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## **JOINT ANNOUNCEMENT**

**DISCLOSEABLE TRANSACTION**

**MAJOR TRANSACTION**

### **IN RELATION TO THE DISPOSALS**

The respective boards of NWD Directors and NWCL Directors are pleased to announce that a wholly-owned subsidiary of NWCL entered into the Wuhan Sale and Purchase Agreement, the Huiyang Sale and Purchase Agreement and the Haikou Sale and Purchase Agreement for an aggregate consideration of approximately RMB13,500 million (equivalent to approximately HK\$16,363.6 million) (subject to Consideration Adjustment) with a wholly-owned subsidiary of Evergrande.

#### **THE WUHAN SALE AND PURCHASE AGREEMENT**

On 2 December 2015, the Vendor (a direct wholly-owned subsidiary of NWCL and an indirect non-wholly-owned subsidiary of NWD) and the Purchaser (a wholly-owned subsidiary of Evergrande) entered into the Wuhan Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Wuhan Sale Share and the Wuhan Subject Loan at a cash consideration of RMB3,800 million (equivalent to approximately HK\$4,606.1 million) (subject to Consideration Adjustment). The Wuhan Sale Share represents the entire issued share capital of the Wuhan Target.

The Wuhan Completion shall take place on the Wuhan Completion Date. Upon the Wuhan Completion, the Wuhan Target will cease to be a wholly-owned subsidiary of the Vendor and Wuhan New World will cease to be a joint venture of the NWD Group and the NWCL Group.

## **THE HUIYANG SALE AND PURCHASE AGREEMENT**

On 2 December 2015, the Vendor and the Purchaser entered into the Huiyang Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Huiyang Sale Shares and the Huiyang Subject Loan at a cash consideration of RMB1,100 million (equivalent to approximately HK\$1,333.3 million) (subject to Consideration Adjustment). The Huiyang Sale Shares represent the entire issued share capitals of the Huiyang Targets.

The Huiyang Completion shall take place on the Huiyang Completion Date. Upon the Huiyang Completion, each of the Huiyang Targets will cease to be a wholly-owned subsidiary of the Vendor.

## **THE HAIKOU SALE AND PURCHASE AGREEMENT**

On 2 December 2015, Vendor and the Purchaser entered into the Haikou Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Haikou Sale Share and the Haikou Subject Loan at a cash consideration of RMB8,600 million (equivalent to approximately HK\$10,424.2 million) (subject to Consideration Adjustment). The Haikou Sale Share represents the entire issued share capital of the Haikou Target.

The Haikou Completion shall take place on the Haikou Completion Date. Upon the Haikou Completion, the Haikou Target will cease to be a wholly-owned subsidiary of the Vendor.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Vendor is a direct wholly-owned subsidiary of NWCL and NWCL is a direct non-wholly-owned subsidiary of NWD. Hence the Disposals constitute notifiable transactions for each of NWCL and NWD.

Given that the Sale and Purchase Agreements were entered into by the Vendor with the same party, i.e. the Purchaser, the Wuhan Disposal, the Huiyang Disposal and the Haikou Disposal are aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated Disposals exceeds 5% but is less than 25% for NWD, the Disposals constitute a discloseable transaction for NWD that is subject to the reporting and announcement requirements, but exempt from the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated Disposals exceeds 25% but is less than 100% for NWCL, the Disposals constitute a major transaction for NWCL that is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As no NWCL Shareholder is required to abstain from voting if NWCL were to convene a general meeting for approving the Disposals, and as NWCL has obtained a written approval of the Disposals from NWD, which together with its subsidiaries, beneficially own 6,092,601,173 NWCL shares (representing approximately 69.58% attributable interest in the issued share capital of NWCL as at the date of this announcement), of which 5,014,011,861 NWCL Shares (representing approximately 57.69% interest in the issued share capital of NWCL as at the date of this announcement) are registered in the name of NWD, pursuant to Rule 14.44 of the Listing Rules, NWCL is not required to convene a general meeting to approve the Disposals.

Pursuant to Rule 14.41 of the Listing Rules, a circular containing, among other things, further details of the Disposals will be despatched to the shareholders of NWCL within 15 business days after the publication of this announcement, i.e. on or before 23 December 2015.

**As each of the Wuhan Disposal, Huiyang Disposal and Haikou Disposal is subject to the fulfillment of various conditions precedent which may or may not be fulfilled, there is no assurance that all or any of the Disposals will be completed. Shareholders and potential investors should exercise caution when dealing in the securities of NWD and NWCL.**

The boards of directors of NWD and NWCL are pleased to announce that on 2 December 2015 (after the trading hours of the Stock Exchange), the Vendor (a direct wholly-owned subsidiary of NWCL and an indirect non-wholly owned subsidiary of NWD) entered into the Wuhan Sale and Purchase Agreement, the Huiyang Sale and Purchase Agreement and the Haikou Sale and Purchase Agreement, respectively, with the Purchaser in respect of the Wuhan Disposal, the Huiyang Disposal and the Haikou Disposal, respectively. The Purchaser is a wholly-owned subsidiary of Evergrande.

Set out below are the major terms of each of the Wuhan Sale and Purchase Agreement, the Huiyang Sale and Purchase Agreement and the Haikou Sale and Purchase Agreement.

## **THE WUHAN SALE AND PURCHASE AGREEMENT**

### **Date**

2 December 2015

### **Parties**

- (a) New World Development (China) Limited, as the Vendor; and
- (b) Shengyu (BVI) Limited, as the Purchaser.

## **Assets to be disposed of**

The Wuhan Sale Share and the Wuhan Subject Loan shall be transferred to the Purchaser together with all rights and benefits accrued thereto as at the Wuhan Completion Date.

