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**DISCLOSEABLE TRANSACTION
DISPOSAL OF 23.6% INTEREST IN CSL NEW WORLD
MOBILITY LIMITED**

The Board announces that on 20 December 2013, NWD and Upper Start, a wholly-owned subsidiary of NWD, entered into the Share Purchase Agreement with HKT, CSLNW, Telstra Bermuda and Telstra pursuant to which the Vendors have conditionally agreed to sell and HKT has conditionally agreed to purchase the entire issued share capital of CSLNW for an aggregate purchase price of US\$2,425.0 million (equivalent to approximately HK\$18,866.5 million), subject to certain adjustments as described in this announcement. Upper Start, a wholly-owned subsidiary of NWD, is selling its 154,789,174 shares in CSLNW, representing approximately 23.6% of the issued share capital of CSLNW and therefore it would receive consideration of approximately US\$572.3 million (equivalent to approximately HK\$4,452.5 million), subject to certain adjustments as described in this announcement.

INFORMATION ON CSLNW

CSLNW is an investment holding company incorporated in Bermuda which is engaged, through its subsidiaries and joint venture interests, primarily in the provision of mobile telecommunications services through 4G, 3G and 2G networks, and the sale of mobile telecommunications products, to customers in Hong Kong under three mobile brands: “1010”, “one2free” and “New World Mobility”.

LISTING RULES IMPLICATIONS

As Upper Start is a wholly-owned subsidiary of NWD and one or more of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Disposal exceeds 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction for NWD under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

NWD Shareholders and potential investors should note that Completion of the Proposed Disposal is subject to a number of conditions. There is no assurance that the Proposed Disposal will be completed. NWD Shareholders and potential investors should, accordingly, exercise caution when dealing in the shares of NWD.

INTRODUCTION

On 20 December 2013, NWD and Upper Start, a wholly-owned subsidiary of NWD, entered into the Share Purchase Agreement with HKT, CSLNW, Telstra Bermuda and Telstra pursuant to which the Vendors, namely Telstra Bermuda and Upper Start, have conditionally agreed to sell and HKT has conditionally agreed to purchase the entire issued share capital of CSLNW in consideration for an aggregate purchase price of US\$2,425.0 million (equivalent to approximately HK\$18,866.5 million), subject to certain adjustments as described in this announcement.

THE PRINCIPAL TERMS OF THE SHARE PURCHASE AGREEMENT

Date

20 December 2013

Parties

- (1) HKT, as purchaser;
- (2) CSLNW;
- (3) Telstra Bermuda, as a Vendor;
- (4) Telstra, as guarantor for Telstra Bermuda;
- (5) Upper Start, as a Vendor; and
- (6) NWD, as guarantor for Upper Start.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, HKT, Telstra Bermuda, Telstra and their respective ultimate beneficial owners are third parties independent of NWD and are not its connected persons as defined under the Listing Rules.

Shares to be disposed

Pursuant to the Share Purchase Agreement, Upper Start will sell and HKT will purchase the NW Sale Shares representing approximately 23.6% of the issued share capital of CSLNW. In addition, HKT will acquire the Telstra Sale Shares from Telstra Bermuda representing approximately 76.4% of the issued share capital of CSLNW.

Sale Price

The base sale price for the Sale Shares is:

- (a) US\$2,425.0 million (equivalent to approximately HK\$18,866.5 million) comprising:
 - (i) an amount of US\$1,852.7 million (equivalent to approximately HK\$14,414.0 million) payable to Telstra Bermuda for the Telstra Sale Shares;
 - (ii) an amount of US\$572.3 million (equivalent to approximately HK\$4,452.5 million) payable to Upper Start for the NW Sale Shares; and
- (b) the Estimated Net Cash Amount, payable to the Vendors in the Vendors' Respective Pro Rata Proportions.

The entire amount of the base sale price is payable in cash by HKT at Completion. The base sale price is subject to adjustments after Completion with reference to the Adjustment Accounts as described below.

The base sale price was determined after arm's length negotiations between the Vendors and HKT and with reference to, among other things, the Vendors' view of the value of the assets and business of CSLNW.

