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JOINT ANNOUNCEMENT

- (1) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
FTLIFE INSURANCE COMPANY LIMITED
BY A WHOLLY-OWNED SUBSIDIARY OF NWS**
(2) DISCLOSEABLE TRANSACTION FOR NWD
(3) MAJOR TRANSACTION FOR NWS

Joint Financial Advisers to NWS



The NWD Board and the NWS Board are pleased to announce that on 27 December 2018 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of NWS and an indirect non-wholly-owned subsidiary of NWD) entered into the Share Purchase Agreement with the Vendor (an indirect wholly-owned subsidiary of Jiuding) and the Guarantors in respect of the acquisition of the entire issued share capital of the Target Company (free from any Encumbrance upon Completion) by the Purchaser from the Vendor at a total consideration of HK\$21.5 billion (subject to adjustments).

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor taking into account various relevant factors including, among other things, the Target Group's value of assets and business (with reference to, among other things, embedded value and net asset value), business prospects and market position as well as other factors set out in this announcement. The Consideration for the Acquisition will be funded by a combination of internal resources of the NWS Group and committed external financing from reputable international banks.

Completion of the Acquisition is conditional upon the Conditions Precedent being satisfied and/or waived (as the case may be). Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of NWS and an indirect non-wholly-owned subsidiary of NWD.

For NWD, as the highest of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is below 25%, the Acquisition constitutes a discloseable transaction for NWD under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements (but is not subject to the circular and shareholders' approval requirements) under Chapter 14 of the Listing Rules.

For NWS, as the highest of the applicable percentage ratios in respect of the Acquisition exceeds 25% but is below 100%, the Acquisition constitutes a major transaction for NWS under Chapter 14 of the Listing Rules, and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. The NWS SGM will be convened and held for the shareholders of NWS to consider and, if thought fit, approve the Share Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further information on the Share Purchase Agreement, more recent audited financial information of the Target Group, unaudited pro forma financial information of the NWS Group and the Target Group taken as a whole, and other information as is required to be contained in it under the Listing Rules, together with a notice of the NWS SGM and a form of proxy, is expected to be despatched to the shareholders of NWS on or before 11 April 2019 as additional time is required to prepare the information for inclusion in the circular.

As Completion is subject to the satisfaction and/or waiver (as applicable) of the Conditions Precedent, the Acquisition may or may not proceed. Shareholders and potential investors of NWD and NWS should therefore exercise caution when dealing in the securities of NWD and NWS.

INTRODUCTION

The NWD Board and the NWS Board are pleased to announce that on 27 December 2018 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of NWS and an indirect non-wholly-owned subsidiary of NWD) entered into the Share Purchase Agreement with the Vendor (an indirect wholly-owned subsidiary of Jiuding) and the Guarantors in respect of the Acquisition at a total consideration of HK\$21.5 billion (subject to adjustments as detailed in the section headed "Major terms of the Share Purchase Agreement – Consideration" below). The major terms of the Share Purchase Agreement are disclosed below.

MAJOR TERMS OF THE SHARE PURCHASE AGREEMENT

Date

27 December 2018

Parties

- (1) Vendor: Bright Victory International Limited, an indirect wholly-owned subsidiary of Jiuding
- (2) Guarantors: (i) Tongchuangjiuding Investment Management Group Co., Ltd.* (同創九鼎投資管理集團股份有限公司); (ii) Mr. Wu Gang (吳剛); (iii) Mr. Wu Qiang (吳強); (iv) Mr. Cai Lei (蔡蕾); (v) Mr. Huang Xiaojie (黃曉捷); and (vi) Mr. Qin Zhengyu (覃正宇)
- (3) Purchaser: Earning Star Limited, an indirect wholly-owned subsidiary of NWS and an indirect non-wholly-owned subsidiary of NWD

The Acquisition

Pursuant to the Share Purchase Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares, representing the entire issued share capital of the Target Company, free from any Encumbrance upon Completion.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of NWS and an indirect non-wholly-owned subsidiary of NWD, and the financial statements of the Target Group will be consolidated into the financial statements of the NWS Group and of the NWD Group.