## **Wuhan Consideration**

The Wuhan Consideration amounts to RMB3,800 million (equivalent to approximately HK\$4,606.1 million) (subject to Consideration Adjustment) and shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) RMB1,000 million (equivalent to approximately HK\$1,212.1 million) is payable on the Wuhan Completion Date;
- (b) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within six months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (c) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within twelve months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (d) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within eighteen months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing); and
- (e) RMB700 million (equivalent to approximately HK\$848.5 million) is payable within twenty four months after the Wuhan Completion (or any other date as agreed by the Vendor and the Purchaser in writing).

Within three business days from the date of signing the Wuhan Sale and Purchase Agreement (or any other date as agreed by the Vendor and the Purchaser in writing), the Purchaser shall deliver the Wuhan Cheque for the Wuhan First Instalment to the Vendor's solicitor to be held in escrow which shall be delivered to and drawn by the Vendor on the Wuhan Completion Date. Any difference between the equivalent amount in HKD of the Wuhan First Instalment based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the date prior to the Wuhan Completion Date and the amount on the Wuhan Cheque shall be made up or refunded by the relevant Party as appropriate.

If the Wuhan Completion is postponed in accordance with the Wuhan Sale and Purchase Agreement, or the Wuhan Completion cannot take place on 5 January 2016 for reasons caused by the Vendor, the Wuhan Cheque shall become invalid and shall be returned to the Purchaser who shall issue another bank cheque for the Wuhan First Instalment on the postponed Wuhan Completion Date.

The payment of any part of the Wuhan Consideration in the PRC shall be made in RMB and the payment of the other parts of the Wuhan Consideration may be made in Hong Kong in RMB or its equivalent amount in HKD determined based on the Exchange Rate.

If the Purchaser has not performed or fails to perform its obligations (including but not limited to not performing or failure to perform wholly) to pay the Wuhan Consideration, it shall, at the expiry of a 10-day grace period, pay the Vendor an overdue charge on the relevant overdue amount of the Wuhan Consideration calculated at a rate of 30% per annum accrued on a daily basis, unless and until the relevant overdue amount of the Wuhan Consideration has been fully paid.

### **Basis of the Wuhan Consideration**

The Wuhan Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor by reference to, among others, (i) the valuation of the Wuhan Projects amounting to RMB2,000,604,000 as at 30 June 2015 performed by an independent qualified valuer and (ii) the carrying interest cost in respect of the settlement of the Wuhan Consideration by instalments. The Wuhan Consideration represented a premium of approximately 354% over the consolidated attributable net assets value of the Wuhan Target Group as at 30 June 2015.

### **Security**

As security for the full settlement of the Wuhan Consideration, Evergrande had on the date of the Wuhan Sale and Purchase Agreement executed and delivered the Wuhan Guarantee to the Vendor to guarantee the performance of the Purchaser's obligations under the Wuhan Sale and Purchase Agreement. In addition, the Purchaser agrees to execute and deliver the Wuhan Share Charge to the Vendor at the Wuhan Completion.

### **Wuhan Conditions Precedent**

The Wuhan Completion is subject to the following the Wuhan Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) all approvals and consents of the respective board of directors of the Vendor, NWCL and NWD having been obtained. If required by the Listing Rules or the Stock Exchange, NWCL and/or NWD shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Wuhan Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable);

- (b) the Vendor shall obtain all necessary approvals required to be obtained from third parties (including the consent of certain lender banks of Wuhan New World) in relation to the transaction contemplated under the Wuhan Sale and Purchase Agreement (if necessary);
- (c) the Wuhan Bank Charge having been discharged;
- (d) all approvals and consents of the respective board of directors of the Purchaser and Evergrande having been obtained. If required by the Listing Rules or the Stock Exchange, the ultimate holding company of the Purchaser, i.e. Evergrande, shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Wuhan Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable); and
- (e) the Purchaser shall obtain all necessary approvals required to be obtained from third parties in relation to the transaction contemplated under the Wuhan Sale and Purchase Agreement (if necessary).

The Vendor and the Purchaser shall use their best endeavours to procure that the Wuhan Conditions Precedent for which they are responsible are fulfilled. The Purchaser may waive all or any of the Wuhan Conditions Precedent set out in paragraphs (b) and (c) above and the Vendor may waive the Wuhan Condition Precedent set out in paragraph (e) above, to the extent permitted by law, by written notice to the other Party any time before the Wuhan Completion.

If any of the Wuhan Conditions Precedent is not fulfilled or waived on or before the Wuhan Completion Date, the Vendor and the Purchaser may extend the Wuhan Completion Date to the date when the Wuhan Conditions Precedent are fulfilled, but in any event shall not be later than the Wuhan Longstop Date.

If any of the Wuhan Conditions Precedent is not fulfilled or waived on or before the Wuhan Longstop Date, the Wuhan Sale and Purchase Agreement shall forthwith cease and terminate and neither Party shall have any claim against the other Party, save as to any antecedent breach.

## **Termination**

The Wuhan Sale and Purchase Agreement shall be terminated under the following circumstances:

- (a) the performance of the Wuhan Sale and Purchase Agreement having been completed;
- (b) if required under applicable law;
- (c) the Wuhan Sale and Purchase Agreement not being capable of performance for more than three months as a result of a force majeure event and the Parties having agreed in writing to terminate the Wuhan Sale and Purchase Agreement; or
- (d) the Wuhan Conditions Precedent not having been fulfilled or waived.

## **Wuhan Completion**

The Wuhan Completion shall take place on Wuhan Completion Date. Upon the Wuhan Completion, the Wuhan Target will cease to be a wholly-owned subsidiary of the Vendor and Wuhan New World will cease to be a joint venture of the NWD Group and the NWCL Group.

## **FINANCIAL EFFECT OF THE WUHAN DISPOSAL**

After the Wuhan Completion, the Wuhan Target will cease to be a subsidiary of NWD and NWCL and Wuhan New World will cease to be a joint venture of the NWD Group and the NWCL Group.

