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 **新世界發展有限公司**  
New World Development Company Limited  
*(incorporated in Hong Kong with limited liability)*  
(stock code: 17)

  
**新創建 NWS**  
新創建集團有限公司\*  
NWS HOLDINGS LIMITED  
*(incorporated in Bermuda with limited liability)*  
(stock code: 659)

**POSSIBLE DISCLOSEABLE  
TRANSACTION – DEEMED  
DISPOSAL OF  
A SUBSIDIARY IN RELATION TO  
THE PROPOSED SPIN-OFF AND  
SEPARATE LISTING OF  
NEWTON RESOURCES LTD  
ON THE MAIN BOARD OF  
THE STOCK EXCHANGE OF  
HONG KONG LIMITED**

**PREFERENTIAL OFFERING TO  
QUALIFYING NWD SHAREHOLDERS AND  
QUALIFYING NWS SHAREHOLDERS**

References are made to the Announcements in relation to the Proposed Spin-off. Terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

\* For identification purposes only

## **POSSIBLE DISCLOSEABLE TRANSACTION FOR NWS – DEEMED DISPOSAL**

The Proposed Spin-off and Listing constitute a deemed disposal by NWD and NWS under Rule 14.29 of the Listing Rules, and given that one of the applicable percentage ratios calculated for NWS in relation to the deemed disposal is more than 5% but less than 25% using the high-end of the preliminary indicative Offer Price range, the deemed disposal would constitute a discloseable transaction for NWS under Chapter 14 of the Listing Rules in the event that the Offer Price is set at the high-end of the indicative Offer Price range and is subject to reporting and announcement requirements under the Listing Rules. Upon completion of the Global Offering, NWS' (and in turn NWD's) effective interest in the Company would drop to below 50% and the Company will cease to be a subsidiary of NWS (and in turn NWD) immediately upon Listing.

### **THE PROPOSED SPIN-OFF**

The respective NWD Board and NWS Board wish to further announce that:

- (a) the Prospectus in relation to the Global Offering of the Company will be issued on 21 June 2011;
- (b) the Listing Date of the Company is expected to be Monday, 4 July 2011; and
- (c) the preliminary indicative Offer Price range for each Company's Share offered in the Global Offering is between HK\$1.75 and HK\$2.35 (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%).

The Proposed Spin-off will be conditional on, among other things, the following:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Company's Shares in issue and to be issued pursuant to the Global Offering (including any additional Company's Shares to be issued pursuant to the exercise of any option which has been granted under the pre-IPO share option scheme and which may be granted under the share option scheme) on the Main Board of the Stock Exchange; and
- (ii) the obligations of the Underwriters under the Underwriting Agreements entered and to be entered into among the Company and the Underwriters in respect of the Global Offering becoming unconditional and the Underwriting Agreements not being terminated in accordance with their respective terms, on or before the dates and time specified or to be specified therein.

## **THE PREFERENTIAL OFFERING**

The respective NWD Board and the NWS Board wish to announce that, in order to enable NWD Shareholders and NWS Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Global Offering and the Proposed Spin-off becoming unconditional and not being terminated, Qualifying NWD Shareholders and Qualifying NWS Shareholders are being invited to apply for an aggregate of 40,000,000 Reserved Shares (representing 5% of the 800,000,000 new Company's Shares available under the Global Offering and 1% of the enlarged issued share capital of the Company upon completion of the Global Offering and the capitalization issue, without taking into account any Company's Share which may be issued pursuant to the exercise of options which have been granted under the pre-IPO share option scheme or which may be granted under the share option scheme) in the Preferential Offering. The basis of the Assured Entitlements is one Reserved Share for every whole multiple of 168 NWD shares held by the Qualifying NWD Shareholders and one Reserved Share for every whole multiple of 85 NWS shares held by the Qualifying NWS Shareholders in each case as at 5:00 p.m. on the Record Date. Fractional NWD Shareholders and Fractional NWS Shareholders will not be entitled to apply for any Reserved Share. In addition, upon having considered the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, the respective NWD Board and NWS Board consider it necessary and expedient that the Preferential Offering will not be extended to Overseas NWD Shareholders and Overseas NWS Shareholders, respectively, in accordance with Rule 13.36(2) of the Listing Rules. The documents issued in connection with the Global Offering and the Preferential Offering will not be registered or filed under applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. Accordingly, no Reserved Shares are being offered to Overseas NWD Shareholders or Overseas NWS Shareholders under the Preferential Offering and no light orange application forms or blue application forms will be sent to such persons. Applications on light orange application forms or blue application forms will not be accepted from Overseas NWD Shareholders, Overseas NWS Shareholders, or persons who are acting for the benefit of Overseas NWD Shareholders or Overseas NWS Shareholders. The Reserved Shares are being offered under the International Offering and are not subject to the clawback arrangement between the International Offering and the Hong Kong Public Offering.