Post Completion adjustments to the base sale price

Following Completion, CSLNW will prepare Adjustment Accounts and related schedules, by reference to which certain adjustments will be made to the base sale price in respect of the following items, as at the Adjustment Date, in relation to the CSLNW Group:

- (a) working capital surplus or deficit;
- (b) any surplus or deficit under the CSLNW Group's defined benefits pension scheme;
- (c) outstanding tax liabilities;
- (d) outstanding commitments for certain specified capital expenditure amounts;
- (e) liabilities in connection with the transfer of certain employees;
- (f) outstanding indebtedness;
- (g) surplus or deficit of cash and cash equivalents; and
- (h) less any Estimated Net Cash Amount paid at Completion.

The Adjustment Accounts are required to be prepared within 60 days after the Completion Date, following which they are required to be audited. The adjustment amount, reflecting the adjustments to be made as described in (a) to (h) above, may be a positive number (which would require a payment of the adjustment amount to be made by HKT to the Vendors) or a negative number (which would require a payment of the adjustment amount to be made by the Vendors to HKT). The Share Purchase Agreement provides for payment of the adjustment amount within 14 days after the Adjustment Accounts are finalised.

The Share Purchase Agreement provides for certain amounts in respect of aged roaming receivables to be paid into an escrow account when the adjustment payment is made. Amounts will be released from escrow in accordance with the provisions of the Share Purchase Agreement relating to the satisfaction of the outstanding receivables and operation of the escrow account.

Conditions precedent

Completion of the Proposed Disposal is conditional upon the satisfaction of the following conditions precedent:

- (a) the approval of the Proposed Disposal by an ordinary resolution of holders of HKT's share stapled units, or by a written approval signed by a holder, or closely allied group of holders, of HKT's share stapled units holding a majority of the Share Stapled Units in issue;
- (b) the approval of the Proposed Disposal by an ordinary resolution of PCCW's shareholders; and
- (c) the consent of the OFCA (pursuant to Section 7P of the Telecommunications Ordinance) to the change in relation to a carrier licensee arising (in relation to each material statutory license in respect of which such consent is required under the Telecommunications Ordinance) as a result of the sale and purchase of the Sale Shares under the Share Purchase Agreement being obtained and, if such consent is subject to conditions, the compliance with certain conditions would not be reasonably expected to have a material adverse effect, amounting in aggregate to US\$181,875,000 (equivalent to approximately HK\$1,414,987,500) (representing 7.5% of the base sale

price) or more, on the prospects, profitability or operation of the combined mobile telecommunications businesses of the Enlarged Group.

The conditions precedent cannot be waived. If the conditions precedent are not satisfied by 30 June 2014, subject to certain exceptions, the purchaser or either Vendors may terminate the Share Purchase Agreement.

Undertakings from PCCW

As the Proposed Disposal constitutes a major transaction for HKT Trust and HKT under the Listing Rules and is therefore conditional on approval by the holders of the HKT's share stapled units, PCCW has provided a written undertaking to NWD, Telstra, HKT Trust and HKT which provides that subject to the shareholders of PCCW passing an ordinary resolution approving the Proposed Disposal as a major transaction for PCCW under the Listing Rules, PCCW's wholly-owned subsidiary, CAS, shall approve the Proposed Disposal as a major transaction for HKT Trust and HKT in accordance with Rule 14.44 of the Listing Rules.

Undertakings from PCRD, PCGH, PCDL, China Unicom and Eisner

As the Proposed Disposal constitutes a major transaction for PCCW under the Listing Rules and is therefore conditional on approval by the shareholders of PCCW. Each of PCRD, PCGH, PCDL, China Unicom and Eisner has provided a written undertaking to NWD, Telstra and PCCW to vote all its respective shares held in PCCW in favour of the ordinary resolution of PCCW's shareholders to be proposed to approve the Proposed Disposal at the meeting of PCCW's shareholders to be convened for that purpose.

Break fee

If the Share Purchase Agreement is terminated due to a failure to satisfy either or both of conditions precedent (a) or (b) as described above, then HKT must pay to the Vendors, in their respective pro rata proportions, a break fee of US\$75.0 million (equivalent to approximately HK\$583.5 million) within 10 business days of that termination.