Consideration

The Consideration payable by the Purchaser shall be:

- (a) HK\$21.5 billion; plus
- (b) an amount equal to the interest accrued on HK\$17.893 billion (being HK\$21.5 billion less the value of the Deposit and the Prepayment, and less the agreed market value as at the Locked Box Date of certain investments held by the Target Company) between (and including) the Agreement Date and the Completion Date at the rate of 2% per annum; plus
- (c) an amount equal to the interest accrued on the Deposit and the Prepayment respectively, each from the Agreement Date up to (but not including) the date of the relevant payment, at the rate of 2% per annum; minus

- (d) any amount to be deducted for (i) any non-permitted value leakage out of the Target Group from (and including) the first calendar day after the Locked Box Date up to (and including) the Completion Date; and (ii) any loss upon disposal or redemption between the Locked Box Date and the Completion Date of certain investments held by the Target Company, as detailed in the sub-section headed “Pre-Completion undertakings in relation to certain investments” below.

Furthermore, instead of being paid to the Vendor, part of the Consideration calculated in the manner described above may, among other things, (i) be paid to the Target Company to settle any and all intragroup transactions between the Target Group and the Vendor’s Group that remain outstanding on the Completion Date, as detailed in the sub-section headed “Pre-Completion undertakings in relation to certain intragroup transactions” below; (ii) be paid to the Target Company to settle certain investments held by the Target Company that the Vendor agreed to dispose of prior to Completion, as detailed in the sub-section headed “Pre-Completion undertakings in relation to certain investments” below; and (iii) be paid to a bank to settle a bank loan obtained by the Vendor’s Parent.

The Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor taking into account various relevant factors including, among other things, the Target Group’s value of assets and business (with reference to, among other things, embedded value and net asset value), business prospects and market position as well as other factors set out in the section headed “Reasons for and benefits of the Acquisition” below.

The Consideration for the Acquisition will be funded by a combination of internal resources of the NWS Group and committed external financing from reputable international banks.

Payment of Consideration

The Consideration shall be paid by the Purchaser in the following manner:

- (a) the Deposit of HK\$1.56 billion shall be paid within five Business Days upon the latest of the following conditions having been satisfied:
 - (i) the approval of the shareholders of the relevant members of the Vendor’s Group having been obtained;
 - (ii) the Vendor having delivered to the Purchaser a legal opinion issued and signed by a reputable PRC law firm expressly confirming, with reasonable legal basis, that all of the Vendor’s Approvals have been obtained and remain in full force;
 - (iii) the Vendor having delivered (1) an undertaking to the Purchaser that the Vendor shall not create any new Encumbrance over any of the Sale Shares (other than the First Share Pledge and the Second Share Pledge) pending Completion or termination of the Share Purchase Agreement; and (2) the definitive share certificate(s) representing 51% of the Sale Shares to be held by the Purchaser for safekeeping;

- (iv) the Vendor having delivered to the Purchaser the First Share Pledge which is duly signed by the Vendor but remains undated pending the approval of the IA, and which the Purchaser is irrevocably authorized to date and put into effect once the approval of the IA has been obtained; and
 - (v) the Vendor having delivered to the Purchaser a certified true copy of the submission made by the Vendor's Group or the Target Group to the IA for approval of the First Share Pledge;
- (b) the Prepayment of HK\$1.56 billion shall be paid within five Business Days upon the latest of the following conditions having been satisfied:
- (i) the IA having approved the First Share Pledge and such pledge having become effective;
 - (ii) the Vendor having delivered to the Purchaser the Second Share Pledge which is duly signed by the Vendor but remains undated pending the approval of the IA, and which the Purchaser is irrevocably authorized to date and put into effect once the approval of the IA has been obtained;
 - (iii) the Vendor having delivered to the Purchaser a certified true copy of the submission made by the Vendor's Group or the Target Group to the IA for approval of the Second Share Pledge; and
 - (iv) the conditions set out in paragraphs (a)(i) to (a)(iii) above in relation to the Deposit being satisfied and remaining in force; and
- (c) the remainder of the Consideration shall be paid at Completion after the amount is confirmed between the Vendor and the Purchaser in the manner described in the sub-section headed "Confirmation of Consideration and Completion" below.

