

PRESS RELEASE

NWS Holdings to acquire FTLife Insurance for HK\$21.5 billion in cash

**To enhance NWS Holdings' diversified business portfolio focused on stable, long-term yielding assets in the infrastructure and service sectors, with an added element of long-term growth and solid returns profile*

**A high-quality acquisition opportunity for New World Group to expand into the attractive Hong Kong life insurance market and align with its strategy to maximize the upcoming opportunities in the Greater Bay Area*

**FTLife to leverage New World Group's growing ecosystem to realize its full potential over the long term*

Hong Kong, 27 December 2018 – New World Development Company Limited (“NWD”) (Hong Kong stock code: 17) and NWS Holdings Limited (“NWS Holdings”) (Hong Kong stock code: 659) jointly announced today that an indirect wholly-owned subsidiary of NWS Holdings (“Purchaser”) entered into a Share Purchase Agreement with an indirect wholly-owned subsidiary of Tongchuangjiuding Investment Management Group Co., Ltd. (“Jiuding”) whereby the Purchaser has conditionally agreed to purchase the entire issued share capital of FTLife Insurance Company Limited (“FTLife”), a Hong Kong-based insurance business, for HK\$21.5 billion in cash, subject to adjustments. NWD is the major shareholder of NWS Holdings with approximately 61% share ownership.

As New World Group's publicly listed diversified industries flagship with a focus on infrastructure and services, NWS Holdings has been evaluating opportunities to enhance its diverse business portfolio to generate recurring income and sustainable growth to shareholders, whilst working towards New World Group's vision of building a dynamic ecosystem of high-quality offerings that promotes a premium lifestyle. The acquisition of FTLife is a step forward in fulfillment of this vision.

As a premier Hong Kong life insurance business with more than 30 years of history, FTLife offers a comprehensive range of life insurance products, including whole life, term life, endowment, investment-linked, accident and health products to serve the diverse needs of its customers. Led by a strong management team from Tier 1 insurance industry leaders, FTLife currently has a network of more than 2,500 tied agents as well as key strategic partnerships with more than 230 brokers and independent financial advisers in Hong Kong.

“FTLife will be a great addition to the New World family. This transaction is a significant step towards our goal of building an immersive ecosystem of premium quality offerings to our customers and community. Given our deep roots in Hong Kong and our focus on the Greater Bay Area, we believe we are the right platform for FTLife to realize its full potential over the long term,” said Adrian Cheng, Executive Vice-chairman and General Manager of NWD.

Brian Cheng, Executive Director of NWS Holdings, commented: “We have been impressed by FTLife's proven strategy to grow FTLife's business and to improve its competitive position in Hong Kong. FTLife complements our existing business portfolio and will generate solid recurring income to NWS Holdings and create value for our shareholders. NWS Holdings is a committed,

long-term, strategic shareholder for FTLife and we are confident in FTLife's sustainable growth prospects."

Compelling Rationale for the Transaction

- FTLife is well positioned to benefit from the robust long-term outlook for the Hong Kong life insurance industry, which is primarily driven by a growing high net worth population, an aging population and the high savings rate in Hong Kong. Hong Kong continues to be a favored destination for PRC and overseas visitors looking for access to comprehensive world-class financial product coverage.
- FTLife represents a high-quality acquisition opportunity which will contribute solid recurring income to NWS Holdings. From 2015 to 2017, FTLife has grown its new business annual premium equivalent (APE) at a CAGR of 36% (compared to 15% for the industry). At the same time, FTLife has expanded margins while maintaining a healthy solvency level of 515% as of year-end 2017 which is significantly above the minimum regulatory requirement of 150%. The sustainable growth prospects and recurring income characteristics of an insurance business is highly complementary with NWS Holdings' existing infrastructure and services business.
- The transaction is a unique opportunity for the New World Group to extend its ecosystem of premium products and services into the attractive insurance sector. Potential synergies between FTLife and the New World Group include:
 - Enhance cross-promotion opportunities and greater connectivity between FTLife's premium customers and the New World Group's affluent customer base;
 - Collaborate with the New World Group's expanding healthcare and wellness portfolio; and
 - Leverage the New World Group's extensive and expanding footprint in the Greater Bay Area to position for greater regional integration in the future, in light of the possible launch of "Insurance Connect" that is anticipated to enable Hong Kong insurers to improve services provided to customers from the Greater Bay Area.
- FTLife will also benefit from having NWS Holdings as a committed, long-term, strategic shareholder with robust financial strength and a longstanding reputation in Hong Kong and the PRC.

Transaction Details

The transaction will be funded by a combination of internal resources and committed external financing from reputable international banks available to NWS Holdings, requiring no funding support from NWD. NWS Holdings' management will continually evaluate various options from time to time to manage its leverage within a reasonable level on a standalone basis.

The transaction has been approved by the Boards of Directors of NWD and NWS Holdings and is subject to the approval of shareholders of NWS Holdings and Jiuding, relevant regulatory approvals and satisfaction of other conditions precedent.

Upon completion of the transaction, FTLife will become an indirect wholly-owned subsidiary of NWS Holdings.

HSBC and Morgan Stanley have been appointed as joint financial advisers to NWS Holdings.

About New World Development Company Limited

Founded in 1970, New World Development Company Limited was publicly listed in Hong Kong in 1972 and is a constituent stock of the Hong Kong Hang Seng Index. A premium brand infused with a unique personality defined by The Artisanal Movement, New World Group's core business areas include property development, property investment, infrastructure and services, department stores and hotels. As at 30 June 2018, the total asset value of the Group amounted to approximately HK\$481.5 billion. The Group has an effective interest of approximately 61% in NWS Holdings Limited, approximately 75% in New World Department Store China Limited (Hong Kong stock code: 825) and wholly owned in New World China Land Limited. To learn more about NWD, please visit www.nwd.com.hk.

About NWS Holdings Limited

NWS Holdings Limited is the publicly listed diversified industries flagship of New World Development Company Limited with a focus on infrastructure and services. It has diverse businesses and investments predominantly in Hong Kong and Mainland China, comprising toll roads, environmental management, commercial aircraft leasing, port and logistics facilities, rail container terminals, facilities management, healthcare services, construction and public transport. Please visit www.nws.com.hk for details.

About FTLife Insurance Company Limited

FTLife Insurance Company Limited is a life insurance company in Hong Kong, providing a broad range of protection and savings-related life and medical insurance products, serving both individual and institutional clients via tied agents and brokers. FTLife has an Insurer Financial Strength (IFS) Rating by Fitch of A- and an Insurance Financial Strength Rating (IFSR) by Moody's of Baa1, and was ranked as the 11th largest Hong Kong life insurance company by new business Annual Premium Equivalent for the six months ended 30 June 2018 (based on Insurance Authority statistics).

As completion is subject to the satisfaction and/or waiver (as applicable) of the conditions precedent contained in the share purchase agreement, the acquisition may or may not proceed. Shareholders and potential investors of NWD and NWS Holdings should therefore exercise caution when dealing in the securities of NWD and NWS Holdings.

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