A light orange application form (in the case of Qualifying NWD Shareholders) or a blue application form (in the case of Qualifying NWS Shareholders), together with an electronic copy of the Prospectus on CD-ROM, will be despatched to each Qualifying NWD Shareholder or Qualifying NWS Shareholder, as the case may be, who is entitled to apply for Reserved Shares at his/her address recorded on the NWD register of members or the NWS register of members, as the case may be, as at 5:00 p.m. on the Record Date.

An electronic copy of the Prospectus on CD-ROM (without the light orange application form or the blue application form) will be despatched to each Fractional NWD Shareholder, Fractional NWS Shareholder, Overseas NWD Shareholder and Overseas NWS Shareholder for information only.

NWD and NWS have made a joint application to the Stock Exchange for a waiver from strict compliance with Rule 2.07A(2) of the Listing Rules, and the Stock Exchange has granted a waiver from strict compliance with Rule 2.07A(2) of the Listing Rules such that NWD and NWS can despatch electronic copies of the Prospectus on CD-ROM to the NWD Shareholders and the NWS Shareholders whose names appear on the registers of members of NWD and NWS, respectively, at 5:00 p.m. on the Record Date.

**Shareholders and potential investors should note that the Proposed Spin-off, which is subject to a number of conditions, may or may not proceed. In particular, there is no assurance that the Listing Approval from the Listing Committee of the Stock Exchange will be granted or that the Underwriters' obligations under the Underwriting Agreements will become unconditional or that the Underwriting Agreements will not be terminated. Accordingly, there is no assurance that the Proposed Spin-off will proceed, and NWD Shareholders, NWS Shareholders and potential investors in the securities of NWD and NWS should therefore exercise caution when dealing in or investing in the securities of NWD and NWS.**

**This announcement is not an offer for sale of any securities in the United States. No securities can be offered or sold in the United States unless registered or exempted from registration. Any public offering of securities in the United States will be done by means of a prospectus. The Proposed Spin-off will not be registered in the United States.**

## **INTRODUCTION**

References are made to the joint announcements of NWD and NWS (the “**Announcements**”) dated 31 January 2011, 24 February 2011, 3 May 2011 and 31 May 2011 in relation to the Proposed Spin-off. Terms used herein shall have the same meanings as those defined in the Announcements unless the context otherwise requires.

On 24 January 2011, NWD and NWS submitted a spin-off proposal to the Stock Exchange pursuant to PN15 in relation to the Proposed Spin-off of the Company. The Stock Exchange approved our PN15 submission on 9 June 2011 and confirmed that NWD and NWS may proceed with the Proposed Spin-off. On 27 May 2011, the Listing Committee granted an approval in principle to the Company's listing application.

## **POSSIBLE DISCLOSEABLE TRANSACTION FOR NWS – DEEMED DISPOSAL**

### **Structure of the Proposed Spin-off**

The Proposed Spin-off is expected to be effected by way of the Global Offering which will comprise the Hong Kong Public Offering and the International Offering, and will be accompanied by a separate listing of the Company's Shares on the Main Board of the Stock Exchange. The 1,000,000,000 Company's Shares initially being offered in the Global Offering (the “**Offer Shares**”) will represent approximately 25% of the enlarged share capital of the Company immediately after completion of the Global Offering and the capitalization issue,

without taking into account of any Company's Share which may be issued pursuant to the exercise of the options which have been granted under the pre-IPO share option scheme or which may be granted under the share option scheme.

A total of 900,000,000 Company's Shares (comprising 660,000,000 new Company's Shares and 200,000,000 Sale Shares to be sold by the Selling Shareholder and 40,000,000 Reserved Shares), representing an aggregate of 90% of the initial total number of the Offer Shares, will initially be offered under the International Offering. A total of 100,000,000 Offer Shares, representing 10% of the initial total number of the Offer Shares, will initially be offered under the Hong Kong Public Offering. The number of Company's Shares to be offered under the Hong Kong Public Offering and the International Offering are subject to reallocation as described in the Prospectus.

Out of the 900,000,000 Offer Shares to be offered under the International Offering, it is expected that 40,000,000 Offer Shares will be offered as Reserved Shares to the Qualifying NWD Shareholders and the Qualifying NWS Shareholders under the Preferential Offering on a preferential basis as to allocation only. Please refer to the section headed "Preferential Offering" below for details of the Preferential Offering.

It is also expected that an Over-allotment Option will be granted by the Selling Shareholder to the International Underwriters under the International Offering to require the Selling Shareholder to sell an aggregate of up to 15% of the Company's Shares to be initially offered under the Global Offering at the Offer Price to cover over-allocations (if any) in the International Offering.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters, subject to the terms and conditions of the Hong Kong Underwriting Agreement.