The estimated indicative net gain arising from the Wuhan Disposal is expected to be approximately HK\$2,900 million for NWCL, and such gain has been determined by reference to the difference between the Wuhan Consideration and the audited consolidated net asset value of the Vendor's attributable interest in the Wuhan Target Group as at 30 June 2015. The actual gain to be recorded can only be ascertained when the attributable consolidated net asset value of the Wuhan Target Group and the incidental transaction costs are determined upon the Wuhan Completion.

## **THE HUIYANG SALE AND PURCHASE AGREEMENT**

### **Date**

2 December 2015

### **Parties**

- (a) New World Development (China) Limited, as the Vendor; and
- (b) Shengyu (BVI) Limited, as the Purchaser.

### **Assets to be disposed of**

The Huiyang Sale Shares and the Huiyang Subject Loans shall be transferred to the Purchaser with all rights and benefits accrued thereto as at the Huiyang Completion Date.

### **Huiyang Consideration**

The Huiyang Consideration amounts to RMB1,100 million (equivalent to approximately HK\$1,333.3 million) (subject to Consideration Adjustment) and shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) RMB150 million (equivalent to approximately HK\$181.8 million) is payable on the Huiyang Completion Date;
- (b) RMB200 million (equivalent to approximately HK\$242.4 million) is payable within six months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (c) RMB200 million (equivalent to approximately HK\$242.4 million) is payable within twelve months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (d) RMB200 million (equivalent to approximately HK\$242.4 million) is payable within eighteen months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing); and
- (e) RMB350 million (equivalent to approximately HK\$424.3 million) is payable within twenty four months after the Huiyang Completion (or any other date as agreed by the Vendor and the Purchaser in writing).



Within three business days from the date of signing the Huiyang Sale and Purchase Agreement (or any other date as agreed by the Vendor and the Purchaser in writing), the Purchaser shall deliver the Huiyang Cheque for the Huiyang First Instalment to the Vendor's solicitor to be held in escrow which shall be delivered to and drawn by the Vendor on the Huiyang Completion Date. Any difference between the equivalent amount in HKD of the Huiyang First Instalment based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the date prior to the Huiyang Completion Date and the amount on the Huiyang Cheque shall be made up or refunded by the relevant Party as appropriate.

If the Huiyang Completion is postponed in accordance with the Huiyang Sale and Purchase Agreement, or the Huiyang Completion cannot take place on 5 January 2016 for reasons caused by the Vendor, the Huiyang Cheque shall become invalid and shall be returned to the Purchaser who shall issue another bank cheque for the Huiyang First Instalment on the postponed Huiyang Completion Date.

The payment of any part of the Huiyang Consideration in the PRC shall be made in RMB and the payment of the other parts of the Huiyang Consideration may be made in Hong Kong in RMB or its equivalent amount in HKD determined based on the Exchange Rate.

If the Purchaser has not performed or fails to perform its obligations (including but not limited to not performing or failure to perform wholly) to pay the Huiyang Consideration, it shall, at the expiry of a 10-day grace period, pay the Vendor an overdue charge on the relevant overdue amount of the Huiyang Consideration calculated at a rate of 30% per annum accrued on a daily basis, unless and until the relevant overdue amount of the Huiyang Consideration has been fully paid.

### **Basis of the Huiyang Consideration**

The Huiyang Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor by reference to, among others, (i) the valuation of the Huiyang Projects amounting to RMB1,142,000,000 as at 30 June 2015 performed by an independent qualified valuer and (ii) the carrying interest cost in respect of the settlement of the Huiyang Consideration by instalments. The Huiyang Consideration represented a premium of approximately 20% over the consolidated net assets value of the Huiyang Targets Group as at 30 June 2015.

### **Security**

As security for the full settlement of the Huiyang Consideration, Evergrande had on the date of the Huiyang Sale and Purchase Agreement executed and delivered the Huiyang Guarantee to the Vendor to guarantee the performance of the Purchaser's obligations under the Huiyang Sale and Purchase Agreement. In addition, the Purchaser agrees to execute and deliver the Huiyang Share Charge to the Vendor at the Huiyang Completion.

## Huiyang Conditions Precedent

The Huiyang Completion is subject to, among others the following Huiyang Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) all approvals and consents of the respective board of directors of the Vendor, NWCL and NWD having been obtained. If required by the Listing Rules or the Stock Exchange, NWCL and/or NWD shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Huiyang Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable);
- (b) the Vendor shall obtain all necessary approvals required to be obtained from third parties (including the consent of certain lender banks of certain subsidiaries of the Dragon Fortune Group) in relation to the transaction contemplated under the Huiyang Sale and Purchase Agreement (if necessary);
- (c) all approvals and consents of the respective board of directors of the Purchaser and Evergrande having been obtained. If required by the Listing Rules or the Stock Exchange, the ultimate holding company of the Purchaser, i.e. Evergrande, shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Huiyang Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable); and
- (d) the Purchaser shall obtain all necessary approvals required to be obtained from third parties in relation to the transaction contemplated under the Huiyang Sale and Purchase Agreement (if necessary).

The Vendor and the Purchaser shall use their best endeavours to procure that the Huiyang Conditions Precedent for which they are responsible are fulfilled. Each of the Vendor and the Purchaser has the right to waive certain of the Huiyang Conditions Precedent that the other Party is responsible for fulfilling.

If any of the Huiyang Conditions Precedent is not fulfilled or waived on or before the Huiyang Completion Date, the Vendor and the Purchaser may extend the Huiyang Completion Date to the date when the Huiyang Conditions Precedent are fulfilled, but in any event shall not be later than the Huiyang Longstop Date.

If any of the Huiyang Conditions Precedent is not fulfilled or waived on or before the Huiyang Longstop Date, the Huiyang Sale and Purchase Agreement shall forthwith cease and terminate and neither Party shall have any claim against the other Party, save as to any antecedent breach.

