

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

CONNECTED TRANSACTION ACQUISITION OF 40% INTEREST IN SUNBIG LIMITED

On 27 January 2015, the Purchaser, a wholly owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Vendor conditionally agreed to sell and assign, and the Purchaser conditionally agreed to purchase and accept the assignment of, the Sale Shares and the Sale Loan at the Consideration, which will be satisfied by way of cash on Completion.

As at the date of this announcement, 50% of the issued share capital of Sunbig is held by the Purchaser. Upon Completion, the Purchaser will hold 90% of the issued share capital of Sunbig and Sunbig will become an indirect non-wholly owned subsidiary of the Company.

The Vendor is an associate of Chow Tai Fook, which in turn together with its subsidiaries own approximately 43.35% of the issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all the percentage ratios (as defined in the Listing Rules) are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

THE AGREEMENT

Date

27 January 2015

Parties

- (i) Cheung Hung Development (Holdings) Limited as the Vendor; and
- (ii) Ballina Enterprises Limited as the Purchaser.

The Vendor is an associate of Chow Tai Fook, which in turn together with its subsidiaries own approximately 43.35% of the issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Assets to be acquired

Pursuant to the terms and conditions of the Agreement, the Vendor has conditionally agreed to sell and assign, and the Purchaser has conditionally agreed to purchase and accept the assignment of, the Sale Shares and the Sale Loan. The Sale Shares represent 40% of the entire issued share capital of Sunbig. The Sale Loan represents the entire unsecured and non-interest bearing shareholder's loan owing from Sunbig to the Vendor as at the date of Completion which shall not be more than HK\$987,856,976.31 .

As at the date of this announcement, Sunbig is owned as to 50% by the Purchaser, 40% by the Vendor and 10% by Good Step, which is a substantial shareholder of certain subsidiaries of the Company.

Consideration

The Consideration for the Acquisition is HK\$1,779,028,580.08 and shall be paid in cash by the Purchaser to the Vendor upon Completion.

The Consideration was determined between the Purchaser and the Vendor after arm's length negotiations with reference to the net asset value of the Target Group and the appraised value of the Properties based on the valuation report prepared by an independent professionally qualified valuer. The Consideration will be funded by the Group's internal resources.

Completion

Completion shall take place on the third business day after fulfillment of the condition contained in the Agreement or such other date as agreed between the Vendor and the Purchaser in writing. Upon Completion, Sunbig will become an indirect non-wholly owned subsidiary of the Company.

Condition

Completion shall be conditional upon all necessary consents, authorisations and approvals (or waivers) of any kind having been obtained by the Vendor and the Purchaser for completion of the transactions contemplated under the Agreement.

The above condition is not waivable. If the said condition is not fulfilled on or before 30 June 2015 or such other date as may be mutually agreed between the Vendor and the Purchaser in writing, the rights and obligations of the parties under the Agreement shall lapse and be of no further force and effect and no party to the Agreement shall have any liability thereunder (without prejudice to the rights of the parties in respect of any antecedent breaches).

INFORMATION ON THE VENDOR AND THE TARGET GROUP

The principal business activity of the Vendor is investment holding.

Sunbig, a company incorporated in the British Virgin Islands with limited liability, is an investment holding company. The main assets of the Target Group are the Properties.

Set out below is a summary of the unaudited consolidated net loss of Sunbig for each of the two years ended 30 June 2013 and 30 June 2014:

	For the year ended 30 June	
	2014	2013
	HK\$ million	HK\$ million
Net loss before taxation and extraordinary items	1.1	0.1
Net loss after taxation and extraordinary items	1.1	1.1

According to the record of the Vendor, the Vendor purchased the Sale Shares in 2010 at the cost of US\$4.00. The book value of the Properties was approximately HK\$2,423.8 million as at 30 June 2014.

REASONS FOR AND BENEFITS OF THE ACQUISITION

One of the main business areas of the Group is investment in and development of properties in Hong Kong. The acquisition by the Group of further interests in Sunbig, which indirectly owns the Properties, is consistent with the core business strategies of the Group. The Directors believe that the Acquisition is a viable investment and will broaden the asset and earnings base of the Group.

The terms of the Agreement were determined through arm's length negotiations between the Vendor and the Purchaser and reflect normal commercial terms. The Directors (including the independent non-executive Directors) consider that the terms of the Agreement including the Consideration, which have been arrived at after arm's length negotiations, are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLCATIONS

The Vendor is an associate of Chow Tai Fook, which in turn together with its subsidiaries own approximately 43.35% of the issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all the percentage ratios (as defined in the Listing Rules) are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement under the Listing Rules. Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, Mr. Cheng Kar-Shing, Peter and Mr. Cheng Chi-Heng, each a director of the Company, are also directors of Chow Tai Fook. Accordingly, they and their associate, being Mr. Doo Wai-Hoi, William, had abstained from voting on the resolutions approving the Acquisition at a board meeting of the Company. Ms. Cheng Chi-Man, Sonia, an associate of

the relevant Directors, was not present at that meeting and did not vote on the relevant resolutions of the Board. Save as mentioned above, none of the other Directors has a material interest in the Acquisition.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

"Acquisition"	the acquisition of the Sale Shares and the Sale Loan by the Purchaser in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement
"Agreement"	the conditional sale and purchase agreement dated 27 January 2015 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the Acquisition
"Board"	the board of Directors
"Chow Tai Fook"	Chow Tai Fook Enterprises Limited, a substantial Shareholder of the Company
"Company"	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 0017)
"Completion"	completion of the Acquisition
"connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"Consideration"	HK\$1,779,028,580.08, being the aggregate purchase price for the Sale Shares and the Sale Loan
"Director(s) "	director(s) of the Company
"Good Step"	Good Step Profits Limited, a company incorporated in the British Virgin Islands with limited liability and the holder of 10% of the issued share capital of Sunbig
"Group"	the Company and its subsidiaries
"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

"Properties"	all the undivided shares of and in (i) the Remaining Portion of Inland Lot No. 3536, (ii) Section E of Inland Lot No. 3536, (iii) Section C of Inland Lot No. 3536, (iv) Section B of Inland Lot No. 3536, (v) Section A of Inland Lot No. 3536 and Section C of Inland Lot No. 5099, (vi) The Remaining Portion of Inland Lot No. 5099, (vii) Section E of Inland Lot No. 5099, (viii) Section D of Inland Lot No. 5099 and The Remaining Portion of Inland Lot No. 5741, (ix) Section E of Inland Lot No. 5741, (x) Section D of Inland Lot No. 5741, (xi) Section B of Inland Lot No. 5099, (xii) Section A of Inland Lot No. 5099 and Section C of Inland Lot No. 5741, (xiii) Section B of Inland Lot No. 5741 and (xiv) Section A of Inland Lot No. 5741
"Purchaser"	Ballina Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
"Sale Loan"	the entire amount of the unsecured and non-interest bearing shareholder's loan owing from Sunbig to the Vendor as at the date of Completion
"Sale Shares"	40% of the entire issued share capital of Sunbig
"Shareholder(s)"	holder(s) of the share(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Sunbig"	Sunbig Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Group"	Sunbig and its subsidiaries
"Vendor"	Cheung Hung Development (Holdings) Limited, a company incorporated in Hong Kong with limited liability and an associate of Chow Tai Fook
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

By order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 27 January 2015

As at the date of this announcement; (a) the executive Directors are Dr. Cheng Kar-Shun, Henry, Dr. 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) the non-executive Directors are Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) the independent non-executive Directors are 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.