Immediately upon completion of the Global Offering and the capitalization issue (taking no account of any of the Company's Shares which may be sold by the Selling Shareholder pursuant to the exercise of the Over-allotment Option and the Company's Shares which may fall to be issued upon the exercise of options which have been granted under the Company's pre-IPO share option scheme and which may be granted under the Company's share option scheme), NWS, through its indirect wholly-owned subsidiaries, will be interested in approximately 48% of the issued share capital of the Company and therefore the Company will cease to be a subsidiary of NWS (and in turn NWD). However, it is expected that NWS will hold its remaining interest in the Company as a long-term investment and the Company will then become an associated company of NWS and NWD. Details of NWS' shareholding in the Company is set out in the Prospectus.

## **Separate listing of the Company's Shares**

Shares of NWD and NWS will continue to be listed on the Main Board of the Stock Exchange after the implementation of the Proposed Spin-off. It is expected that the listing of the Company's Shares on the Main Board of the Stock Exchange will be conditional on, among other things, the following things:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Company's Shares in issue and to be issued pursuant to the Global Offering (including any additional Company's Shares to be issued pursuant to the exercise of any option which has been granted under the pre-IPO share option scheme and which may be granted under the share option scheme) on the Main Board of the Stock Exchange;
- (ii) the Offer Price having been determined on the price determination date, which is expected to be on or around Friday, 24 June 2011, and in any event no later than Tuesday, 28 June 2011; and
- (iii) the obligations of the Underwriters under the Underwriting Agreements entered and to be entered into among the Company and the Underwriters in respect of the Global Offering becoming unconditional and the Underwriting Agreements not being terminated in accordance with their respective terms, on or before the dates and time specified or to be specified therein.

If any of these and other applicable conditions are not fulfilled or (where applicable) waived prior to the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date that is 30 days after the date of the Prospectus, the Proposed Spin-off will lapse, and the Stock Exchange will be notified immediately and an announcement will be published by the Company and/or NWD and NWS as soon as practicable following such lapse.

As at the date of this announcement, none of the above conditions has been fulfilled.

## Financial information of the Company

### Results of operation and financial position of the Company

The following is a summary of the audited results of operations of the Company and its subsidiaries for each of the three financial years ended 31 December 2008, 2009 and 2010:

	For the years ended 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
<b>Continuing operations</b>			
Revenue ( <i>Note</i> )	–	–	–
Cost of sales	–	–	–
Gross profit	–	–	–
Loss before tax from continuing operations	(227)	(2,148)	(2,948)
Income tax expenses	–	–	–
Loss for the year from continuing operations	(227)	(2,148)	(2,948)
<b>Discontinued operation</b>			
Loss for the year from a discontinued operation	(144)	(85)	–
Total comprehensive loss	(371)	(2,233)	(2,948)

*Note:* Revenue represents the net invoiced value of goods sold, net of trade discounts and returns and various types of government surcharges, where applicable. As the Company has not commenced commercial production, there were no revenue, trade discounts or returns during the three financial years ended 31 December 2008, 2009 and 2010.

	As at 31 December		
	2008	2009	2010
	RMB'000	RMB'000	RMB'000
<b>Total assets</b>	68,338	86,062	474,742
Current liabilities	53,025	48,087	438,490
Non-current liabilities	1,180	1,180	1,180
<b>Total liabilities</b>	54,205	49,267	439,670
<b>Total equity</b>	14,133	36,795	35,072

### Financial effects of the Proposed Spin-off

The following estimates are the financial effects on NWS as a result of the Proposed Spin-off and is for illustration purposes only.

#### *Net tangible asset value*

Based on the current proposed structure of the Global Offering, the NWS Board expects that NWS will recognise a minimum net gains to NWS resulting from the Proposed Spin-off of approximately HK\$1.8 billion (taking no account of any of the Company's Shares which are being sold by the Selling Shareholder in the Global Offering and which may be sold pursuant

to the exercise of the Over-allotment Option and the Company's Shares which may fall to be issued upon the exercise of options which have been granted under the Company's pre-IPO share option scheme and which may be granted under the Company's share option scheme). However, it should be noted that the aforesaid net gains is estimated based on a number of assumptions, including, among others, NWS' carrying value of the Company and the estimated market capitalization of the Company for the purpose of calculating the net gains resulting from the Proposed Spin-off (assuming at the minimum Offer Price of HK\$1.75). Accordingly, the actual net gains to be recognized by the NWS Group, which shall be calculated by reference to the actual market capitalization and the financial position of the Company and its subsidiaries at the time of completion of the Global Offering, may be different from the above estimation.