## **Termination**

The Huiyang Sale and Purchase Agreement shall be terminated under the following circumstances:

- (a) the performance of the Huiyang Sale and Purchase Agreement having been completed;
- (b) if required under applicable law;
- (c) the Huiyang Sale and Purchase Agreement not being capable of performance for more than three months as a result of a force majeure event and the Parties having agreed in writing to terminate the Huiyang Sale and Purchase Agreement; or
- (d) the Huiyang Conditions Precedent not having been fulfilled or waived.

## **Huiyang Completion**

The Huiyang Completion shall take place on the Huiyang Completion Date. Upon the Huiyang Completion, each of the Huiyang Targets will cease to be a wholly-owned subsidiary of the Vendor.

## **FINANCIAL EFFECT OF THE HUIYANG DISPOSAL**

After the Huiyang Completion, each of the Huiyang Targets will cease to be a subsidiary of NWD and NWCL and their consolidated financial results, assets and liabilities will no longer be included in the consolidated financial statements of each of the NWD Group and the NWCL Group.

The estimated indicative net gain arising from the Huiyang Disposal is expected to be approximately HK\$77 million for NWCL, and such gain has been determined by reference to the difference between the Huiyang Consideration and the audited consolidated net asset value of the Vendor's interest in the Huiyang Targets Group as at 30 June 2015. The actual gain to be recorded can only be ascertained when the consolidated net assets value of the Huiyang Targets Group and the incidental transaction costs are determined upon the Huiyang Completion.

## **THE HAIKOU SALE AND PURCHASE AGREEMENT**

### **Date**

2 December 2015

### **Parties**

- (a) New World Development (China) Limited, as the Vendor; and
- (b) Shengyu (BVI) Limited, as the Purchaser.

### **Assets to be disposed of**

The Haikou Sale Share and the Haikou Subject Loan shall be transferred to the Purchaser together with all rights and benefits accrued thereto as at the Haikou Completion Date.

### **Haikou Consideration**

The Haikou Consideration amounts to RMB8,600 million (equivalent to approximately HK\$10,424.2 million) (subject to Consideration Adjustment) and shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) RMB2,000 million (equivalent to approximately HK\$2,424.2 million) is payable on the Haikou Completion Date;
- (b) RMB1,600 million (equivalent to approximately HK\$1,939.4 million) is payable within six months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (c) RMB1,600 million (equivalent to approximately HK\$1,939.4 million) is payable within twelve months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing);
- (d) RMB1,600 million (equivalent to approximately HK\$1,939.4 million) is payable within eighteen months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing); and
- (e) RMB1,800 million (equivalent to approximately HK\$2,181.8 million) is payable within twenty four months after the Haikou Completion (or any other date as agreed by the Vendor and the Purchaser in writing).

Within three business days from the date of signing the Haikou Sale and Purchase Agreement (or any other date as agreed by the Vendor and the Purchaser in writing), the Purchaser shall deliver the Haikou Cheque for the Haikou First Instalment to the Vendor's solicitor to be held in escrow which shall be delivered to and drawn by the Vendor on the Haikou Completion Date. Any difference between the equivalent amount in HKD of the Haikou First Instalment based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the date prior to the Haikou Completion Date and the amount on the Haikou Cheque shall be made up or refunded by the relevant Party as appropriate.

If the Haikou Completion is postponed in accordance with the Haikou Sale and Purchase Agreement, or the Haikou Completion cannot take place on 5 January 2016 for reasons caused by the Vendor, the Haikou Cheque shall become invalid and shall be returned to the Purchaser who shall issue another bank cheque for the Haikou First Instalment on the postponed Haikou Completion Date.

The payment of any part of the Haikou Consideration in the PRC shall be made in RMB and the payment of the other parts of the Haikou Consideration may be made in Hong Kong in RMB or its equivalent amount in HKD determined based on the Exchange Rate.

If the Purchaser has not performed or fails to perform its obligations (including but not limited to not performing or failure to perform wholly) to pay the Haikou Consideration, it shall, at the expiry of a 10-day grace period, pay the Vendor an overdue charge on the relevant overdue amount of the Haikou Consideration calculated at a rate of 30% per annum accrued on a daily basis, unless and until the relevant overdue amount of the Haikou Consideration has been fully paid.

### **Basis of the Haikou Consideration**

The Haikou Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor by reference to, among others, (i) the valuation of the Haikou Project amounting to RMB6,040,000,000 as at 30 June 2015 performed by an independent qualified professional valuer and (ii) the carrying interest cost in respect of the settlement of the Haikou Consideration by instalments. The Haikou Consideration represented a premium of approximately 81% over consolidated net assets value of the Haikou Target Group as at 30 June 2015.

### **Security**

As security for the full settlement of the Haikou Consideration, Evergrande had on the date of the Haikou Sale and Purchase Agreement executed and delivered to the Vendor the Haikou Guarantee to guarantee the performance of the Purchaser's obligations under the Haikou Sale and Purchase Agreement. In addition, the Purchaser agrees to execute and deliver the Haikou Share Charge to the Vendor at the Haikou Completion.

## Haikou Conditions Precedent

The Haikou Completion is subject to the following the Haikou Conditions Precedent being fulfilled and/or waived (as the case may be):

- (a) all approvals and consents of the respective board of directors of the Vendor, NWCL and NWD having been obtained. If required by the Listing Rules or the Stock Exchange, NWCL and/or NWD shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Haikou Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable);
- (b) the Vendor shall obtain all necessary approvals required to be obtained from third parties (including the consent of certain lender banks of NWCL Haikou) in relation to the transaction contemplated under the Haikou Sale and Purchase Agreement (if necessary);
- (c) the Haikou Structure having been achieved;
- (d) all approvals and consents of the respective board of directors of the Purchaser and Evergrande having been obtained. If required by the Listing Rules or the Stock Exchange, the ultimate holding company of the Purchaser, i.e. Evergrande, shall, pursuant to the Listing Rules, pass all necessary shareholder's resolutions (in the form of written approval from shareholders or by passing an ordinary resolution at a general meeting (if such written approval is not obtained)) to approve the Haikou Sale and Purchase Agreement and the transactions contemplated thereunder, comply with the relevant announcement requirements under the Listing Rules, and obtain all other necessary approvals or waivers as required (if applicable); and
- (e) the Purchaser shall obtain all necessary approvals required to be obtained from third parties in relation to the transaction contemplated under the Haikou Sale and Purchase Agreement (if necessary).