Conditions Precedent

Completion is conditional upon the following Conditions Precedent being satisfied and/or waived (as the case may be):

- (a) the following approvals, being the Purchaser's Approvals, shall have been obtained or made and remain in full force or effect:
 - (i) the written approval by the IA of the replacement of directors and controllers of the Target Company in the Acquisition (which shall include an indication of the statutory "fit and proper" requirement under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong));

- (ii) the written approval by the SFC with respect to the change of control of the Target Company under the Code of Investment-Linked Assurance Schemes;
 - (iii) the approval of the Acquisition by the BMA pursuant to the Insurance Act 1978 and/or the Exchange Control Act 1972 of Bermuda and their respective related regulations (as the case may be);
 - (iv) the approval of the Stock Exchange (if required);
 - (v) the approval of the shareholders of the relevant members of the Purchaser's Group (if required); and
 - (vi) any other approval, consent or waiver of creditors and third parties that are required by the Purchaser's Group for the consummation of the Acquisition;
- (b) the following approvals, being the Vendor's Approvals, shall have been obtained or made and remain in full force or effect:
- (i) the approval by the relevant PRC Government Authorities including but not limited to the CSRC and the NEEQ (if required);
 - (ii) the approval of the shareholders of the relevant members of the Vendor's Group (if required); and
 - (iii) any other approval, consent or waiver of creditors and third parties that are required by the Vendor's Group or the Target Group including but not limited to consents for material disposal or change of control;
- (c) the fundamental warranties given by the Vendor and the Guarantors under the Share Purchase Agreement shall be true and accurate in all material respects;
- (d) the Purchaser shall have delivered certain documents to the Vendor at or before Completion (or ensured that such documents will be delivered simultaneously with Completion), including but not limited to various documents evidencing or effecting the purchase of the Sale Shares and the settlement of the Consideration;
- (e) the Vendor shall have delivered certain documents to the Purchaser at or before Completion (or ensured that such documents will be delivered simultaneously with Completion), including but not limited to various documents evidencing or effecting the disposal of the Sale Shares free from any Encumbrance;
- (f) the transfer of certain key intellectual properties (including those already registered, and those to be registered between the Agreement Date and the Completion Date) in relation to the business of the Target Company from the Vendor's Group to the Target Company shall have been completed;

- (g) the novation of certain employment contracts with core employees from the Vendor's Parent to the Target Company shall have been completed, with such core employees retained and new employment contracts signed between such core employees and the Target Company on commercially reasonable terms;
- (h) the novation of employment contracts with each employee of any member of the Target Group or the Vendor's Parent performing duties or services for any member of the Target Group (other than those core employees referred to in paragraph (g) above) who will continue to perform his/her duties and services for any member of the Target Group after Completion, from the Vendor's Parent to the Target Company or a company designated by the Purchaser as the new employer in substitution for the Vendor's Parent, shall have been completed;
- (i) the Vendor shall have developed and provided the final retention plan for core employees and core agents and brokers of the Target Group mutually agreed by the Vendor and the Purchaser in good faith and on commercially reasonable terms;
- (j) the Vendor shall have provided to the Purchaser copies of signed legal opinions with reasonable legal basis in respect of the laws of Hong Kong, Bermuda and the PRC issued by reputable law firms in relation to the Target Company reasonably requested by the Purchaser;
- (k) the Vendor shall have provided to the Purchaser certified true copies of:
 - (i) the unqualified audited consolidated financial statements of the Target Group for the financial year ended 31 December 2018;
 - (ii) the unqualified reviewed consolidated financial statements of the Target Group for the six months ended 30 June 2018; and
 - (iii) the actuarial report relating to the embedded value of the Target Company as of 31 December 2018; and
- (l) since the Locked Box Date, there shall not have occurred any event that has an effect that is materially adverse to:
 - (i) the operations, business, financial conditions, properties or assets of the Target Group taken as a whole; or
 - (ii) the ability of the Vendor to perform its obligations under the Share Purchase Agreement or to consummate the Acquisition in accordance with the terms thereof and applicable laws.

To the extent permitted by applicable law, the Purchaser may waive in writing the Conditions Precedent set out in paragraphs (c), (e), (f), (g), (h), (i), (j), (k) and (l) above, and the Vendor may waive in writing the Conditions Precedent set out in paragraph (d) above.

