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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)

**REVISION OF ANNUAL CAPS FOR  
CONTINUING CONNECTED TRANSACTIONS**

**Revision of the Services Group Annual Caps**

Reference is made to the transactions between the Company and the Services Group under the Services Group Master Services Agreement, details of which were disclosed in the announcement of the Company dated 19 May 2011.

In view of the expected increase in the amount of the Operational and Rental Services to be provided by the Group to the Services Group, the Original Services Group Annual Caps in respect of the two years ending 30 June 2014 will be insufficient, and the Directors therefore revised the Original Services Group Annual Caps.

As at the date of this announcement, Mr. Doo is a director of certain subsidiaries of the Company and therefore a connected person of the Company. The Revision of the Services Group Annual Caps therefore constitutes continuing connected transactions of the Company under the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for each of the Revised Services Group Annual Caps are more than 0.1% but less than 5% and each of the Revised Services Group Annual Caps exceeds HK\$1,000,000, the Revision of the Services Group Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

**Revision of the CTF Annual Caps**

Reference is made to the transactions between the Company and CTF under the CTF Master Services Agreement, details of which were disclosed in the announcements of the Company dated 30 June 2011 and 7 May 2012.

In view of the expected increase in the amount of the Operational Services to be provided by the Group to the CTF Group, the Original CTF Annual Caps in respect of the two years ending 30 June 2014 will be insufficient, and the Directors therefore revised the Original CTF Annual Caps.

As at the date of this announcement, CTF held approximately 42.21% of the total issued share capital of Company. CTF is therefore a substantial shareholder and a connected person of the Company. The Revision of the CTF Annual Caps therefore constitutes continuing connected transactions of the Company under the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for each of the Revised CTF Annual Caps are more than 0.1% but less than 5% and each of the Revised CTF Annual Caps exceeds HK\$1,000,000, the Revision of the CTF Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## REVISION OF THE SERVICES GROUP ANNUAL CAPS

Reference is made to the transactions between the Company and the Services Group under the Services Group Master Services Agreement, details of which were disclosed in the announcement of the Company dated 19 May 2011.

In view of the expected increase in the amount of the Operational and Rental Services to be provided by the Group to the Services Group, the Original Services Group Annual Caps in respect of the two years ending 30 June 2014 will be insufficient and the Directors therefore revised the Original Services Group Annual Caps for the two years ending 30 June 2014 as follows:

	<b>Original Services Group Annual Cap for the year ending 30 June 2013</b>	<b>Original Services Group Annual Cap for the year ending 30 June 2014</b>	<b>Revised Services Group Annual Cap for the year ending 30 June 2013</b>	<b>Revised Services Group Annual Cap for the year ending 30 June 2014</b>
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Provision of the Operational and Rental Services by the Group to the Services Group	20.5	22.1	305.4	376.9

Each of the Revised Services Group Annual Caps above has been determined by reference to:

- (a) the historical annual or annualized amounts in respect of the Operational and Rental Services provided by the Group to the Services Group during the past financial years; and
- (b) the projected annual or annualized amounts in respect of the Operational and Rental Services to be provided by the Group to the Services Group in the two years ending 30 June 2014.

The above-mentioned projected figures are determined based on the relevant historical figures, taking into account the business growth of the Services Group, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Services Group and/or the Group.

The historical transaction amount in respect of the provision of the Operational and Rental Services by the Group to the Services Group for the year ended 30 June 2012 was approximately HK\$9.3 million. The Directors confirm that the transaction amounts under the Services Group Master Services Agreement for the period from 1 July 2012 to the date of this announcement comply with the relevant Original Services Group Annual Cap.

The Directors, including the independent non-executive Directors, consider that the Revision of the Services Group Annual Caps is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## REVISION OF THE CTF ANNUAL CAPS

Reference is made to the transactions between the Company and CTF under the CTF Master Services Agreement, details of which were disclosed in the announcements of the Company dated 30 June 2011 and 7 May 2012.

In view of the expected increase in the amount of the Operational Services to be provided by the Group to the CTF Group, the Original CTF Annual Caps in respect of the two years ending 30 June 2014 will be insufficient and the Directors therefore revised the Original CTF Annual Caps for the two years ending 30 June 2014 as follows:

	<b>Original CTF Annual Cap for the year ending 30 June 2013</b>	<b>Original CTF Annual Cap for the year ending 30 June 2014</b>	<b>Revised CTF Annual Cap for the year ending 30 June 2013</b>	<b>Revised CTF Annual Cap for the year ending 30 June 2014</b>
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Provision of the Operational Services by the Group to the CTF Group	1,158.5	1,146.2	1,390.2	1,768.9

Each of the Revised CTF Annual Caps above has been determined by reference to:

- (a) the historical annual or annualized amounts in respect of the Operational Services provided by the Group to the CTF Group during the past financial years; and
- (b) the projected annual or annualized amounts in respect of the Operational Services to be provided by the Group to the CTF Group in the two years ending 30 June 2014.

The above-mentioned projected figures are determined based on the relevant historical figures, taking into account the business opportunities offered by the CTF Group, the estimated future demand, the inflation factor, the additional construction works to be incurred for certain existing and new projects owned by the CTF Group and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the CTF Group and/or the Group.