The Vendor and the Purchaser shall use their best endeavours to procure that the Haikou Conditions Precedent for which they are responsible are fulfilled. The Purchaser may waive all or any of the Haikou Conditions Precedent set out in paragraphs (b) and (c) above in writing and the Vendor may waive the Haikou Condition Precedent set out in paragraph (e) above in writing.

If any of the Haikou Conditions Precedent is not fulfilled or waived on or before the Haikou Completion Date, the Vendor and the Purchaser may extend the Haikou Completion Date to the date when the Haikou Conditions Precedent are fulfilled, but in any event shall not be later than the Haikou Longstop Date.

If any of the Haikou Conditions Precedent is not fulfilled or waived on or before the Haikou Longstop Date, the Haikou Sale and Purchase Agreement shall forthwith cease and terminate and neither party shall have any claim against the other party, save as to any antecedent breach.

## **Termination**

The Haikou Sale and Purchase Agreement shall be terminated under the following circumstances:

- (i) the performance of the Haikou Sale and Purchase Agreement having been completed;
- (ii) if required under applicable law;
- (iii) the Haikou Sale and Purchase Agreement not being capable of performance for more than three months as a result of a force majeure event and the Parties having agreed in writing to terminate the Haikou Sale and Purchase Agreement; or
- (iv) the Haikou Conditions Precedent not having been fulfilled or waived.

## **Haikou Completion**

The Haikou Completion shall take place on the Haikou Completion Date. Upon the Haikou Completion, the Haikou Target will cease to be a wholly-owned subsidiary of the Vendor.

## **FINANCIAL EFFECT OF THE HAIKOU DISPOSAL**

After the Haikou Completion, the Haikou Target will cease to be a subsidiary of NWD and NWCL and its financial results, assets and liabilities of the Haikou Target Group will no longer be included in the consolidated financial statements of each of the NWD Group and the NWCL Group.

The estimated indicative net gain arising from the Haikou Disposal is expected to be approximately HK\$3,600 million for NWCL, and such gain has been determined by reference to the difference between the Haikou Consideration and the audited consolidated net asset value of the Vendor's interest in the Haikou Target Group as at 30 June 2015 and taking into account of the estimated tax payable. The actual gain to be recorded can only be ascertained when the consolidated net assets amount and incidental transaction costs are determined upon the Haikou Completion.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Disposals enable the NWD Group and the NWCL Group to unlock the value in their investment in the property projects held by the Wuhan Target, Huiyang Targets and Haikou Target with faster churn and to realise cash resources in improving the liquidity and strengthening the financial position of the NWCL Group. The Disposals also signifies NWD Group's and the NWCL Group's strategy of optimizing its project development and investment portfolio by scaling down investment in second and third-tier cities and projects with lower gross profit margin and by focusing more resources in 1st-tier and 1.5-tier cities and mid-sized property projects. The net proceeds to be received by the Vendor from the Disposals will be applied towards the working capital requirements of the NWCL Group.

The NWD Directors and NWCL Directors (including the independent non-executive directors) believe that the terms of the Wuhan Sale and Purchase Agreement, Huiyang Sale and Purchase Agreement Haikou Sale and Purchase Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the NWD Group, NWCL Group and their respective shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Purchaser**

To the best knowledge of the NWCL Directors and NWD Directors, the Purchaser is an investment company incorporated in the British Virgin Islands and is indirectly wholly-owned by Evergrande. Evergrande is principally engaged in the development of large scale residential properties and integrated commercial properties in the PRC.

To the best knowledge, information and belief of the NWD Directors and NWCL Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner, i.e. Evergrande, are independent of and not connected with NWD, NWCL or their respective connected persons.

### **The Vendor**

The Vendor is a company incorporated in Hong Kong and is principally engaged in investment holding. It is a direct wholly-owned subsidiary of NWCL. As NWCL is a non-wholly-owned subsidiary of NWD, the Vendor is also an indirect non-wholly-owned subsidiary of NWD.

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

The NWCL Group is principally engaged in property development, property investment as well as rental and hotel operation in the PRC.

### **Wuhan Target**

The Wuhan Target is a company incorporated in the British Virgin Islands and is principally engaged in the holding of 60% interest in Wuhan New World, a co-operative joint venture company incorporated in the PRC. The principal business of Wuhan New World is the development of a massive low-cost community housing projects known as Wuhan Changqing Garden, Wuhan Changqing Nanyuan and Wuhan Xinhua Garden in Hankou, Wuhan city, Hubei province, the PRC with a total site area of approximately 2,493,000 square metres. The developable gross floor area of the projects comprises approximately 753,273 square meters for residential development and 418,419 square metres for commercial, retail and ancillary facilities.



As at 30 June 2015, the audited attributable consolidated net asset value of the Wuhan Target Group was approximately HK\$1,043,125,000. For the financial year ended 30 June 2014, the audited consolidated attributable profit before and after tax of the Wuhan Target Group was approximately HK\$261,573,000 and HK\$261,630,000, respectively and that for the financial year ended 30 June 2015 was approximately HK\$160,017,000 and HK\$156,267,000, respectively.

### **Huiyang Targets**

Each of the Huiyang Targets is an investment holding company which together by itself or its subsidiaries hold the entire interests in the Dragon Fortune Group. The Dragon Fortune Group is principally engaged in the operation of the Palm Island Resort project comprising golf club operation and real estate development with a site area of approximately 992,000 square meters and 378,000 square meters, respectively in Huiyang, the PRC. The remaining developable floor area of the real estate development amounts to approximately 415,914 square meters.