Assuming the Proposed Spin-off is completed by 4 July 2011 and on the basis of the minimum proposed offer size and structure of the Global Offering, such net gains will be recognized by NWS for the year ending 30 June 2011.

### *Earnings*

The effect of the Proposed Spin-off on the future earnings of the NWS Group will depend on, among others, the return generated from the proceeds raised from the Global Offering as well as the growth of the business operations of the Company and its subsidiaries.

Following completion of the Proposed Spin-off, NWS' earnings contributed by the Company and its subsidiaries are expected to be reduced as the NWS' interest in the Company will be reduced from approximately 60% to a minimum of approximately 48% (taking no account of any of the Company's Shares which may be sold by the Selling Shareholder pursuant to the exercise of the Over-allotment Option and the Company's Shares which may fall to be issued upon the exercise of options which have been granted under the Company's pre-IPO share option scheme and which may be granted under the Company's share option scheme). Consequently, the financial results of the Company and its subsidiaries will cease to be consolidated as a subsidiary into the accounts of the NWS Group.

### **Intended use of proceeds**

The Company intends to use the net proceeds from the Global Offering as follows assuming the Offer Price being the mid-point of the preliminary indicative Offer Price range of HK\$2.05 per Company's Share (details of which are set out in the Prospectus):

- (1) approximately 30% to be used primarily to complete the Company's three-phase expansion plan;
- (2) approximately 8% to be used to pay resource fees to the relevant Department of Land and Resources in applying for the mining permit for the Yanjiazhuang Mine;
- (3) approximately 27% to be used for exploration and acquisition activities to expand the Company's resources, including further exploration work at the Yanjiazhuang Mine;
- (4) approximately 22% to be used to develop the Company's gabbro-diabase resources into commercial production;



- (5) approximately 10%, to be used to repay a portion of the shareholders' loans; and
- (6) approximately 3% to be used to fund the Company's working capital.

### **Reasons for and benefits of the Proposed Spin-off**

The NWS Board considers that the Proposed Spin-off will be beneficial to the NWS Group and the Company, and the shareholders of NWS taken as a whole as:

- (1) the cash proceeds to be received by the Company pursuant to the Global Offering will provide capital for the Company's operations and new investment opportunities, and free up capital which would otherwise be required from NWS for such new developments and opportunities;
- (2) the Proposed Spin-off will increase the operational and financial transparency of the Company and provide investors and the public with greater clarity on its businesses, operations and financial performance;
- (3) the Proposed Spin-off will allow the Company to establish its own profile as a separately listed entity with the ability to access the debt and equity capital markets to fund its operations, future development and investment opportunities; and
- (4) the Proposed Spin-off will provide incentives to the Company's management who are focused on the iron-ore mine operation business.

### **Information on the NWS Group and the Company**

#### *Information of the NWS Group*

The principal activity of NWS is investment holding. The principal activities of NWS' subsidiaries include:

- (a) the investment in and/or operation of facilities, construction, transport and strategic investments; and
- (b) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as ports and logistics facilities.

#### *Information of the Company*

The Company owns and operates a major privately-owned iron ore mine in Hebei Province, the PRC, and utilizes the open-pit mining method to extract ore reserves. As at the date of this announcement, the Company holds the mining rights to one large-scale open-pit iron ore mine, the Yanjiazhuang Mine, which occupies a mining area of approximately 5.22 km<sup>2</sup>. Based on the recent assessment of the technical expert to the Company, the Yanjiazhuang Mine had proved and probable reserves of approximately 260.0 Mt, which were converted from total measured and indicated iron ore resources of approximately 311.8 Mt.

In addition to iron ore reserves and resources, the Yanjiazhuang Mine also contains gabbro-diabase, a valuable mineral resource that is a mining by-product and is commonly used to manufacture a wide variety of products, including high-quality and high-end countertops, interior decorative materials and indoor flooring.

## **Listing Rules Implications**

The Proposed Spin-off and Listing constitute a deemed disposal by NWS under Rule 14.29 of the Listing Rules, and given that one of the applicable percentage ratios calculated for NWS in relation to the deemed disposal is more than 5% but less than 25% using the high-end of the preliminary indicative Offer Price range, the deemed disposal would constitute a discloseable transaction for NWS under Chapter 14 of the Listing Rules in the event that the Offer Price is set at the high-end of the indicative Offer Price range and is subject to reporting and announcement requirements under the Listing Rules. Upon completion of the Global Offering, NWS' (and in turn NWD's) effective interest in the Company would drop to below 50% and the Company will cease to be a subsidiary of NWS (and in turn NWD) immediately upon Listing.

## **PROPOSED SPIN-OFF**

### **Introduction**

The Listing Date of the Company is expected to be Monday, 4 July 2011.