Confirmation of Consideration and Completion

Within five Business Days after satisfaction or waiver of all the Conditions Precedent (other than the Conditions Precedent set out in paragraphs (d) and (e) of the sub-section headed “Conditions Precedent” above), the Vendor shall deliver to the Purchaser a statement setting out in reasonable detail the calculation of the Consideration (after subtracting the Deposit and the Prepayment) together with reasonable supporting documents. The Purchaser shall be entitled to review such statement and raise questions and request for further supporting documents and discuss with the Vendor in good faith with a view to agreeing on the calculation within ten Business Days after receiving such statement. Upon its satisfaction of the supporting documents and agreeing on the calculation, the Purchaser shall deliver to the Vendor a final written statement to confirm its agreement on the calculation.

Completion shall occur at 10:00 a.m. on the Completion Date, being the tenth Business Day after the date of the Purchaser delivering the aforesaid final written statement to confirm its agreement on the calculation.

Pre-Completion undertakings in relation to certain intragroup transactions

In relation to certain intragroup transactions between the Target Group and the Vendor’s Group (including a loan owed by Jiuding to the Target Company, certain bonds issued by a member of the Vendor’s Group and held by the Target Company, and other outstanding payments due from the Vendor’s Group to the Target Group), the Vendor undertook to the Purchaser to settle such transactions before Completion, failing which part of the Consideration will be paid to the Target Company by the Purchaser to settle the same on behalf of the Vendor, instead of being paid to the Vendor.

Pre-Completion undertakings in relation to certain investments

In relation to certain investments held by the Target Company (including listed shares, bonds and private equity funds), the Vendor undertook to the Purchaser (i) to dispose of or to allow the redemption upon maturity (as applicable) of such investments before Completion; (ii) to have an amount equal to any loss resulting from the aforesaid disposal or redemption (as compared to the corresponding agreed market value as at the Locked Box Date) deducted from the Consideration; and (iii) if the aforesaid disposal or redemption does not take place, to purchase such investments from the Target Company, and to have part of the Consideration equal to the corresponding agreed market value as at the Locked Box Date paid to the Target Company on behalf of the Vendor.

Post-Completion undertakings in relation to certain investments

In relation to certain investments held by the Target Company (including listed shares and bonds), to the extent such investments have not been disposed of or have not matured at Completion, the Vendor undertook to the Purchaser (i) in the case of listed shares, to purchase at a pre-agreed price of such shares in cash from the Target Company within a period of time after Completion; and (ii) in the case of bonds, to compensate the Purchaser in cash for any loss resulting from the redemption upon maturity of such bonds (as compared to the corresponding agreed market value as at the Locked Box Date), or to purchase such bonds in cash at their face value plus accrued interests from the Target Company if such bonds are not redeemed upon maturity.

Termination

Under the Share Purchase Agreement, the Longstop Date shall be the date falling 18 months from the Agreement Date, or any such later date as mutually agreed in writing between the Vendor and the Purchaser.

The Share Purchase Agreement may be terminated under any of the following situations:

- (a) at any time upon the mutual written consent of the Vendor, the Guarantors and the Purchaser;
- (b) if Completion has not occurred by the Longstop Date;
- (c) if any of the Conditions Precedent has become irrevocably failed to be satisfied prior to the Longstop Date;
- (d) upon written notice by the Purchaser, at the change in control, bankruptcy or liquidation of Jiuding;
- (e) upon written notice by the Purchaser, at the issuance of material unfavourable decision by Hong Kong or PRC Government Authorities against the Target Group in relation to its business operation;
- (f) upon written notice by the Purchaser, upon receiving non-appealable refusals by the PRC authorities of the filings and registrations that are absolutely necessary for the completion of the Acquisition or any non-reversible definitive indication from any PRC governmental authorities that any filings required for the Acquisition on or after Completion may not be obtained or completed; or
- (g) upon written notice by the Purchaser, at the occurrence of any event or final result of any investigation of:
 - (i) the Target Company, by any Hong Kong or PRC Government Authorities; or
 - (ii) Jiuding, by any PRC Government Authorities;that has a material adverse effect on the Acquisition.

