Cheng is the former Chairman of the Hong Kong General Chamber of Commerce. Dr. Cheng holds a BBA from the University of Notre Dame, Indiana, USA, and an MBA from Columbia University, New York.

*Independent Non-Executive Director***Mr. Tien Pei-chun, James GBS JP (aged 64)**

Mr. Tien was appointed an Independent Non-Executive Director of the Company in June 1999. He is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company. Mr. Tien is Chairman of Manhattan Holdings Ltd., Manhattan Garments (International) Ltd., Manhattan Realty Ltd. and director of a number of private companies. Mr. Tien is also an Independent Non-Executive Director of Yeebo (International Holdings) Limited, a listed public company in Hong Kong. A legislative councillor from 1988 to 1991 and from 1993 to 2008, Mr. Tien is very active in the community and serves on government committees as well as non-government boards in Hong Kong. He is Chairman of the Hong Kong Tourism Board and a member of the Chinese People's Political Consultative Conference. Mr. Tien also serves as a member of the Hong Kong Trade Development Council, sits on the general committee of the Hong Kong General Chamber of Commerce and is a court member of the Hong Kong Polytechnic University.

*Independent Non-Executive Director***Mr. Lee Luen-wai, John BBS JP (aged 62)**

Mr. Lee was appointed an Independent Non-Executive Director of the Company in December 2004. He is a member of the Audit Committee and Remuneration Committee of the Board of Directors of the Company. Mr. Lee is the Managing Director and the Chief Executive Officer of Lippo Limited, an Executive Director and the Chief Executive Officer of both Lippo China Resources Limited and Hongkong Chinese Limited, and an Independent Non-Executive Director of NWD, a substantial shareholder of the Company, all being listed public companies in Hong Kong. He is also a Non-Executive Director of Export & Industry Bank, Inc. a listed company in the Republic of Philippines. He was a Non-Executive Director of Medco Holdings, Inc., a listed company in the Republic of Philippines, up to his resignation on 23 July 2009. On 12 November 2010, Mr. Lee was appointed as a Non-Executive Director of Asia Now Resources Corporation, a listed public company in Canada. Mr. Lee is a Fellow Member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and an Associate Member of The Institute of Chartered Accountants in England and Wales. He was a partner of Pricewaterhouse in Hong Kong and has extensive experience in corporate finance and capital markets. Mr. Lee was awarded the Bronze Bauhinia Star by the Government of the Hong Kong Special Administrative Region in July 2011. He is an Honorary Fellow of the City University of Hong Kong. He serves as a member on a number of Hong Kong Government Boards and Committees including a member of the Hospital Authority and the Chairman of its Finance Committee. He is also the Chairman and the Trustee of the Hospital Authority Provident Fund Scheme as well as the Chairman of the Queen Elizabeth Hospital Governing Committee. In addition, Mr. Lee serves as a member of Non-local Higher and Professional Education Appeal Board.

*Senior management of the Company***LEE Steward (aged 43)**

Mr. Lee is a Deputy Regional Chief Executive of the Group. He is primarily responsible for assisting Mr. Wingo Chan in supervising the Group's projects in Beijing, Tianjin, Jinan, Tangshan and Langfang. Mr. Lee has worked for projects of the Group in regions such as Shenyang, Haikou, Guangzhou and Guiyang, and has more than 15 years of experience in property development in the PRC. Mr. Lee holds a Bachelor Degree in Accounting granted by Melbourne University, Australia and is an associate member of CPA (Aust) of CPA Australia and an associate member of The Association of International Accountants (AIA). Mr. Lee joined the New World Group in 1996.

WONG Siu-man, Simon (aged 42)

Mr. Wong is a Deputy Regional Chief Executive of the Group, responsible for projects in Central China. Mr. Wong graduated from the University of Hong Kong majoring in business administration. He possesses more than 15 years of working experience in the property development sector in the PRC. Mr. Wong joined the New World Group in 1996.