The preliminary indicative Offer Price range for each Company's Share offered in the Global Offering is between HK\$1.75 and HK\$2.35 (excluding brokerage fee of 1%, SFC transaction levy of 0.003% and the Stock Exchange trading fee of 0.005%).

It is currently expected that the Proposed Spin-off will be conditional on, among other things, the following:

- (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Company's Shares in issue and to be issued pursuant to the Global Offering (including any additional Company's Share to be issued pursuant to the exercise of any option which has been granted under the pre-IPO share option scheme and which may be granted under the share option scheme) on the Main Board of the Stock Exchange; and
- (ii) the obligations of the Underwriters under the Underwriting Agreements entered into and to be entered into among the Company and the Underwriters in respect of the Global Offering becoming unconditional and the Underwriting Agreements not being terminated in accordance with their respective terms, on or before the dates and time specified or to be specified therein.

If any of these and other applicable conditions are not fulfilled or, save for condition precedent (i) above, waived prior to the dates and times specified or to be specified, the Proposed Spin-off will lapse, and the Stock Exchange will be notified immediately and an announcement will be published by the Company and/or NWD and NWS as soon as practicable following such lapse.

## **Timetable**

Set out below is the timetable of the Proposed Spin-off:

Despatch of light orange application forms and blue application forms for the Preferential Offering together with an electronic copy of the Prospectus on CD-ROM to the Qualifying NWD Shareholders and the Qualifying NWS Shareholders	Tuesday, 21 June 2011
Application lists of the Hong Kong Public Offering and the Preferential Offering open	11:45 a.m. on Friday, 24 June 2011
Latest time to lodge light orange and blue application forms	12:00 noon on Friday, 24 June 2011
Expected price determination date	on or around Friday, 24 June 2011, and in any event no later than Tuesday, 28 June 2011
Listing Date	Monday, 4 July 2011

All times above refer to Hong Kong local time. An announcement will be made by the Company after the Offer Price is determined.

## **PREFERENTIAL OFFERING**

The respective NWD Board and the NWS Board wish to announce that, in order to enable NWD Shareholders and NWS Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Global Offering and the Proposed Spin-off becoming unconditional and not being terminated, Qualifying NWD Shareholders and Qualifying NWS Shareholders are being invited to apply for an aggregate of 40,000,000 Reserved Shares (representing 5% of the 800,000,000 new Company's Shares available under the Global Offering and 1% of the enlarged issued share capital of the Company upon completion of the Global Offering and the capitalization issue, without taking into account any Company's Share which may be issued pursuant to the exercise of options which have been granted under the pre-IPO share option scheme or which may be granted under the share option scheme) in the Preferential Offering. The basis of the Assured Entitlements is one Reserved Share for every whole multiple of 168 NWD shares held by the Qualifying NWD Shareholders or one Reserved Share for every whole multiple of 85 NWS shares held by the Qualifying NWS Shareholders, in each case as at 5:00 p.m. on the Record Date. Fractional NWD Shareholders and Fractional NWS Shareholders will not be entitled to apply for any Reserved Share. In addition, upon having considered the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, the respective NWD Board and NWS Board consider it to be necessary and expedient that the Preferential Offering will not be extended to Overseas NWD Shareholders and Overseas NWS Shareholders, respectively, in accordance with Rule 13.36(2) of the Listing Rules. The documents issued in connection with the Global Offering and the Preferential Offering will not be registered or filed under applicable securities or equivalent legislation of any jurisdiction other than Hong Kong. Accordingly, no Reserved Shares are being offered to Overseas NWD Shareholders or Overseas NWS Shareholders under the Preferential Offering and no light orange application forms or blue application forms will be sent to such persons.

Applications on light orange application forms or blue application forms will not be accepted from Overseas NWD Shareholders, Overseas NWS Shareholders, or persons who are acting for the benefit of Overseas NWD Shareholders or Overseas NWS Shareholders. The Reserved Shares are being offered under the International Offering and are not subject to the clawback arrangement between the International Offering and the Hong Kong Public Offering.