The Purchaser's recourse if Completion does not take place

If Completion does not take place for any reason, the Vendor shall promptly take the following actions in relation to the Deposit, the Prepayment and/or the Termination Penalty and also pay any applicable interest accrued thereon, and the Purchaser shall be entitled to enforce its rights, claims and remedies under the First Share Pledge and the Second Share Pledge until such actions have been taken by the Vendor in full:

- (a) if the Acquisition is not approved by the IA due to causes solely attributable to the Purchaser, upon termination of the Share Purchase Agreement, the Vendor shall be entitled to retain the Deposit but shall return the Prepayment in full to the Purchaser;
- (b) if the Acquisition is not approved by the IA due to causes solely attributable to the Vendor, upon termination of the Share Purchase Agreement, the Vendor shall return the Deposit and the Prepayment in full and pay the Termination Penalty of HK\$1.56 billion to the Purchaser; and
- (c) if the Acquisition is terminated for any reason other than those set out in paragraphs (a) and (b) above, upon termination of the Share Purchase Agreement, the Vendor shall return the Deposit and the Prepayment in full to the Purchaser,

where the causes for failure to obtain the approval of the IA for the Acquisition shall be solely based on the determination by the IA in written form.

Interest shall accrue on the Deposit, the Prepayment and/or the Termination Penalty up to (and including) the date of return or payment of all or any portion of such amounts by the Vendor to the Purchaser at interest rates ranging from 0% to 20% per annum (depending on which of the above paragraphs (a) to (c) applies and also when such amounts are returned or paid).

The Guarantors' guarantee

As a primary obligor and not a mere surety, each of the Guarantors undertook to, on a joint and several basis, among other things:

- (a) irrevocably and unconditionally guarantee to the Purchaser the due and punctual performance of each obligation of the Vendor contained in the Share Purchase Agreement, and perform or procure the Vendor to perform from time to time on demand any obligation which the Vendor is at any time required to perform under or pursuant to the Share Purchase Agreement and which has not been performed at the time the demand is made; and
- (b) use its or his best efforts and take all necessary steps within its or his power or right to enable and procure the Vendor to perform its obligations under the Share Purchase Agreement (including voting in favour of the Acquisition at the shareholders' meeting of Jiuding and obtaining the Vendor's Approvals), and bear unlimited joint and several liability for all and any of the obligations or liabilities of the Vendor under the Share Purchase Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The NWD Group and the NWS Group see the Acquisition as a unique opportunity to extend their ecosystem of premium products and services into the attractive insurance sector. Potential synergy areas for the Acquisition include:

- (a) cross-promotion opportunities and greater connectivity between the Target Group's premium customers and the NWD Group and the NWS Group's affluent customer base;
- (b) collaboration with the NWD Group and the NWS Group's expanding healthcare and wellness portfolio; and
- (c) leveraging the NWD Group and the NWS Group's extensive resources and expanding footprint in the Greater Bay Area.

The Target Group is expected to benefit from the robust outlook of the Hong Kong life insurance industry, which is primarily driven by:

- (a) a growing high net worth population, an aging population and the high savings rate in Hong Kong; and
- (b) demand from PRC and overseas visitors looking for access to investment opportunities and comprehensive world-class financial product coverage.

Within the attractive Hong Kong life insurance industry, the Target Group represents a high-quality acquisition opportunity with a demonstrated track record of delivering a robust compound annual growth rate (CAGR) in new business annual premium equivalent (APE) of 36% from 2015 to 2017 (compared to 15% for the industry) with expanding margins. Meanwhile, the Target Group has maintained a healthy solvency level of 515% as of year-end 2017 which is significantly above the minimum regulatory requirements, ensuring sustainable future development. The Target Group is expected to contribute solid recurring income to the NWS Group (which in turn will be consolidated by the NWD Group).

The Target Group shall also benefit from the NWD Group and the NWS Group being committed, long-term, strategic shareholders with robust financial strength and a longstanding reputation in Hong Kong and the PRC, thereby creating additional value to the Target Group and hence the NWD Group and the NWS Group. The NWS Board also believes that the Target Group will contribute solid recurring income to the NWS Group and its sustainable growth prospects and recurring income characteristics as an insurance business are highly complementary to the NWS Group's existing infrastructure and services business.

The NWD Board and the NWS Board are of the view that the Acquisition is on normal commercial terms and that the terms of the Share Purchase Agreement are fair and reasonable and in the interests of NWD, NWS and their respective shareholders as a whole.

