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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

### SUPPLEMENTARY CO-OPERATIVE CONTRACT RELATING TO WUHAN XINHAN DEVELOPMENT CO., LTD.

#### **Supplementary Co-operative Contract relating to Wuhan Xinhan**

The respective boards of directors of NWD and NWCL announced that on 26 May 2009, K Fai, an indirect wholly-owned subsidiary of NWCL, entered into the Contract with Hankou Fisheries, under which it was agreed that Hankou Fisheries would waive its right to receive its share of future profit from Wuhan Xinhan and surrender the participation right in the management control of Wuhan Xinhan to K Fai for a prepaid distribution of RMB91,800,000 (equivalent to approximately HK\$104,318,182) out of the profit of Wuhan Xinhan.

#### **Connected transaction for NWCL**

Hankou Fisheries is a connected person of NWCL by virtue of its holding of 30% interest in Wuhan Xinhan. Accordingly, the entering into the Contract constitutes a connected transaction for NWCL under the Listing Rules. As the applicable ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Contract are more than 0.1% but less than 2.5%, the transaction contemplated under the Contract is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

#### **Connected transaction for NWD**

As at the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWCL, the entering into the Contract by K Fai also constitutes a connected transaction for NWD under the Listing Rules. As the consideration ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Contract is more than 0.1% but less than 2.5%, the transaction contemplated under the Contract is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

## **CONTRACT DATED 26 MAY 2009**

### **Parties:**

- (1) Hankou Fisheries
- (2) K Fai, an indirect wholly-owned subsidiary of NWCL

### **The Contract**

Pursuant to the Contract, Hankou Fisheries will waive its right to receive from Wuhan Xinhan its share of future profit and surrender the participation right in the management control of Wuhan Xinhan to K Fai for a prepaid distribution of RMB91,800,000 out of the profit of Wuhan Xinhan and henceforth K Fai will take up all the right and obligation in Wuhan Xinhan and the profit and loss sharing in respect of the development of the remaining phase of the Property Project until the dissolution of Wuhan Xinhan, at that time all fixed assets of Wuhan Xinhan will be distributed to Hankou Fisheries whereas all current assets of Wuhan Xinhan, if any, will be distributed to K Fai.

The articles of Wuhan Xinhan will be revised to incorporate the changes in the co-operative relationship between the parties as provided in the Contract and necessary documents will be submitted to the relevant regulatory authority in the PRC for approval and registration.

### **Wuhan Xinhan**

Wuhan Xinhan is a co-operative joint venture company established under the laws of the PRC owned by K Fai and Hankou Fisheries. K Fai had paid up registered capital of US\$16,000,000 to Wuhan Xinhan and Hankou Fisheries had provided land and other facilities for the development of the Property Project at no cost to Wuhan Xinhan which had been recorded at zero value in the books of Wuhan Xinhan. According to the existing articles and co-operative contract of Wuhan Xinhan, K Fai and Hankou Fisheries share the profit and loss of Wuhan Xinhan as to 70% and 30%, respectively.

Wuhan Xinhan is principally engaged in the development of the Property Project located in Tazi Lake, Jiangan District, Wuhan, the PRC, which comprises a number of deluxe villas and apartment towers. Phase I and Phase II of the Property Project have been completed and almost sold out. Phase III with a total gross floor area of 127,826 square metres is now under construction and is expected to be completed by 2011, out of which about 15,000 square metres will be completed in June 2009.

The audited net asset value of Wuhan Xinhan as at 31 December 2008 was HK\$371,343,468. The audited net profit before and after taxation and extraordinary item of Wuhan Xinhan for the year ended 30 June 2007 was HK\$49,719,297 and HK\$37,144,041, respectively and that for the year ended 30 June 2008 was HK\$16,618,931 and HK\$10,472,318, respectively. The audited accounts of Wuhan Xinhan have been prepared in accordance with the accounting principles generally accepted in Hong Kong.

## **Consideration and payment**

The distribution of RMB91,800,000 to Hankou Fisheries pursuant to the Contract was payable as to RMB20,000,000 upon the signing of the Contract and the balance will be payable within 15 days upon completion of the registration of the Contract and the amended articles of Wuhan Xinhan with the relevant regulatory authority in the PRC.

The consideration was determined by reference to the 30% share of the expected return attributable to Hankou Fisheries arising from the sale of Phase III of the Property Project based on the current average market price of approximately RMB3,300 per square metres of the Property Project.

## **INFORMATION RELATING TO NWD AND NWCL**

The core businesses of NWD and its subsidiaries include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology. NWCL and its subsidiaries are principally engaged in property development, property related investment as well as rental and hotel operation in the PRC.

## **INFORMATION RELATING TO HANKOU FISHERIES**

Hankou Fisheries is principally engaged in wholesale and retail business as well as property development in Wuhan, the PRC.

## **REASONS FOR THE TRANSACTION**

The directors (including the independent non-executive directors) of NWD and NWCL consider that the Contract will enable the group of NWCL to obtain full management control over the Property Project which will enhance the efficiency and effectiveness in the management of the Property Project. In view of the limited supply of land for luxury residential developments in the central city of Wuhan and the desirable natural surroundings provided by Wuhan Tazi Lake for the development of the Property Project, the directors of NWD and NWCL consider that it is in the interest and to benefit of the group of NWCL to enter into the Contract for getting full potential benefit and returns from the Property Project.

The directors (including the independent non-executive directors) of NWD and NWCL consider that the Contract is on normal commercial terms and is fair and reasonable so far as their respective companies and shareholders are concerned and the Contract is in the interest of the respective shareholders of NWD and NWCL as a whole.

## **CONNECTED TRANSACTION FOR NWCL**

Hankou Fisheries is a connected person of NWCL by virtue of its holding of 30% interest in Wuhan Xinhan. Accordingly, the entering into of the Contract constitutes a connected transaction for NWCL under the Listing Rules. As the applicable ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Contract are more than 0.1% but less than 2.5%, the transaction contemplated under the Contract is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

## **CONNECTED TRANSACTION FOR NWD**

As at the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWCL, the entering into of the Contract by K Fai also constitutes a connected transaction for NWD under the Listing Rules. As the consideration ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Contract is more than 0.1% but less than 2.5%, the transaction contemplated under the Contract is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

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

“Contract”	A supplementary co-operative contract dated 26 May 2009 entered into between Hankou Fisheries and K Fai relating to Wuhan Xinhan
“Hankou Fisheries”	武漢市國營漢口漁場 (Wuhan State-owned Hankou Fisheries*)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“K Fai”	K Fai Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of NWCL
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NWCL”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code : 917)

“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code : 17)
“PRC”	the People’s Republic of China
“Property Project”	Wuhan Villas de Nice ( 武漢夢湖香郡 ) located in Tazi Lake, Jiangan District, Wuhan City, Hubei Province, the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square metres
“US\$”	United States dollars, the lawful currency of the United States of America
“Wuhan Xinhan”	武漢新漢發展有限公司 (Wuhan Xinhan Development Co., Ltd.), a company incorporated in the PRC with limited liability
“%”	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, 26 May 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 purposes only

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB0.88=HK\$1.00.

*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 of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).*