A light orange application form (in the case of Qualifying NWD Shareholders) or a blue application form (in the case of Qualifying NWS Shareholders), together with an electronic copy of the Prospectus on CD-ROM, will be despatched to each Qualifying NWD Shareholder or Qualifying NWS Shareholder who, as the case may be, is entitled to apply for Reserved Shares at his/her address recorded on the NWD register of members or NWS register of members, as the case may be, as at 5:00 p.m. on the Record Date. Qualifying NWD Shareholders and Qualifying NWS Shareholders are permitted to apply for a number of Reserved Shares which is greater than, equal to or less than their Assured Entitlements under the Preferential Offering. A valid application, in respect of a number of Reserved Shares less than or equal to a Qualifying NWD Shareholder's or a Qualifying NWS Shareholder's Assured Entitlement will be accepted in full, subject to the terms and conditions set forth on the light orange application form or the blue application form. If an application is made for a number of Reserved Shares greater than the Assured Entitlement of a Qualifying NWD Shareholder or a Qualifying NWS Shareholder, the Assured Entitlement will be satisfied in full but the excess portion of such application will only be met to the extent that there are sufficient Reserved Shares resulting from other Qualifying NWD Shareholders or other Qualifying NWS Shareholders, as the case may be, declining to take up all or some of their Assured Entitlements. Any Assured Entitlement not taken up by the Qualifying NWD Shareholders or the Qualifying NWS Shareholders, as the case may be, will first be allocated to satisfy the excess applications for the Reserved Shares from other Qualifying NWD Shareholders or from other Qualifying NWS Shareholders, as the case may be, in each case, on a fair and reasonable basis. Any Assured Entitlement not taken up by Qualifying NWD Shareholders or Qualifying NWS Shareholders will be allocated at the discretion of the Joint Bookrunners, to other investors in the International Offering.

Qualifying NWD Shareholders or Qualifying NWS Shareholder who have applied for Reserved Shares on light orange application forms or blue application forms, as the case may be, may also be entitled to make one application for Hong Kong offer shares on white or yellow application forms or by giving electronic application instructions to HKSCC via CCASS or to the designated HK eIPO White Form Service Provider through the HK eIPO White Form service. However, in respect of any application for Hong Kong offer shares using the above-mentioned methods, Qualifying NWD Shareholders or Qualifying NWS Shareholders will not enjoy the preferential treatment accorded under the Preferential Offering.

Qualifying NWD Shareholders and Qualifying NWS Shareholders should note that Assured Entitlements to Reserved Shares may not represent a multiple of a full board lot of 2,000 Company's Shares. Further, the Reserved Shares allocated to the Qualifying NWD Shareholders and the Qualifying NWS Shareholders will be rounded down to the closest whole number if required, and that dealings in odd lots of the Company's Shares may be at a price below the prevailing market price for full board lots. Any Company's Shares issued pursuant to the Preferential Offering will rank *pari passu* in all respects with other Company's Shares then in issue.

**Assured Entitlements of Qualifying NWD Shareholders and Qualifying NWS Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange. The Joint Bookrunners have the authority to reallocate all or any of the Reserved Shares not taken up by the Qualifying NWD Shareholders or the Qualifying NWS Shareholders, as the case may be, to the International Offering.**

If the Proposed Spin-off and the Global Offering do not proceed for any reason, the Preferential Offering will not be made and, in such case, no Qualifying NWD Shareholders or Qualifying NWS Shareholders will be entitled to apply for any Reserved Shares thereunder.

#### **Waiver from strict compliance with Rule 2.07A(2) of the Listing Rules**

According to Rule 2.07A(2) of the Listing Rules, corporate communication may be sent or otherwise made available by the listed issuer to a holder of its securities using electronic means only where the listed issuer has previously received from that holder an express, positive confirmation in writing that the holder wishes to receive or otherwise have made available to the holder the corporate communication by the means and in the manner proposed by the listed issuer.

NWD and NWS have made a joint application to the Stock Exchange and the Stock Exchange has granted a waiver from strict compliance with Rule 2.07A(2) of the Listing Rules such that NWD and NWS can despatch electronic copies of the Prospectus on CD-ROM to the NWD Shareholders and the NWS Shareholders whose names appear on the registers of members of NWD and NWS, respectively, at 5:00 p.m. on the Record Date.

#### **How to obtain a printed copy of the Prospectus or a replacement light orange application form or blue application form**

In order to apply for Reserved Shares under the Preferential Offering, the Qualifying NWD Shareholders and the Qualifying NWS Shareholders will be required to complete the light orange application forms and blue application forms, as the case may be, which will be despatched to the Qualifying NWD Shareholders and the Qualifying NWS Shareholders together with an electronic copy of the Prospectus on CD-ROM which contains, among other things, an electronic format of the Prospectus in both English and Chinese. The Prospectus will also be available on the Stock Exchange's website (to be released by the Company) at [www.hkexnews.hk](http://www.hkexnews.hk). The Prospectus will also be posted on NWD's website at [www.nwd.com.hk](http://www.nwd.com.hk) and NWS' website at [www.nws.com.hk](http://www.nws.com.hk) during the Hong Kong Public Offering period.

Fractional NWD Shareholders, Fractional NWS Shareholders, Overseas NWD Shareholders and Overseas NWS Shareholders will not be entitled to apply for any Reserved Share. An electronic copy of the Prospectus in both Chinese and English on CD-ROM (without the light orange application form or the blue application form) will be despatched to each Fractional NWD Shareholder, Fractional NWS Shareholder, Overseas NWD Shareholder and Overseas NWS Shareholder for information only.