As at 30 June 2015, the audited consolidated net asset value of the Huiyang Targets Group in aggregation was approximately HK\$1,154,350,000. For the financial year ended 30 June 2014, the audited consolidated profit before and after tax of the Huiyang Targets Group in aggregation was approximately HK\$61,991,000 and HK\$61,799,000, respectively, and the audited consolidated loss before and after tax for the financial year ended 30 June 2015 was approximately HK\$64,333,000 and HK\$63,832,000, respectively.

### **Haikou Target**

Haikou Target is an investment holding company which through NWCL Haikou holds the entire interest in the Haikou Project located in the coastal area in north western Haidian Island. The Haikou Project comprises residential development of villa, low and high-rise residence and serviced apartment with planned gross floor area of over two million square meters. Phase II of the Haikou Project with gross floor area of about 90,000 square meters is under construction and is expected to be completed in 2017.

As at 30 June 2015, the audited consolidated net asset value of the Haikou Target Group was approximately HK\$5,933,642,000. For the financial year ended 30 June 2014, the audited consolidated profit before and after tax of the Haikou Target Group was approximately HK\$120,445,000 and HK\$89,253,000, respectively and the audited consolidated loss before and after tax for the financial year ended 30 June 2015 was approximately HK\$28,501,000 and HK\$32,967,000, respectively.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Vendor is a direct wholly-owned subsidiary of NWCL and NWCL is a direct non-wholly-owned subsidiary of NWD. Hence the Disposals constitute notifiable transactions for each of NWCL and NWD.

Given that the Sale and Purchase Agreements were entered into by the Vendor with the same party, i.e. the Purchaser, the Wuhan Disposal, the Huiyang Disposal and the Haikou Disposal are aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated Disposals exceeds 5% but is less than 25% for NWD, the Disposals constitute a discloseable transaction for NWD that is subject to the reporting and announcement requirements, but exempt from the shareholders' approval requirement, under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated Disposals exceeds 25% but is less than 100% for NWCL, the Disposals constitute a major transaction for NWCL that is subject to the reporting, announcement and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

As no NWCL Shareholder is required to abstain from voting if NWCL were to convene a general meeting for approving the Disposals, and as NWCL has obtained a written approval of the Disposals from NWD, which together with its subsidiaries, beneficially own 6,092,601,173 NWCL shares (representing approximately 69.58% attributable interest in the issued share capital of NWCL as at the date of this announcement), of which 5,014,011,861 NWCL Shares (representing approximately 57.69% interest in the issued share capital of NWCL as at the date of this announcement) are registered in the name of NWD, pursuant to Rule 14.44 of the Listing Rules, NWCL is not required to convene a general meeting to approve the Disposals.

Pursuant to Rule 14.41 of the Listing Rules, a circular containing, among other things, further details of the Disposals will be despatched to the shareholders of NWCL within 15 business days after the publication of this announcement, i.e. on or before 23 December 2015.

**As each of the Wuhan Disposal, Huiyang Disposal and Haikou Disposal is subject to the fulfillment of various conditions precedent which may or may not be fulfilled, there is no assurance that all or any of the Disposals will be completed. Shareholders and potential investors should exercise caution when dealing in the securities of NWD and NWCL.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

<b>“affiliates”</b>	a party is an affiliate of another party if it has the ability to control, jointly control or exercise significant influence over the other party in making financial or operation decisions. Parties are also considered to be affiliates if they are subject to common control, joint control or significant influence
<b>“connected person(s)”</b>	has the meaning ascribed to it in the Listing Rules
<b>“Consideration Adjustment”</b>	adjustment which may have to be made to the Huiyang Consideration, Haikou Consideration and Wuhan Consideration, respectively, in accordance with the increase or decrease in the net assets of the Huiyang Targets Group, the Haikou Target Group and attributable net assets of the Wuhan Target Group, respectively as at the Huiyang Completion Date, the Haikou Completion Date and the Wuhan Completion Date, respectively, as compared with the figures as at 30 September 2015
<b>“Disposals”</b>	all or any of the Wuhan Disposal, Huiyang Disposal and Haikou Disposal, as the case may be
<b>“Dragon Fortune”</b>	Dragon Fortune Limited, a limited liability company incorporated in the British Virgin Islands
<b>“Dragon Fortune Group”</b>	Dragon Fortune, its subsidiaries and associated company
<b>“Dragon Joy”</b>	Dragon Joy (China) Limited (龍悅(中國)有限公司), a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Vendor as at the date of the Huiyang Sale and Purchase Agreement
<b>“Dragon Joy Sale Share”</b>	the one ordinary share in the share capital of Dragon Joy, representing the entire issued share capital of Dragon Joy
<b>“Evergrande”</b>	Evergrande Real Estate Group Limited (Stock Code: 3333), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, being the ultimate holding company of the Purchaser

<b>“Exchange Rate”</b>	the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the relevant date of payment
<b>“Haikou Cheque”</b>	the bank cheque in the amount of RMB2,000 million (or its equivalent amount in HKD calculated based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the date of issuance of such cheque) dated 5 January 2016 and drawn on the Purchaser’s bank account
<b>“Haikou Completion”</b>	the completion of the sale and purchase of the Haikou Sale Share and Haikou Subject Loan
<b>“Haikou Completion Date”</b>	5 January 2016 (or such other date as shall be agreed between the Vendor and the Purchaser)
<b>“Haikou Conditions Precedent”</b>	the conditions precedent for the Haikou Disposal specified in the Haikou Sale and Purchase Agreement
<b>“Haikou Consideration”</b>	the aggregate consideration for the Haikou Sale Share and Haikou Subject Loan
<b>“Haikou Disposal”</b>	the disposal of the Haikou Sale Share and Haikou Subject Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Haikou Sale and Purchase Agreement
<b>“Haikou First Instalment”</b>	RMB2,000 million (equivalent to approximately HK\$2,424.2 million), representing the first instalment of the Haikou Consideration
<b>“Haikou Guarantee”</b>	the deed of guarantee dated 2 December 2015 provided by Evergrande in favour of the Vendor to guarantee the performance of the Purchaser’s obligations under the Haikou Sale and Purchase Agreement
<b>“Haikou Longstop Date”</b>	two months from the date of the Haikou Sale and Purchase Agreement, ending on 2 February 2016
<b>“Haikou Project”</b>	the Haikou New World • Meilisha project developed by NWCL Haikou, further details of which are set out under “Information on the Parties”

