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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)

 **New World China Land Limited**  
**新世界中國地產有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 917)

**CONNECTED TRANSACTION**

**DISCLOSEABLE AND CONNECTED  
TRANSACTION**

### **THE TRANSFER AGREEMENT**

On 27 November 2009, the Transferors, Xin Sui and China Joy entered into the Transfer Agreement in relation to the Acquisition, pursuant to which Xin Sui agreed to acquire and the Transferors agreed to dispose of the CJV Interest for a consideration of RMB465,400,980. Upon completion of the Acquisition, CJV will become a wholly-owned subsidiary of NWCL.

### **DISCLOSEABLE AND CONNECTED TRANSACTION OF NWCL**

As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of NWCL. The Acquisition is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Transferors are connected persons of NWCL only by virtue of their holding of the CJV Interest. Accordingly, the Acquisition constitutes a connected transaction of NWCL under the Listing Rules. As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 2.5%, the Acquisition is therefore subject to the reporting and announcement requirements and the independent shareholders' approval of NWCL under the Listing Rules.

No shareholder of NWCL is required to abstain from voting on the Acquisition. NWCL has obtained a written shareholders' approval dated 20 November 2009 from NWD in relation to the approval of the Acquisition. NWD is the controlling shareholder of NWCL and is holding (together with its subsidiaries) 4,061,034,137 shares of NWCL and representing an approximately 70% attributable interest in the issued share capital of NWCL as at the date of this announcement. The Stock Exchange has granted a waiver from strict compliance of the requirement for holding a general meeting to seek independent shareholders' approval in respect of the Acquisition pursuant to Rule 14A.43 of the Listing Rules on the basis that no shareholder of NWCL would be required to abstain from voting if NWCL was to convene a general meeting for the approval of the Acquisition and NWCL has obtained the written shareholders' approval from NWD in respect of the Acquisition.

A circular containing details of the Transfer Agreement, a letter from the independent board committee of NWCL, a letter of advice from an independent financial adviser and a valuation report on the property of the CJV by an independent valuer will be despatched to the shareholders of NWCL.

### **CONNECTED TRANSACTION OF NWD**

As at the date of this announcement, NWD held an approximately 70% attributable interest in the issued share capital of NWCL. The Transferors are connected persons of NWD only by virtue of their holding of the CJV Interest. Accordingly, the Acquisition constitutes a connected transaction of NWD under the Listing Rules. As each of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

### **THE TRANSFER AGREEMENT**

#### **Date**

27 November 2009

#### **Parties**

1. the Transferors;
2. Xin Sui; and
3. China Joy.

#### **Subject of the Acquisition**

Pursuant to the Transfer Agreement, Xin Sui agreed to acquire and the Transferors agreed to dispose of the CJV Interest. Upon completion of the Acquisition, CJV will become a wholly-owned subsidiary of NWCL.

#### **Consideration**

The consideration for the Acquisition is RMB465,400,980 and is payable by Xin Sui by way of cash in one lump sum on or before 24 December 2009.

Since the Transferors are State-owned companies and the CJV Interest is considered State-owned asset, the Transferors have engaged GEMAS to conduct the transfer of the CJV Interest by way of auction pursuant to the relevant PRC rules and procedures for the transfer of State-owned assets. Xin Sui won the bid for the CJV Interest during the auction on 25 November 2009. The consideration for the Acquisition is the base price of the CJV Interest in the auction, which is determined by GEMAS.

The Directors of NWD and NWCL consider that such consideration is fair and reasonable after taking into account the adjusted net assets value (“NAV”) of the CJV Interest of approximately HK\$561 million as at 30 June 2009. This adjusted NAV is determined by reference to the market valuation of the property project being undertaken by the CJV as at 30 June 2009 (valuation conducted by independent valuer based on direct comparison method) and the audited NAV of the CJV as of the same date. The adjusted NAV of the CJV amounting to HK\$2,244 million is then arrived at after taking into account the revaluation surplus of the said property project.

The consideration is expected to be settled by Xin Sui by its internal resources.