INFORMATION ON NWD GROUP, NWS GROUP, JIUDING GROUP AND THE TARGET GROUP

NWD Group

The NWD Group (including the NWS Group) is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, commercial aircraft leasing, services and technology. NWD is the ultimate holding company of NWS and is, together with its subsidiaries, interested in approximately 61% of the total issued share capital of NWS as at the date of this announcement.

NWS Group and the Purchaser

The NWS Group is principally engaged in (i) the development, investment, operation and/or management of roads, environmental projects, commercial aircraft leasing as well as ports and logistics facilities; and (ii) the investment in and/or operation of facilities, duty free shops, healthcare, construction, transport and strategic investments. The Purchaser is an investment holding company which is an indirect wholly-owned subsidiary of NWS.

Jiuding Group, the Vendor and the Guarantors

The Jiuding Group is an investment group principally engaged in (i) the ownership of controlling long-term interests in, and the operation of, various businesses including insurance (namely, the Target Group's business), securities, private equity, real estate, communications equipment manufacturing and non-performing asset management; and (ii) the ownership of minority short-to-medium-term interests (primarily through proprietary investments in self-managed private equity funds) in various public and private companies in a wide range of industries.

The Vendor is an investment holding company which is an indirect wholly-owned subsidiary of Jiuding.

Jiuding (being one of the Guarantors) is the holding company of the Jiuding Group and its shares are quoted on the over-the-counter trading platform operated by the NEEQ (stock code: 430719.NEEQ). The other Guarantors (being five PRC citizens) together beneficially wholly own Tongchuangjiuding Investment Holding Co., Ltd.* (同創九鼎投資控股有限公司), which is the controlling shareholder of Jiuding with an approximately 46% shareholding in Jiuding as at the date of this announcement.

To the best of the NWD Board's and the NWS Board's knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owners (being the Guarantors) are third parties independent of each of NWD and NWS and their respective connected persons.

The Target Group

As at the date of this announcement, the Target Company is indirectly wholly-owned by Jiuding. The Target Company 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. The Target Company 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 annual premium equivalent (APE) for the six months ended 30 June 2018 (based on statistics published by the IA).

According to the audited consolidated financial statements of the Target Group for the two financial years ended 31 December 2016 and 31 December 2017 prepared in accordance with HKFRS, the audited consolidated profit before and after taxation of the Target Group for the two financial years stated below were as follows:

	For the financial year ended	
	31 December	
	2017	2016
	<i>HK\$'million</i>	<i>HK\$'million</i>
	<i>(audited)</i>	<i>(audited)</i>
Profit before taxation	1,039.2	654.9
Profit after taxation	996.4	609.3

According to the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2017 prepared in accordance with HKFRS, the audited consolidated total asset value and net asset value of the Target Group as at 31 December 2017 were approximately HK\$52.4 billion and approximately HK\$15.0 billion respectively.

LISTING RULES IMPLICATIONS

For NWD, as the highest of the applicable percentage ratios in respect of the Acquisition exceeds 5% but is below 25%, the Acquisition constitutes a discloseable transaction for NWD under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirements (but is not subject to the circular and shareholders' approval requirements) under Chapter 14 of the Listing Rules.

For NWS, as the highest of the applicable percentage ratios in respect of the Acquisition exceeds 25% but is below 100%, the Acquisition constitutes a major transaction for NWS under Chapter 14 of the Listing Rules, and is subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE NWS SGM

The NWS SGM will be convened and held for the shareholders of NWS to consider and, if thought fit, approve the Share Purchase Agreement and the transactions contemplated thereunder.

The NWD Board has reviewed and approved the Acquisition, and NWD (together with its subsidiaries), as a shareholder of NWS, has undertaken to vote in favour of the shareholders' resolution for the Acquisition at the NWS SGM.

A circular containing, among other things, further information on the Share Purchase Agreement, more recent audited financial information of the Target Group, unaudited pro forma financial information of the NWS Group and the Target Group taken as a whole, and other information as is required to be contained in it under the Listing Rules, together with a notice of the NWS SGM and a form of proxy, is expected to be despatched to the shareholders of NWS on or before 11 April 2019 as additional time is required to prepare the information for inclusion in the circular.