<b>“Haikou Sale and Purchase Agreement”</b>	the sale and purchase agreement dated 2 December 2015 entered into between the Purchaser and the Vendor in relation to the Haikou Disposal
<b>“Haikou Sale Share”</b>	the one ordinary share in the share capital of Haikou Target, representing the entire issued share capital of Haikou Target
<b>“Haikou Share Charge”</b>	the deed of share charge in form and substance acceptable to the Vendor to be executed and delivered by the Purchaser on the Haikou Completion pursuant to which the Purchaser shall charge the entire issued share capital of the Haikou Target held or to be held by it to the Vendor as security for full settlement of the Haikou Consideration
<b>“Haikou Structure”</b>	the structure of the Haikou Target to be achieved before the Haikou Completion such that the Haikou Target shall indirectly hold the entire equity interest of NWCL Haikou
<b>“Haikou Subject Loan”</b>	the amount of HK\$5,556,800,870 repayable by the Haikou Target to the Vendor and its affiliates as at the date of the Haikou Sale and Purchase Agreement and the Haikou Completion Date
<b>“Haikou Target”</b>	Best Wealth Investments Limited (佳裕投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Vendor as at the date of the Haikou Sale and Purchase Agreement
<b>“Haikou Target Group”</b>	the Haikou Target, Rise Gain Development and NWCL Haikou
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	The Hong Kong Special Administrative Region of the PRC

<b>“Huiyang Cheque”</b>	the bank cheque in the amount of RMB150 million (or its equivalent amount in HKD calculated based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the date of issuance of such cheque) dated 5 January 2016 and drawn on the Purchaser’s bank account
<b>“Huiyang Completion”</b>	the completion of the sale and purchase of the Huiyang Sale Shares and the Huiyang Subject Loans
<b>“Huiyang Completion Date”</b>	5 January 2016 (or such other date as shall be agreed between the Vendor and the Purchaser)
<b>“Huiyang Conditions Precedent”</b>	the conditions precedent for the Huiyang Disposal specified in the Huiyang Sale and Purchase Agreement
<b>“Huiyang Consideration”</b>	the aggregate consideration for the Huiyang Sale Shares and the Huiyang Subject Loans
<b>“Huiyang Disposal”</b>	the disposal of the Huiyang Sale Shares and the Huiyang Subject Loans by the Vendor to the Purchaser pursuant to the terms and conditions of the Huiyang Sale and Purchase Agreement
<b>“Huiyang First Instalment”</b>	RMB150 million (equivalent to approximately HK\$181.8 million), representing the first instalment of the Huiyang Consideration
<b>“Huiyang Guarantee”</b>	a deed of guarantee dated 2 December 2015 provided by Evergrande in favour of the Vendor to guarantee the performance of the Purchaser’s obligations under the Huiyang Sale and Purchase Agreement
<b>“Huiyang Longstop Date”</b>	two months from the date of the Huiyang Sale and Purchase Agreement, ending on 2 February 2016
<b>“Huiyang Projects”</b>	primarily the Palm Island Resort project developed by the Dragon Fortune Group, further details of which are set out under “Information on the Parties”
<b>“Huiyang Sale and Purchase Agreement”</b>	the sale and purchase agreement dated 2 December 2015 entered into between the Purchaser and the Vendor in relation to the Huiyang Disposal

<b>“Huiyang Sale Shares”</b>	the Dragon Joy Sale Share, the Superb Capital Sale Share and the White Heron Sale Share
<b>“Huiyang Share Charge”</b>	the deed of share charge in form and substance acceptable to the Vendor to be executed and delivered by the Purchaser on the Huiyang Completion pursuant to which the Purchaser shall charge the entire issued share capital of the Huiyang Targets held or to be held by it to the Vendor as security for the full settlement of the Huiyang Consideration
<b>“Huiyang Subject Loans”</b>	the aggregate amount of HK\$1,080,509,125 repayable by the Huiyang Targets to the Vendor and its affiliates as at the date of the Huiyang Sale and Purchase Agreement and the Huiyang Completion Date
<b>“Huiyang Targets”</b>	Dragon Joy, White Heron and Superb Capital
<b>“Huiyang Targets Group”</b>	the Huiyang Targets, its subsidiaries and associated company (including but not limited to the Dragon Fortune Group) as listed in the Huiyang Sale and Purchase Agreement
<b>“independent third party(ies)”</b>	a third party independent of and not connected with NWD, NWCL and their connected persons
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“NWCL”</b>	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 917)
<b>“NWCL Director(s)”</b>	the directors of NWCL
<b>“NWCL Group”</b>	NWCL and its subsidiaries from time to time
<b>“NWCL Haikou”</b>	New World China Land (Haikou) Limited (新世界中國地產(海口)有限公司) a company incorporated in the PRC with limited liability, a wholly-owned subsidiary of Rise Gain Development after the Haikou Structure has been achieved
<b>“NWCL Shares”</b>	ordinary shares of HK\$0.10 each in the issued share capital of NWCL