A commission equivalent to 3% of the consideration, i.e. RMB13,962,029.40, is payable by Xin Sui to GEMAS in one lump sum within 15 working days from the date of issue of the transaction confirmation by GEMAS, which is expected to be 17 December 2009.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSFER AGREEMENT**

The respective boards of directors of NWD and NWCL consider the Acquisition will provide a good opportunity to acquire the entire control over the CJV.

The terms of the Transfer Agreement were determined through arm’s length negotiations between the parties and reflect normal commercial terms. The Directors (excluding the independent non-executive Directors of NWCL whose views will be contained in the circular of NWCL after considering the advice from the independent financial adviser) of each of NWD and NWCL consider that the terms of the Transfer Agreement are fair and reasonable and in the interests of NWD and NWCL, respectively, and their respective shareholders as a whole.

### **INFORMATION ON THE CJV**

The CJV is a co-operative joint venture enterprise established by the Transferors and China Joy in the PRC pursuant to the CJV Agreement with registered capital of RMB330,000,000, which is fully paid up by China Joy. It is principally engaged in the development of a residential property project known as Guangzhou Covent Garden located in Liwan Centre, Guangzhou, the PRC with a total site area of approximately 370,000 sq.m.. Phases I and II of the property project have been completed and were nearly sold out. Construction of phase III of the property project with a total gross floor area of approximately 287,000 sq.m. is expected to be completed in November 2011. The remaining portion of phase III and the remaining phases of the property project will provide a gross floor area of approximately 793,000 sq.m. for development.

The audited net profits before and after taxation and extraordinary items attributable to the CJV for the financial year ended 30 June 2008 were approximately HK\$963,044 and that for the financial year ended 30 June 2009 were approximately HK\$110,132,432 and HK\$86,837,394, respectively.

As at 30 June 2009, the audited net asset value of the CJV was approximately HK\$426,222,848. The property of the CJV was valued by an independent valuer and as at 30 June 2009, such property was valued at RMB2,410,500,000.

## **INFORMATION RELATING TO NWD**

The core businesses of NWD include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

## **INFORMATION RELATING TO NWCL**

NWCL is principally engaged in property development, property related investments as well as rental and hotel operation in PRC.

## **INFORMATION RELATING TO CHINA JOY**

The principal business activity of China Joy is investment holding.

## **INFORMATION RELATING TO TRANSFEROR 1**

Transferor 1 is principally engaged in property development, provision of interior design and property agencies and consultation services.

## **INFORMATION RELATING TO TRANSFEROR 2**

Transferor 2 is principally engaged in property development, property leasing and provision of property demolition and interior design services.

## **LISTING RULES IMPLICATIONS**

### **DISCLOSEABLE AND CONNECTED TRANSACTION OF NWCL**

As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of NWCL. The Acquisition is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Transferors are connected persons of NWCL only by virtue of their holding of the CJV Interest. Accordingly, the Acquisition constitutes a connected transaction of NWCL under the Listing Rules. As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 2.5%, the Acquisition is therefore subject to the reporting and announcement requirements and the independent shareholders' approval of NWCL under the Listing Rules.

No shareholder of the NWCL is required to abstain from voting on the Acquisition. NWCL has obtained a written shareholders' approval dated 20 November 2009 from NWD in relation to the approval of the Acquisition. NWD is the controlling shareholder of NWCL and is holding (together with its subsidiaries) 4,061,034,137 shares of NWCL and representing an approximately 70% attributable interest in the issued share capital of NWCL as at the date of this announcement. The Stock Exchange has granted a waiver from strict compliance of the requirement for holding a general meeting to seek independent shareholders' approval in respect of the Acquisition pursuant to Rule 14A.43 of the Listing Rules on the basis that no shareholder

of NWCL would be required to abstain from voting if NWCL was to convene a general meeting for the approval of the Acquisition and NWCL has obtained the written shareholders' approval from NWD in respect of the Acquisition.