CHAN Chi-wing, Wingo (aged 49)

Mr. Chan is a Regional Chief Executive of the Group who primarily oversees the Group's projects in Beijing, Tianjin, Jinan, Tangshan and Langfang. Mr. Chan has more than 20 years experience in real estate development in Hong Kong and the PRC. Besides an honour degree in Architectural Studies from the University of Hong Kong, Mr. Chan has MBA, LLB (Hon) and LLM degrees. He has also been called to the Bar in England and Wales. Mr. Chan had once joined the New World Group in 1986. He has worked with the Group for more than 13 years.

FAN Chor-kwok, Ambrose (aged 67)

Mr. Fan is Assistant General Manager and Regional Director - Central China of the Group, whose primary responsibility is to oversee the Group's projects in Central China including Wuhan and Changsha. Mr. Fan graduated from the University of Hong Kong with Bachelor Degree in Architecture and the University of Toronto with a Master Degree in Business Administration. Mr. Fan is Registered Architect in Hong Kong, Member of The Royal Architectural Institute of Canada and The Hong Kong Institute of Architects. Mr. Fan has more than 40 years of experience in architecture, project management and property development and has held a number of senior positions in international consulting firms, property development companies and financial institutions. Mr. Fan joined the New World Group in 1992, was appointed as a Director of New World Project Management Limited in 1993, Assistant General Manager of New World Development (China) Limited in September 1997 and Regional Director — Central China of the Company in 2008.

GENG Shu-sen, Kenneth (aged 48)

Mr. Geng is a Regional Director — Southern China of the Group who primarily oversees the Group's projects in Guangdong (include Guangzhou, Foshan, Zhuhai, Huizhou, Zhaoqing), Hainan and Guiyang. Mr. Geng holds Bachelor and Master Degrees in Science and is also a certified engineer in both the PRC and Australia. Mr. Geng has over 20 years experience in real estate development in Hong Kong and the PRC. Mr. Geng is the Committee Member of the 10th Chinese People's Political Consultative Conference of Guangdong, the 11th Chinese People's Political Consultative Conference of Guangzhou, Routine Vice-Chairman of Guangzhou Overseas Friendship Association, the fourth batch of Most Honoured Citizens of Zhaoqing. Mr. Geng joined the Group in 1999.

LAU Chung-chun, Desmond (aged 64)

Mr. Lau is a Regional Chief Executive of the Group who primarily oversees the Group's projects in Shenyang and Anshan. Mr. Lau has over 20 years of experience in real estate development in Hong Kong and the PRC. Mr. Lau is a Model Worker of the City of Shenyang, and Honorary Citizen of the City of Shenyang, Vice-Chairman of the Shenyang Real Estate Development Association, Committee Member of the 10th, 11th and 12th Chinese People's Political Consultative Conference of Shenyang, Standing Committee Member of the 13th Chinese People's Political Consultative Conference of Shenyang, Convenor (Shenyang Region) of Hong Kong CPPCC (Provincial) Members, Vice-Chairman of the Membership Committee of Hong Kong CPPCC (Provincial) Members Association and Convenor (Shenyang Region) of Hong Kong CPPCC (Provincial) Members Association, Vice-Chairman of the Overseas Chinese Congress in Liaoning Province and Vice-Chairman of the Liaoning Real Estate Association. Mr. Lau joined the Group in 1996.

WONG See-yuen (aged 55)

Mr. Wong is a Regional Chief Executive of the Group who primarily oversees the Group's project in Chengdu. Mr. Wong holds a Bachelor Degree in Construction Management from Pacific Southern University and Master Degree in Business Administration from Seattle International University. Mr. Wong has over 28 years of experience in real estate management, leasing and project development and management of various projects in Hong Kong. Mr. Wong is the Vice-Chairman of Chengdu Association of Enterprises with Foreign Investment and The House and Real Estate Association of Chengdu. Mr. Wong joined the New World Group in 2002.