If Qualifying NWD Shareholders, Qualifying NWS Shareholders, Fractional NWD Shareholders and Fractional NWS Shareholders do not have access to a personal computer and so are unable to view the electronic format of the Prospectus or would rather have a printed copy of the Prospectus, they can obtain a printed copy of the Prospectus, free of charge, from any of the receiving bank branches listed in the Prospectus and in the Company's formal notice in respect of the Global Offering.

Qualifying NWD Shareholders and Qualifying NWS Shareholders may obtain an electronic copy of the Prospectus on CD-ROM and a replacement personalized printed light orange application form or blue application form, as the case may be, from the Hong Kong Listed Share Registrar, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong during normal business hours from 9:00 a.m. on Tuesday, 21 June 2011 to 12:00 noon on Friday, 24 June 2011.

Should any Qualifying NWD Shareholder or Qualifying NWS Shareholder have any queries on the procedures for taking up Reserved Shares under the Preferential Offering or have any problem reading the Prospectus contained in the CD-ROM, the Hong Kong Listed Share Registrar, should be contacted at its hotline on (852) 2980 1333 during normal business hours from 9:00 a.m. on Tuesday, 21 June 2011 to 12:00 noon on Friday, 24 June 2011. Please note, however, that the Hong Kong Listed Share Registrar cannot advise on the merits of the Preferential Offering or on whether or not Qualifying NWD Shareholders or Qualifying NWS Shareholders should take up any entitlement under the Preferential Offering.

**Shareholders and potential investors should note that the Proposed Spin-off, which is subject to a number of conditions, may or may not proceed. In particular, there is no assurance that the Listing Approval from the Listing Committee of the Stock Exchange will be granted or that the Underwriters' obligations under the Underwriting Agreements will become unconditional or that the Underwriting Agreements will not be terminated. Accordingly, there is no assurance that the Proposed Spin-off will proceed, and NWD Shareholders, NWS Shareholders and potential investors in the securities of NWD and NWS should therefore exercise caution when dealing in or investing in the securities of NWD and NWS.**

**This announcement is not an offer for sale of any securities in the United States. No securities can be offered or sold in the United States unless registered or exempted from registration. Any public offering of securities in the United States will be done by means of a prospectus. The Proposed Spin-off will not be registered in the United States.**

Further announcement(s) will be made by NWD and NWS in relation to the Proposed Spin-off as and when appropriate. Any decision to apply for the Company's Shares under the Global Offering should be based solely on the information provided in the Prospectus.

## DEFINITIONS

“Assured Entitlements”	the entitlements of the Qualifying NWD Shareholders and the Qualifying NWS Shareholders to apply for Reserved Shares under the Preferential Offering determined on the basis of one Reserved Share for every whole multiple of 168 NWD shares held by the Qualifying NWD Shareholders or one Reserved Share for every whole multiple of 85 NWS shares held by the Qualifying NWS Shareholders as at 5:00 p.m. on the Record Date
“Company”	Newton Resources Ltd (新礦資源有限公司) (formerly known as China Tian Yuan Mining Ltd.), an exempted company incorporated in Cayman Islands with limited liability on 25 September 2009
“Fractional NWD Shareholder”	a shareholder whose name appears on the register of members of NWD as holding less than 168 NWD shares as at 5:00 p.m. on the Record Date, other than an Overseas NWD Shareholder
“Fractional NWS Shareholder”	a shareholder whose name appears on the register of members of NWS as holding less than 85 NWS shares as at 5:00 p.m. on the Record Date, other than an Overseas NWS Shareholder
“Hong Kong Public Offering”	the offering by the Company of initially 100,000,000 Company’s Shares for subscription by the public in Hong Kong (subject to adjustment) for cash at the Offer Price and on the terms and conditions described in the Prospectus and the application forms
“Hong Kong Listed Share Registrar”	Tricor Investor Services Limited, the Company’s Hong Kong listed share registrar
“Hong Kong Underwriters”	the underwriters named in the Hong Kong Underwriting Agreement
“Hong Kong Underwriting Agreement”	the underwriting agreement to be dated 21 June 2011 relating to the Hong Kong Public Offering and entered into by, among others, the Company, the Sole Global Coordinator and the Hong Kong Underwriters
“International Underwriters”	the underwriters named in the International Underwriting Agreement