The historical transaction amount in respect of the provision of the Operational Services by the Group to the CTF Group for the year ended 30 June 2012 was approximately HK\$187.1 million. The Directors confirm that the transaction amounts under the CTF Master Services Agreement for the period from 1 July 2012 to the date of this announcement comply with the relevant Original CTF Annual Cap.

The Directors, including the independent non-executive Directors, consider that the Revision of the CTF Annual Caps is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **GENERAL**

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

Mr. Doo is a director of certain subsidiaries of the Company and the beneficial owner of several corporate substantial shareholders of certain subsidiaries of the Company. Mr. Doo is the brother-in-law of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, the uncle of Mr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng and Ms. Cheng Chi-Man, Sonia and a controlling shareholder of the Services Group.

To the best knowledge of the Directors, the Services Group is principally engaged in the provision of services including laundry and landscaping, security and guarding, trading of building materials, insurance brokerage, property investment and management, cleaning, and electrical and mechanical engineering.

To the best knowledge of the Directors, CTF is principally engaged in investment holding.

## **LISTING RULES IMPLICATIONS**

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transaction, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transaction.

### **Revision of the Services Group Annual Caps**

As at the date of this announcement, Mr. Doo is a director of certain subsidiaries of the Company and therefore a connected person of the Company. The Revision of the Services Group Annual Caps therefore constitutes continuing connected transactions of the Company under the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for each of the Revised Services Group Annual Caps are more than 0.1% but less than 5% and each of the Revised Services Group Annual Caps exceeds HK\$1,000,000, the Revision of the Services Group Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

### **Revision of the CTF Annual Caps**

As at the date of this announcement, CTF held approximately 42.21% of the total issued share capital of Company. CTF is therefore a substantial shareholder and a connected person of the Company. The Revision of the CTF Annual Caps therefore constitutes continuing connected transactions of the Company under the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) for each of the Revised CTF Annual Caps are more than 0.1% but less than 5% and each of the Revised CTF Annual Caps exceeds HK\$1,000,000, the Revision of the CTF Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

## **APPROVAL BY THE BOARD OF DIRECTORS**

None of the Directors has a material interest in the Revision of the Services Group Annual Caps and the Revision of the CTF Annual Caps, however, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Kar-Shing, Peter, who were present at the meeting of the board of Directors, voluntarily abstained from voting on the relevant board resolutions. Mr. Cheng Chi-Heng was not present at that meeting and therefore did not vote on the relevant board resolutions.

## **DEFINITIONS**

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

"Company"	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"CTF"	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability
"CTF Group"	has the meaning ascribed to it in the announcement of the Company dated 7 May 2012
"CTF Master Services Agreement"	the master services agreement in relation to the Operational Services entered into between the Company and CTF on 30 June 2011 as supplemented by the supplemental master services agreement entered into between the Company and CTF on 7 May 2012
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"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
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Doo"	Mr. Doo Wai-Hoi, William, a director of certain subsidiaries of the Company and the beneficial owner of several corporate substantial shareholders of certain subsidiaries of the Company. Mr. Doo is the brother-in-law of Dr. Cheng Kar-Shun, Henry and Mr. Cheng Kar-Shing, Peter, the uncle of Mr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng and Ms. Cheng Chi-Man, Sonia and a controlling shareholder of the Services Group
"Operational and Rental Services"	have the meaning ascribed to it in the announcement of the Company dated 19 May 2011
"Operational Services"	have the meaning ascribed to it in the announcement of the Company dated 30 June 2011
"Original CTF Annual Caps"	the annual cap amounts in respect of the provision of the Operational Services by the Group to the CTF Group as disclosed in the announcement of the Company dated 7 May 2012
"Original Services Group Annual Caps"	the annual cap amounts in respect of the provision of the Operational and Rental Services by the Group to the Services Group as disclosed in the announcement of the Company dated 19 May 2011
"Revised CTF Annual Caps"	the revised annual cap amounts in respect of the Operational Services to be provided by the Group to the CTF Group as set out on page 3 of this announcement, for the two years ending 30 June 2014, respectively
"Revision of the CTF Annual Caps"	the revision of the Original CTF Annual Caps for each of the two years ending 30 June 2014, respectively
"Revision of the Services Group Annual Caps"	the revision of the Original Services Group Annual Caps for each of the two years ending 30 June 2014, respectively
"Revised Services Group Annual Caps"	the revised annual cap amounts in respect of the Operational and Rental Services to be provided by the Group to the Services Group as set out on page 2 of this announcement, for the two years ending 30 June 2014, respectively
"Services Group"	Mr. Doo and any company in the equity capital of which Mr. Doo is or will be directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary
"Services Group Master Services Agreement"	the master services agreement in relation to the Operational and Rental Services entered into between the Company and Mr. Doo on 19 May 2011

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"%"	per cent.

By order of the board  
**Wong Man-Hoi**  
*Company Secretary*

Hong Kong, 5 December 2012

*As at the date of this announcement, the board of the Company comprises (a) six 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 and Ms. Cheng Chi-Man, Sonia; (b) two non-executive Directors, namely Mr. Liang Chong-Hou, David and Mr. Cheng Kar-Shing, Peter; and (iii) 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.*