As Completion is subject to the satisfaction and/or waiver (as applicable) of the Conditions Precedent, the Acquisition may or may not proceed. Shareholders and potential investors of NWD and NWS should therefore exercise caution when dealing in the securities of NWD and NWS.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Acquisition”	the acquisition by the Purchaser from the Vendor of the Sale Shares as contemplated under the Share Purchase Agreement;
“Affiliate”	in relation to a person, any other person directly or indirectly controlling, controlled by or under common control with such person, where “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and includes (i) ownership directly or indirectly of 50% or more of the shares in issue or other equity interests of such person; (ii) possession directly or indirectly of 50% or more of the voting power of such person; or (iii) the power directly or indirectly to appoint a majority of the members of the board of directors or similar governing body of such person, and the terms “controlling” and “controlled” have meanings correlative to the foregoing;

“Agreement Date”	27 December 2018, being the date of the Share Purchase Agreement;
“BMA”	the Bermuda Monetary Authority;
“Business Day”	any day other than a Saturday, Sunday or any other day on which commercial banks located in the PRC and Hong Kong are closed;
“Completion”	completion of the Acquisition in accordance with the Share Purchase Agreement;
“Completion Date”	the date of Completion;
“Conditions Precedent”	the conditions precedent to Completion as set out in the section headed “Major terms of the Share Purchase Agreement – Conditions Precedent” of this announcement, or some of such conditions precedent as the context may so require;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“Consideration”	the consideration for the Acquisition as detailed in the section headed “Major Terms of the Share Purchase Agreement – Consideration” of this announcement;
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“CSRC”	the China Securities Regulatory Commission;
“Deposit”	the amount of HK\$1.56 billion, payable by the Purchaser to the Vendor under the circumstances set out in paragraph (a) of the section headed “Major terms of the Share Purchase Agreement – Payment of Consideration” of this announcement;
“Encumbrance”	any mortgage, pledge, charge, lien, deposit or assignment by way of security, bill of sale, right to acquire, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), any provisional or executorial attachment and any other interest or right of any nature held, or claim that could be raised, by a third party, and any agreement, commitment or right to give, create or enforce any of the foregoing;
“First Share Pledge”	the share charge to be granted by the Vendor in favour of the Purchaser over 14.9% of the entire issued share capital of the Target Company as security for, among other things, the Vendor’s return of the Deposit and the Prepayment and payment of the Termination Penalty to the Purchaser under certain circumstances;

“Government Authority”	any government or quasi-government authority of any relevant state or territory (including political subdivisions), and includes central, provincial, municipal and other local or regional governments, any court or arbitral tribunal, regulatory and self-regulatory authority, and the governing or regulatory body or division of any securities exchange;
“Guarantors”	(i) Jiuding; (ii) Mr. Wu Gang (吳剛); (iii) Mr. Wu Qiang (吳強); (iv) Mr. Cai Lei (蔡蕾); (v) Mr. Huang Xiaojie (黃曉捷); and (vi) Mr. Qin Zhengyu (覃正宇), being guarantors for the Vendor’s obligations under the Share Purchase Agreement as detailed in the section headed “Major terms of the Share Purchase Agreement – The Guarantors’ guarantee” of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
“holding company”	has the meaning ascribed thereto in the Listing Rules;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IA”	the Insurance Authority of Hong Kong;
“Jiuding”	Tongchuangjiuding Investment Management Group Co., Ltd.* (同創九鼎投資管理集團股份有限公司), a company incorporated in the PRC with limited liability, the issued shares of which are quoted on the over-the-counter trading platform operated by the NEEQ (stock code: 430719.NEEQ);
“Jiuding Group”	Jiuding and its subsidiaries from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Locked Box Date”	30 June 2018;
“Longstop Date”	the date referred to in the section headed “Major terms of the Share Purchase Agreement – Termination” of this announcement;
“NEEQ”	National Equities Exchange and Quotations Co., Ltd.* (全國中小企業股份轉讓系統有限責任公司);