If the Share Purchase Agreement is terminated due to a failure to satisfy condition precedent (c) as described above as a result of:

- (i) the consent of the OFCA being subject to certain conditions the compliance with which would be reasonably expected to have a material adverse effect on the prospects, profitability or operation of the combined mobile telecommunications businesses of the Enlarged Group of not less than US\$181,875,000 and not more than US\$242,500,000, then HKT must pay to the Vendors, in their respective pro rata proportions, a break fee of US\$37.5 million (equivalent to approximately HK\$291.8 million); or
- (ii) either (1) OFCA advising that it will not grant its consent, irrespective of any conditions which may be offered; or (2) the consent of the OFCA being subject to certain conditions the compliance with which would be reasonably expected to have a material adverse effect on the prospects, profitability or operation of the combined mobile telecommunications businesses of the Enlarged Group of more than US\$242,500,000, then HKT must pay to the Vendors, in their respective pro rata proportions, a break fee of US\$10.0 million (equivalent to approximately HK\$77.8 million),

within 10 business days of that termination.

Only one break fee can be payable (if any). If a break fee is payable in respect of conditions precedent (a) or (b), no break fee will be payable in respect of condition precedent (c).

Similarly, the break fees in respect of condition precedent (c) as described in paragraphs (i) and (ii) above are alternatives, only one of which can apply (if at all).

Guarantees

NWD guarantees to HKT the due and punctual performance by Upper Start of its obligations under the Share Purchase Agreement. Telstra guarantees to HKT the due and punctual performance by Telstra Bermuda of its obligations under the Share Purchase Agreement.

Completion

Subject to the satisfaction of the conditions precedent referred to above, Completion will take place on a date to be specified by HKT which is not earlier than the second business day, and not later than 15 business days, following the satisfaction of the last of the conditions precedent to be satisfied (the “**Completion Date**”). Completion is expected to take place in the first quarter of 2014.

Non-Competition

NWD and Upper Start have undertaken to HKT and CSLNW, subject to certain exceptions and any other exceptions which may be agreed on a case by case basis, that NWD and Upper Start will not (and NWD will procure that its subsidiaries do not, for as long as it remains to be a subsidiary of NWD) during the period of 3 years from Completion, engage or be in any capacity directly or indirectly involved in mobile wireless core operations or certain wifi operations (but excluding its existing wifi operations business) in Hong Kong. Telstra and Telstra Bermuda have also given similar undertakings to HKT and CSLNW.

REASONS FOR THE PROPOSED DISPOSAL

The Board considers that the Proposed Disposal provides an opportunity for NWD to realise value for its shareholders in respect of its minority interest in a non-core asset.

The Directors are of the view that the terms of the Proposed Disposal and the Share Purchase Agreement are fair and reasonable and that the Proposed Disposal is in the interests of the Group and shareholders of NWD as a whole.

The proceeds from the Proposed Disposal will be used for general working capital purposes.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

As a result of the Proposed Disposal, it is estimated that the Group will record an unaudited gain of approximately HK\$1,653.8 million, being the difference between the consideration for the NW Sale Shares and the unaudited net asset value of CSLNW as at 30 November 2013.

INFORMATION ON THE CSLNW GROUP

CSLNW is an investment holding company incorporated in Bermuda which is engaged, through its subsidiaries and joint venture interests, primarily in the provision of mobile telecommunications services through 4G, 3G and 2G networks, and the sale of mobile telecommunications products, to customers in Hong Kong under three mobile brands: “1010”, “one2free” and “New World Mobility”.

The audited consolidated net profits, before and after taxation, of the CSLNW Group as shown in CSLNW’s audited consolidated financial statements in respect of its financial year

ended 30 June 2013, prepared under CSLNW's accounting policies and before alignment adjustments for HKT's accounting policies, if any, were approximately HK\$1,227.5 million and approximately HK\$1,021.7 million, respectively.

The audited consolidated net profits, before and after taxation, of the CSLNW Group as shown in CSLNW's audited consolidated financial statements in respect of its financial year ended 30 June 2012, prepared under CSLNW's accounting policies and before alignment adjustments for HKT's accounting policies, if any, were approximately HK\$990.2 million and approximately HK\$816.0 million, respectively.

The audited consolidated net assets of the CSLNW Group as shown in its audited consolidated financial statements as at 30 June 2013, prepared under CSLNW's accounting policies and before alignment adjustments for HKT's accounting policies, if any, were approximately HK\$6,300.7 million.

The normalised Adjusted Funds Flow[#] of the CSLNW Group for the year ended 30 June 2012 and 2013 were HK\$831.0 million and HK\$760.0 million, respectively.

[#]The normalised Adjusted Funds Flow of the CSLNW Group was adjusted to exclude once-off payments such as 4G spectrum rights acquisition costs and capital expenditures in relation to projects prefunded by the Vendors.