## **CONNECTED TRANSACTION OF NWD**

As at the date of this announcement, NWD held an approximately 70% attributable interest in the issued share capital of NWCL. The Transferors are connected persons of NWD only by virtue of their holding of the CJV Interest. Accordingly, the Acquisition constitutes a connected transaction of NWD under the Listing Rules. As each of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is less than 2.5%, the Acquisition is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An independent board committee has been appointed to advise the independent shareholders of NWCL on the terms of the Transfer Agreement. CIMB-GK Securities (HK) Limited has been appointed as the independent financial adviser to advise the independent board committee and the independent shareholders of NWCL on the terms of the Transfer Agreement.

## **DESPATCH OF CIRCULAR**

A circular containing details of the Transfer Agreement, a letter from the independent board committee of NWCL, a letter of advice from an independent financial adviser and a valuation report on the property of the CJV by an independent valuer will be despatched to the shareholders of NWCL.

## **DEFINITIONS**

In this announcement, the following terms have the following meanings:

“Acquisition”	the acquisition of the CJV Interest by Xin Sui from the Transferors pursuant to the Transfer Agreement;
“connected person”	has the meaning ascribed thereto in the Listing Rules;
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules;
“China Joy”	China Joy International Limited (中樂國際有限公司), a limited liability company incorporated under the laws of Hong Kong, and a wholly-owned subsidiary of the NWCL;

“CJV”	廣州芳村—新世界房地產發展有限公司 (Guangzhou Fong Chuen – New World Property Development Co., Ltd.*), a co-operative joint venture enterprise established by the Transferors and China Joy in 1993 pursuant to the CJV Agreement;
“CJV Agreement”	the agreement dated 8 November 1992 entered into between the Transferors and China Joy to establish the CJV, as supplemented from time to time;
“CJV Interest ”	the collective entitlement of the Transferors in 25% of the profits of the CJV according to the CJV Agreement;
“Directors”	the directors of NWD and NWCL (as the case maybe);
“GEMAS”	Guangzhou Enterprises Mergers and Acquisitions Services (廣州產權交易所)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“NWCL”	New World China Land Limited, a limited liability company incorporated under the laws of the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 917);
“NWD”	New World Development Company Limited, a limited liability company incorporated under the laws of Hong Kong, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 17) and which is the controlling shareholder of NWCL;
“PRC”	the People’s Republic of China (which for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC);
“Renminbi” or “RMB”	the lawful currency of PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“subsidiary”	shall have the meaning given to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Transfer Agreement”	the agreement dated 27 November 2009 entered into between the Transferors, Xin Sui and China Joy in relation to the Acquisition;
“Transferor 1”	廣州市芳村區房地產開發總公司, a limited liability company incorporated under the laws of the PRC;
“Transferor 2”	廣州市芳村房地產開發經營有限公司, a limited liability company incorporated under the laws of the PRC;
“Transferors”	Transferor 1 and Transferor 2;
“Xin Sui”	廣州新穗旅游中心有限公司 (Guangzhou Xin Sui Tourism Centre Ltd*), a limited liability company incorporated under the laws of the PRC, and an indirect wholly-owned subsidiary of the NWCL; and
“%”	per cent.

By order of the Board of  
**New World Development Company Limited**  
**Leung Chi-kin, Stewart**  
*Company Secretary*

By order of the Board of  
**New World China Land Limited**  
**Ngan Man-ying, Lynda**  
*Company Secretary*

Hong Kong, 27 November 2009

*As at the date of this announcement, the board of directors of NWD 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. Leung Chi-kin, Stewart and Mr. Cheng Chi-kong, Adrian; (b) four non-executive directors, namely, Mr. Cheng Kar-shing, Peter, Mr. Chow Kwai-cheung, Mr. Liang Cheung-biu, 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 board of directors of NWCL comprises (a) nine executive directors, namely, Dr. Cheng Kar-shun, Henry, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda; (b) a non-executive director, namely, Mr. Fu Sze-shing; and (c) three independent non-executive directors, namely, Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.*

*\* For identification purpose only*

*This announcement is published on the websites of NWD ([www.nwd.com.hk](http://www.nwd.com.hk)), NWCL ([www.nwcl.com.hk](http://www.nwcl.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).*