<b>“NWCL Shareholders”</b>	the registered holders of the NWCL Shares
<b>“NWD”</b>	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 17), and the holding company of NWCL
<b>“NWD Directors”</b>	the directors of NWD
<b>“NWD Group”</b>	NWD and its subsidiaries from time to time
<b>“Palm Island Resort”</b>	a golf course and residential development at No. 1 Tuhu Golf Road, Danshui Town, Huiyang, Huizhou, Guangdong Province, the PRC
<b>“Parties”</b>	the parties to the Sale and Purchase Agreements, being the Vendor and the Purchaser, and a <b>“Party”</b> shall refer to either the Vendor or the Purchaser, as the case may be
<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
<b>“Purchaser”</b>	Shengyu (BVI) Limited, a company incorporated in British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of Evergrande
<b>“Rise Gain Development”</b>	Rise Gain Development Limited (昇益發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Haikou Target
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sale and Purchase Agreements”</b>	the Wuhan Sale and Purchase Agreement, the Huiyang Sale and Purchase Agreement and the Haikou Sale and Purchase Agreement
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary”</b>	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)



<b>“Superb Capital”</b>	Superb Capital Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Vendor as at the date of the Huiyang Sale and Purchase Agreement
<b>“Superb Capital Sale Share”</b>	the one ordinary share in the share capital of Superb Capital, representing the entire issued share capital of Superb Capital
<b>“Vendor”</b>	New World Development (China) Limited (新世界發展(中國)有限公司), a company incorporated in Hong Kong with limited liability, which holds the entire issued share capitals of the Wuhan Target, Huiyang Targets and Haikou Target as at the date of the Sale and Purchase Agreements, and a wholly-owned subsidiary of NWCL
<b>“White Heron”</b>	White Heron Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Vendor as at the date of the Huiyang Sale and Purchase Agreement
<b>“White Heron Sale Share”</b>	the one ordinary share in the share capital of White Heron, representing the entire issued share capital of White Heron
<b>“Wuhan Bank Charge”</b>	the charge over the entire issued share capital of, among others, the Wuhan Target, granted by the Vendor in favour of a licensed bank in Hong Kong pursuant to certain charge over shares entered into between the Vendor and the bank in 2011 and 2014
<b>“Wuhan Cheque”</b>	the bank cheque in the amount of RMB1,000 million (or its equivalent amount in HKD calculated based on the mid-point rate of exchange for RMB into HKD as quoted by Bank of China (Hong Kong) Limited on the day immediately preceding the date of issuance of such cheque) dated 5 January 2016 and drawn on the Purchaser’s bank account
<b>“Wuhan Completion”</b>	the completion of the sale and purchase of the Wuhan Sale Share and the Wuhan Subject Loan
<b>“Wuhan Completion Date”</b>	5 January 2016 (or such other date as shall be agreed between the Vendor and the Purchaser)

<b>“Wuhan Conditions Precedent”</b>	the conditions precedent for the Wuhan Disposal specified in the Wuhan Sale and Purchase Agreement
<b>“Wuhan Consideration”</b>	the aggregate consideration for the Wuhan Sale Share and the Wuhan Subject Loan
<b>“Wuhan Disposal”</b>	the disposal of the Wuhan Sale Share and the Wuhan Subject Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Wuhan Sale and Purchase Agreement
<b>“Wuhan First Instalment”</b>	RMB1,000 million (equivalent to approximately HK\$1,212.1 million), representing the first instalment of the Wuhan Consideration
<b>“Wuhan Guarantee”</b>	the deed of guarantee dated 2 December 2015 provided by Evergrande in favour of the Vendor to guarantee the performance of the Purchaser’s obligations under the Wuhan Sale and Purchase Agreement
<b>“Wuhan Longstop Date”</b>	two months from the date of the Wuhan Sale and Purchase Agreement, ending on 2 February 2016
<b>“Wuhan New World”</b>	Wuhan New World Housing Development Limited*(武漢新世界康居發展有限公司), co-operative joint venture company incorporated in the PRC and which is owned as to 60% by Wuhan Target and 40% by an independent third party
<b>“Wuhan Projects”</b>	the housing projects known as Wuhan Changqing Garden, Wuhan Changqing Nanyuan and Wuhan Xinhua Garden developed by Wuhan New World, further details of which are set out under “Information on the Parties”
<b>“Wuhan Sale and Purchase Agreement”</b>	the sale and purchase agreement dated 2 December 2015 entered into between the Purchaser and the Vendor in relation to the Wuhan Disposal
<b>“Wuhan Sale Share”</b>	the one ordinary share of par value of US\$1.00 each in the share capital of the Wuhan Target, representing the entire issued share capital of the Wuhan Target

<b>“Wuhan Share Charge”</b>	the deed of share charge in form and substance acceptable to the Vendor to be executed and delivered by the Purchaser on the Wuhan Completion pursuant to which the Purchaser shall charge the entire issued share capital of the Wuhan Target held or to be held by it to the Vendor as security for the full settlement of the Wuhan Consideration
<b>“Wuhan Subject Loan”</b>	the amount of HK\$116,414,182 repayable by the Wuhan Target to the Vendor and its affiliates (if any) as at the date of the Wuhan Sale and Purchase Agreement and the Wuhan Completion Date
<b>“Wuhan Target”</b>	Hinto Developments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Vendor as at the date of the Wuhan Sale and Purchase Agreement
<b>“Wuhan Target Group”</b>	the Wuhan Target and Wuhan New World
<b>“%”</b>	per cent.

By order of the board of  
**New World Development Company  
Limited**  
(新世界發展有限公司)  
**Mr. Wong Man-Hoi**  
Company Secretary

By order of the board of  
**New World China Land Limited**  
**Dr. Cheng Kar-Shun, Henry**  
Managing Director

Hong Kong, 2 December 2015

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

*As at the date of this announcement, the executive directors of NWCL are Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Dr. Cheng Chi-Kong, Adrian, Ms. Cheng Chi-Man, Sonia, Mr. Cheng Chi-Him, Conrad, Mr. Fong Shing-Kwong, Michael and Ms. Ngan Man-Ying, Lynda; and the independent non-executive directors of NWCL are Dr. Cheng Wai-Chee, Christopher, Hon. Tien Pei-Chun, James, Mr. Lee Luen-Wai, John and Mr. Ip Yuk-Keung, Albert.*

*\*For identification purpose*

*For the purpose of this announcement, HK\$1.00 is equivalent to RMB0.825.*