“International Underwriting Agreement”	the underwriting agreement expected to be entered into on or around 24 June 2011 by, among others, the Company, the Sole Global Coordinator and the International Underwriters in relation to the International Offering
“Joint Bookrunners”	Citigroup Global Markets Asia Limited, Macquarie Capital Securities Limited, BOCOM International Securities Limited and VMS Securities Limited
“Listing”	the listing of the Company’s Shares on the Main Board of the Stock Exchange
“Listing Date”	the date on which the Company’s Shares are expected to be listed on the Main Board of the Stock Exchange
“Offer Price”	the final offer price of each of the Company’s Shares (exclusive of brokerage fee of 1%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%) offered in the Global Offering
“Over-allotment Option”	the option granted by the Selling Shareholder under the International Underwriting Agreement to the International Underwriters for up to 30 days after the last day for lodging applications under the Hong Kong Public Offering, to require the Selling Shareholder to sell up to an aggregate of 150,000,000 Company’s Shares representing 15% of the initial number of Offer Shares, at the Offer Price, to, among other things, cover over-allocations (if any) in the International Offering
“Overseas NWD Shareholders”	NWD Shareholders whose addresses on the register of members of NWD were in places outside Hong Kong as at 5:00 p.m. on the Record Date and whose exclusion, the NWD Board considers, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in those places, is necessary or expedient
“Overseas NWS Shareholders”	NWS Shareholders whose addresses on the register of members of NWS were in places outside Hong Kong as at 5:00 p.m. on the Record Date and whose exclusion, the NWS Board considers, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in those places, is necessary or expedient



“Preferential Offering”	the preferential offering to the Qualifying NWD Shareholders and the Qualifying NWS Shareholders of the Reserved Shares at the Offer Price, subject to and in accordance with the terms and conditions of the Prospectus and in the light orange or blue application forms
“Prospectus”	the prospectus dated 21 June 2011 and issued by the Company in relation to the Global Offering
“Qualifying NWD Shareholders”	NWD Shareholders whose names appear on the register of members of NWD as holding 168 NWD shares or more as at 5:00 p.m. on the Record Date, other than the Overseas NWD Shareholders
“Qualifying NWS Shareholders”	NWS Shareholders whose names appear on the register of members of NWS as holding 85 NWS shares or more as at 5:00 p.m. on the Record Date, other than the Overseas NWS Shareholders
“Record Date”	5:00 p.m. on 16 June 2011, being the record date for ascertaining the Assured Entitlements
“Reserved Shares”	the 40,000,000 Company’s Shares offered pursuant to the Preferential Offering at the Offer Price to the Qualifying NWD Shareholders and the Qualifying NWS Shareholders
“Sale Shares”	the 200,000,000 Company’s Shares (subject to adjustment and without taking into account the over-allotment option) offered for sale by the Selling Shareholder at the Offer Price under the International Offering
“Selling Shareholder”	Fast Fortune Holdings Limited, an investment holding company incorporated in the British Virgin Islands. It is a subsidiary of VMS in which VMS holds all the voting rights as well as approximately 89.1% of the rights to dividends and other distributions
“Sole Global Coordinator”	the sole global coordinator of the Global Offering, being Citigroup Global Markets Asia Limited
“Underwriters”	the Hong Kong Underwriters and the International Underwriters
“Underwriting Agreements”	the Hong Kong Underwriting Agreement and the International Underwriting Agreement

“VMS”

VMS Investment Group Limited, a limited company incorporated in the BVI whose entire interest is owned by Ms. Mak Siu Hang, Viola

By order of the board of directors of  
**New World Development Company Limited**  
**Dr. Cheng Kar Shun, Henry**  
*Managing Director*

By order of the board of directors of  
**NWS Holdings Limited**  
**Dr. Cheng Kar Shun, Henry**  
*Chairman*

Hong Kong, 21 June 2011

*As at the date of this announcement, the NWD Board comprises (a) six executive directors, namely Dato' Dr. Cheng Yu Tung, Dr. Cheng Kar Shun, Henry, Dr. Sin Wai Kin, David, Mr. Liang Chong Hou, David, Mr. Cheng Chi Kong, Adrian and Mr. Cheng Chi Heng; (b) five non-executive directors, namely Mr. Cheng Kar Shing, Peter, Mr. Leung Chi Kin, Stewart, Mr. Chow Kwai Cheung, Mr. Liang Cheung Bui, Thomas and Ms. Ki Man Fung, Leonie; and (c) four independent non-executive directors, namely Mr. Yeung Ping Leung, Howard, Dr. Cha Mou Sing, Payson (alternate director to Dr. Cha Mou Sing, Payson: Mr. Cha Mou Zing, Victor), Mr. Ho Hau Hay, Hamilton and Mr. Lee Luen Wai, John.*

*As at the date of this announcement, the NWS Board comprises (a) six executive directors, namely Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung, Mr. William Junior Guilherme Doo and Mr. Cheng Chi Ming, Brian; (b) four non-executive directors, namely Mr. Doo Wai Hoi, William, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) three independent non-executive directors, namely Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.*