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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: 0017)**

**DISCLOSEABLE TRANSACTION  
FORMATION OF A JOINT VENTURE  
TO DEVELOP THE PROJECT**

The Board is pleased to announce that on 2 March 2010, the Tender Offer submitted by Fast New on behalf of the consortium formed jointly by the Company and Wheelock Properties was accepted by MTR in respect of the development of the Project. Fast New is jointly held by Newring, a wholly-owned subsidiary of the Company, and Joy Radiant, a wholly-owned subsidiary of Wheelock Properties, in equal shares. The Company and Wheelock Properties will jointly develop the Project through their respective shareholding of 50% in Fast New. The total capital commitment of the Company in relation to Fast New is expected to be HK\$5.8 billion approximately, representing 50% of the budgeted development and related costs of the Project of approximately HK\$11.7 billion.

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the total capital commitment of the Company in relation to Fast New exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

**THE TENDER**

On 24 February 2010, Fast New, as the project company and tenderer, submitted the Tender Offer to MTR on behalf of the consortium formed jointly by the Company and Wheelock Properties. On 2 March 2010, the Tender Offer was accepted by MTR. Fast New and MTR will enter into the Development Agreement in relation to the development of the Project on or before 23 March 2010.

Fast New is directly owned as to 50% by each of Newring, an indirect wholly-owned subsidiary of the Company and Joy Radiant, an indirect wholly-owned subsidiary of Wheelock Properties respectively. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, each of MTR and Wheelock Properties and its ultimate beneficial owner are third parties independent of the Company.

Each of Newring and Joy Radiant will have equal representation on the board of directors of Fast New. Any dividends and other distributions made by Fast New shall be distributed to Newring and Joy Radiant in proportion to their respective shareholding in Fast New. Fast New will be recorded in the financial statements of the Group as a jointly-controlled entity using the equity method of accounting. The Group and the Wheelock Properties Group will enter into a joint venture agreement in respect of their respective obligations and commitments in relation to Fast New.

## **THE PROJECT**

The Project comprises Site C and Site D covering a total site area of 295,181 square feet. The permissible total gross floor area is approximately 1,282,165 square feet for residential use.

## **FINANCING OF FAST NEW**

The Group may in future provide finance, guarantees and/or security in respect of 50% of the development and related costs of the Project. The Group's portion of funding is expected to be financed by internal resources, existing corporate banking facilities and project financing as deemed appropriate by the Board.

The total development and related costs of the Project are budgeted at approximately HK\$11.7 billion. However, depending on various market and other factors, the final figure for the total development and related costs may vary.

## **GUARANTEE**

Pursuant to the Development Agreement, the Company and Wheelock Properties as the guarantors will on the date of execution of the Development Agreement enter into the Guarantee under which each of the Company and Wheelock Properties will agree to guarantee to MTR the due and punctual performance and fulfillment of all obligations of Fast New under or arising out of or in connection with the Development Agreement until Fast New has fulfilled all such obligations, provided that the respective liability of each of the Company and Wheelock Properties under this Guarantee in respect of the costs of the performance of any such obligations shall on no account exceed 50%.

## **REASONS FOR THE TRANSACTION**

One of the main business areas of the Group is property development and investment in Hong Kong. The formation of the joint venture and the development of the Project are consistent with the core business strategies of the Group and are a continuation of the Group's principal activity in Hong Kong with other business partners.

The Directors (including the independent non-executive Directors) consider that the terms of the Transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in investments in the areas of property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

## **INFORMATION ON THE WHEELOCK PROPERTIES GROUP**

The principal business activities of Wheelock Properties Group are ownership of properties for development and letting as well as investing holding.

## **FINANCIAL INFORMATION**

As Fast New was incorporated on 18 June 2008 and has undertaken no business activities since the date of incorporation, no profit has been generated by Fast New for the two financial years ended 31 December 2008 and 2009.

## **GENERAL**

As one or more of the applicable percentage ratio(s) under Rule 14.07 of the Listing Rules in respect of the total capital commitment of the Company in relation to Fast New exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

## **DEFINITIONS**

“Board”	the board of Directors
“Company”	New World Development Company Limited (stock code: 17), a company incorporated in Hong Kong with limited liability the shares of which are listed on the main board of the Stock Exchange
“Development Agreement”	the development agreement to be entered into by Fast New, Wheelock Properties, the Company and MTR in relation to the development of the Project on or before 23 March 2010
“Directors”	the director(s) of the Company
“Fast New”	Fast New Limited, a company incorporated in Hong Kong with limited liability
“Guarantee”	the guarantee to be entered into by the Company and Wheelock Properties as guarantors in favour of MTR on the date of execution of the Development Agreement in relation to the performance and fulfillment of the obligations of Fast New under the Development Agreement.
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joy Radiant”	Joy Radiant Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Wheelock Properties
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MTR”	MTR Corporation Limited (stock code: 66), a company incorporated in Hong Kong with limited liability the shares of which are listed on the main board of the Stock Exchange
“Newring”	Newring Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“Project”	the Austin Station Property Developments Site C and Site D
“Site C”	to be known as Kowloon Inland Lot No. 11126 bound by Jordan Road, Canton Road, Wui Cheung Road and a future extension of Wui Man Road
“Site D”	to be known as Kowloon Inland Lot No. 11129 bound by Wui Cheung Road, Canton Road, Austin Road West and Wui Man Road

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender Offer”	the tender offer submitted by Fast New on 24 February 2010 for the development of the Project
“Transaction”	the formation of a joint venture for the development of the Project by the Company
“Wheelock Properties”	Wheelock Properties Limited (stock code: 49), a company incorporated in Hong Kong with limited liability the shares of which are listed on the main board of the Stock Exchange
“Wheelock Properties Group”	Wheelock Properties and its subsidiaries

By Order of the Board  
**Leung Chi-Kin, Stewart**  
*Company Secretary*

Hong Kong, 3 March 2010

*As at the date of this announcement, the Board of the Company 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.*