“NWD”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 0017);
“NWD Board”	the board of directors of NWD;
“NWD Group”	NWD and its subsidiaries from time to time;
“NWS”	NWS Holdings Limited (新創建集團有限公司*), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 659), and held as to approximately 61% by NWD and its subsidiaries as at the date of this announcement;
“NWS Board”	the board of directors of NWS;
“NWS Group”	NWS and its subsidiaries from time to time;
“NWS SGM”	the special general meeting of NWS to be convened to consider and, if thought fit, approve the Share Purchase Agreement and the transactions contemplated thereunder;
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Prepayment”	the amount of HK\$1.56 billion, payable by the Purchaser to the Vendor under the circumstances set out in paragraph (b) of the section headed “Major terms of the Share Purchase Agreement – Payment of Consideration” of this announcement;
“Purchaser”	Earning Star Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of NWS and an indirect non-wholly-owned subsidiary of NWD;
“Purchaser’s Approvals”	the approvals referred to in paragraph (a) of the section headed “Major terms of the Share Purchase Agreement – Conditions Precedent” of this announcement;
“Purchaser’s Group”	each of the Purchaser and its Affiliates from time to time;
“Sale Shares”	506,100,141 ordinary shares, 9,000,000 Class A redeemable preference shares and 10,000,000 Class C redeemable preference shares of the Target Company, representing the entire issued share capital of the Target Company;

“Second Share Pledge”	the share charge to be granted by the Vendor in favour of the Purchaser over 36.1% of the entire issued share capital of the Target Company as security for, among other things, the Vendor’s return of the Deposit and the Prepayment and payment of the Termination Penalty to the Purchaser under certain circumstances;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share Purchase Agreement”	the share purchase agreement dated 27 December 2018 entered into among the Vendor, the Guarantors and the Purchaser in relation to the Acquisition;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“Target Company”	FTLife Insurance Company Limited (富通保險有限公司), a company incorporated in Bermuda with limited liability, which is an indirect wholly-owned subsidiary of Jiuding as at the date of this announcement;
“Target Group”	the Target Company and its subsidiaries from time to time;
“Termination Penalty”	the amount of HK\$1.56 billion, payable by the Vendor to the Purchaser under the circumstances set out in paragraph (b) of the section headed “Major terms of the Share Purchase Agreement – The Purchaser’s recourse if Completion does not take place” of this announcement;
“Vendor”	Bright Victory International Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of Jiuding;
“Vendor’s Approvals”	the approvals referred to in paragraph (b) of the section headed “Major terms of the Share Purchase Agreement – Conditions Precedent” of this announcement;
“Vendor’s Group”	each of the Vendor and its Affiliates from time to time, which for the avoidance of doubt shall at all times exclude members of the Target Group;

“Vendor’s Parent” FTL Asia Holdings Limited (富通亞洲控股有限公司), a company incorporated in Bermuda with limited liability, which is the intermediate holding company below Jiuding and above the Vendor; and

“%” per cent.

By order of the board of directors of
New World Development Company Limited
(新世界發展有限公司)
Dr. Cheng Kar Shun, Henry
Chairman

By order of the board of directors of
NWS Holdings Limited
(新創建集團有限公司*)
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 27 December 2018

As at the date of this announcement, (a) the executive directors of NWD are Dr. Cheng Kar Shun, Henry, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Chi Heng, Ms. Cheng Chi Man, Sonia, Mr. Au Tak Cheong, Mr. Sitt Nam Hoi and Mr. So Chung Keung, Alfred; (b) the non-executive directors of NWD are Mr. Doo Wai Hoi, William, Mr. Cheng Kar Shing, Peter and Ms. Ki Man Fung, Leonie; and (c) the independent non-executive directors of NWD are Mr. Yeung Ping Leung, Howard, Mr. Cha Mou Sing, Payson (alternate director to Mr. Cha Mou Sing, Payson: Mr. Cha Mou Zing, Victor), Mr. Ho Hau Hay, Hamilton, Mr. Lee Luen Wai, John, Mr. Liang Cheung Bui, Thomas and Mr. Ip Yuk Keung.

As at the date of this announcement, (a) the executive directors of NWS are Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Ma Siu Cheung, Mr. Cheung Chin Cheung, Mr. Cheng Chi Ming, Brian, Mr. Ho Gilbert Chi Hang and Mr. Chow Tak Wing; (b) the non-executive directors of NWS are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai, Mr. Lam Wai Hon, Patrick and Mr. William Junior Guilherme Doo; and (c) the independent non-executive directors of NWS are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Fung Wai Chi, Grace and Mr. Wong Kwai Huen, Albert.

* For identification purposes only