WAN Cho-kei, Rick (aged 54)

Mr. Wan is Regional Chief Executive of the Group who primarily oversees the Group's projects in Guiyang. Mr. Wan has more than 20 years of experience in Real Estate Development and Facility Management in Singapore, South East Asia, and the PRC. Mr. Wan holds BSEE degree from the University of Hawaii of the United States, and he also holds Graduate Diploma in Business Administration in Singapore. Prior to joining the Group in 2011, Mr. Wan has worked for a few US, Singaporean, and Hong Kong Listed companies.

CHAN Yiu-ho Benny (aged 39)

Mr. Chan is a Deputy Regional Chief Executive of the Group who primarily assists Mr. Desmond Lau in overseeing the Group's projects in Shenyang. Mr. Chan holds a Bachelor Degree in Business Administration from the Chinese University of Hong Kong, and over 10 years of experience in real estate development in the PRC. Prior to joining the Group, Mr. Chan worked for an international accounting firm in Hong Kong. Mr. Chan is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants of the United Kingdom.

(b) The addresses of the Directors

| Name | Residential address |
|--|--|
| <i>Executive Directors</i> | |
| Dr. Cheng Kar-shun, Henry | 12 Repulse Bay Road, Hong Kong |
| Mr. Cheng Kar-shing, Peter | 12 Repulse Bay Road, Hong Kong |
| Mr. Cheng Chi-kong, Adrian | 12 Repulse Bay Road, Hong Kong |
| Miss Cheng Chi-man, Sonia | 12 Repulse Bay Road, Hong Kong |
| Mr. Cheng Chi-him, Conrad | 12 Repulse Bay Road, Hong Kong |
| Mr. Fong Shing-kwong, Michael | House 8, Las Pinadas, 31–33 Shouson Hill Road, Hong Kong |
| Ms. Ngan Man-ying, Lynda | Flat E, 34/F, Two Robinson Place, 70 Robinson Road, Hong Kong |
| <i>Non-Executive Directors</i> | |
| Mr. Doo Wai-hoi, William | 9 Rosemead Road, The Peak, Hong Kong |
| Mr. Leung Chi-kin, Stewart | House B, 32 Repulse Bay Road, Hong Kong |
| Mr. Chow Kwai-cheung | 27 E, Pak Hoi Mansion, Tai Koo Shing, Hong Kong |
| Mr. Chow Yu-chun, Alexander | Block 37, 17/F, Baguio Villa, 550 Victoria Road, Hong Kong |
| <i>Independent Non-Executive Directors</i> | |
| Dr. Cheng Wai-chee, Christopher | House 25, 63 Deep Water Bay Road, Hong Kong |
| Mr. Tien Pei-chun, James | 12 Barker Road, Hong Kong |
| Mr. Lee Luen-wai, John | Flat 29B, 70 Tai Hang Road, Hong Kong |

12. MISCELLANEOUS

- (a) The Prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.
- (b) The registered office of the Company is situated at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands.
- (c) The head office and principal place of business of the Company is situated at 9th Floor, New World Tower 1, 18 Queen's Road Central, Hong Kong.

13. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all person concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent of PricewaterhouseCoopers referred to in the paragraph headed “Expert and consent” in this appendix have been delivered to the Registrar of Companies of Hong Kong pursuant to section 342C of the Companies Ordinance.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business in Hong Kong of the Company at 9th Floor, New World Tower 1, 18 Queen’s Road Central, Hong Kong from the date of this Prospectus up to and including 19 December 2011:

- (a) the memorandum and articles of association of the Company;
- (b) the written consent referred to in the paragraph headed “Expert and consent” in this appendix;
- (c) the material contracts referred to in the paragraph headed “Material contracts” in this appendix;
- (d) the annual reports of the Company for the three financial years ended 30 June 2009, 30 June 2010 and 30 June 2011, respectively;
- (e) the accountant’s report in respect of the unaudited pro forma financial information of the Group in respect of the Rights Issue, the text of which is set out in Appendix II; and
- (f) the Prospectus.