INFORMATION ON NWD AND UPPER START

NWD and its subsidiaries are principally engaged in property, infrastructure, hotel operation, department store operation, services, as well as telecommunications and technology businesses.

Upper Start is a wholly-owned subsidiary of NWD and its only business activity is to hold its investment in CSLNW through the holding of the NW Sale Shares.

INFORMATION ON TELSTRA AND TELSTRA BERMUDA

Telstra is Australia's leading telecommunications and information services company, offering a full range of communications services including mobile services, fixed voice services and retail fixed broadband services. Telstra's shares are listed on the Australian Securities Exchange.

Telstra Bermuda is a wholly-owned subsidiary of Telstra and its only business activity is to hold its investment in CSLNW through the holding of the Telstra Sale Shares.

INFORMATION ON THE HKT TRUST AND HKT

The HKT Trust has been established as a fixed single investment trust, with its activities being limited to investing in HKT and anything necessary or desirable for or in connection with investing in HKT.

The principal activities of HKT and its subsidiaries are the provision of telecommunications and related services which include local telephony, local data and broadband, international telecommunications, mobile, customer premises equipment sale, outsourcing, consulting and contact centres. HKT and its subsidiaries operate primarily in Hong Kong, and also serve customers in mainland China and other parts of the world.

INFORMATION ON PCCW

The principal activities of the PCCW Group are the provision of local, mobile and international telecommunications services, internet access services, interactive multimedia and pay-TV services, the sale and rental of telecommunications equipment, and the provision of computer, engineering and other technical services primarily in Hong Kong, and also in mainland China and elsewhere in the Asia Pacific region; investments in, and development of, systems integration, network engineering, and technology-related businesses; and investments in, and development of, infrastructure and properties in Hong Kong, mainland China and elsewhere in the Asia Pacific region.

LISTING RULES IMPLICATIONS

As Upper Start is a wholly owned subsidiary of NWD and one or more of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Proposed Disposal exceeds 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction for NWD under Chapter 14 of the Listing Rules and is therefore subject to the notification and announcement requirements under the Listing Rules.

GENERAL

NWD Shareholders and potential investors should note that Completion of the Proposed Disposal is subject to a number of conditions. There is no assurance that the Proposed Disposal will be completed. NWD Shareholders and potential investors should, accordingly, exercise caution when dealing in the shares of NWD.

DEFINITIONS

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

"Adjusted Funds Flow"	EBITDA, less capital expenditures, customer acquisition costs and license fees paid, taxes paid, finance costs and interest expense paid, and adjusted for interest income received and changes in working capital. Adjusted Funds Flow is not presented as a measure of leverage or liquidity in accordance with HKFRS and should not be considered as representing net cash flows or any other similar measure derived in accordance with HKFRS, or an alternative to cash flow from operations or a measure of liquidity. The computation of Adjusted Funds Flow for the purposes of this announcement may not be comparable to similarly titled measures of other companies;
"Adjustment Accounts"	the audited consolidated accounts of the CSLNW Group as at the Adjustment Date to be prepared by CSLNW following Completion;
"Adjustment Date"	the last day of the month immediately preceding the date of Completion (provided that if the date of Completion falls on the last day of a month, then the Adjustment Date shall fall on the same day);
"Board"	the board of directors of NWD;

"CAS"	CAS Holding No. 1 Limited, a wholly owned subsidiary of PCCW;
"China Unicom"	China Unicom Group Corporation (BVI) Limited, which holds 1,343,571,766 shares in PCCW, representing approximately 18.48% of the issued share capital of PCCW;
"Completion"	completion of the sale and purchase of the Sale Shares pursuant to the Share Purchase Agreement;
"CSLNW"	CSL New World Mobility Limited;
"CSLNW Group"	CSLNW and its subsidiaries at the relevant time;
"Directors"	the directors of NWD;
"EBITDA"	consolidated earnings before interest income, finance costs, income tax, depreciation of property, plant and equipment, amortisation of land lease premium and intangible assets, gain/loss on disposal of property, plant and equipment, investment properties and interests in leasehold land and intangible assets, net other gains/losses, losses on property, plant and equipment, restructuring costs, impairment losses on goodwill, tangible and intangible assets and interests in associates and joint ventures, and the share of results of associates and joint ventures;
"Eisner"	Eisner Investments Limited which holds 33,747,000 shares in PCCW representing approximately 0.46% of PCCW's issued share capital;
"Enlarged Group"	HKT Trust and HKT and its subsidiaries, as enlarged by the Proposed Disposal;
"Estimated Amount"	Net Cash the US\$ equivalent of a HK\$ amount equal to the estimated amount (if it is a positive amount) of net cash held by the CSLNW Group, to be calculated with reference to, and as at the balance sheet date of, the latest management accounts available on the Completion Date, in accordance with the methodology set out in the Share Purchase Agreement;
"Group"	NWD and/or its subsidiaries from time to time;
"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 (as amended, supplemented or otherwise modified from time to time);
"HKT"	HKT Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and having its share stapled units jointly issued with the HKT

	Trust listed on the main board of the Stock Exchange (stock code: 6823);
"HKT Trust"	a trust constituted on 7 November 2011 under the laws of Hong Kong and having its share stapled units jointly issued with HKT listed on the main board of the Stock Exchange (stock code: 6823);
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange;
"NWD"	New World Development Company Limited, a company whose shares are listed on the main board of the Stock Exchange (Stock Code: 0017);
"NW Sale Shares"	154,789,174 shares in CSLNW held by Upper Start, representing approximately 23.6% of the issued share capital of CSLNW;
"NWD Shareholders"	holders of shares of NWD;
"OFCA"	the Office of the Communications Authority;
"PCDL"	Pacific Century Diversified Limited, which, holds 237,919,824 shares in PCCW representing approximately 3.27% of PCCW's issued share capital;
"PCGH"	Pacific Century Group Holdings Limited, which holds 154,785,177 shares in PCCW, representing approximately 2.13% of PCCW's issued share capital;
"PCCW"	PCCW Limited, a company incorporated in Hong Kong with limited liability and having its shares listed on the main board of the Stock Exchange (stock code: 0008) and traded in the form of American Depositary Receipts on the OTC Markets Group Inc. in the United States of America (ticker: PCCWY);
"PCCW Group"	PCCW and its subsidiaries from time to time;
"PCRD"	Pacific Century Regional Developments Limited, which holds 1,548,211,301 shares in PCCW representing approximately 21.29% of PCCW's issued share capital;
"PRC"	the People's Republic of China, which for the purpose of this announcements, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Proposed Disposal"	the proposed sale of the Sale Shares by the Vendors to HKT pursuant to the Share Purchase Agreement;

"Sale Shares"	the Telstra Sale Shares and the NW Sale Shares, representing 100% of the issued share capital of CSLNW;
"Share Purchase Agreement"	the share purchase agreement dated 20 December 2013 entered into between HKT, CSLNW, Telstra Bermuda, Telstra, Upper Start and NWD in respect of the sale of the Sale Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Telecommunications Ordinance"	Cap. 106 of the laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
"Telstra"	Telstra Corporation Limited, a company listed on the Australian Securities Exchange (ASX code: TLS);
"Telstra Bermuda"	Telstra Holdings (Bermuda) No. 2 Limited, a company incorporated in Bermuda with limited liability and a wholly-owned subsidiary of Telstra;
"Telstra Sale Shares"	501,097,157 shares in CSLNW held by Telstra Bermuda, representing approximately 76.4% of the issued share capital of CSLNW;
"Upper Start"	Upper Start Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of NWD;
"US\$"	United States dollars, the lawful currency of the United States of America;
"Vendors"	Telstra Bermuda and Upper Start, and each of them is a "Vendor";
"Vendors' Respective Pro Rata Proportions"	the respective proportions which the number of Sale Shares to be sold by the relevant Vendor under the Share Purchase Agreement bears to the total number of Sale Shares to be sold, in aggregate, by both Vendors under the Share Purchase Agreement; and
"%"	per cent.

For the purpose of this announcement, the translation of US\$ into HK\$ is based on the approximate exchange rate of US\$1 = HK\$7.78.

By order of the Board
New World Development Company Limited
Wong Man-Hoi
Company Secretary

Hong Kong, 20 December 2013

As at the date of this announcement, the Board comprises (a) seven executive directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-Fung, Leonie, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia and Mr. Au Tak-Cheong; (b) two non-executive directors, namely Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) five independent non-executive directors, namely Mr. Yeung Ping-Leung, Howard, Mr. Cha Mou-Sing, Payson (alternate director to Mr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas.