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## **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)**

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

#### **Transfer of CJV Interest**

On 6 October 2009, Hong Tu, Xin Sui and Sweet Prospects entered into the Agreement in which Hong Tu agreed to transfer all of its rights and obligations in the CJV to Xin Sui for a consideration of RMB1.00.

#### **Discloseable and Connected Transaction**

As more than one of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement are more than 5% but less than 25%, entering into the Agreement constitutes a discloseable transaction of the Company. The Agreement and the transactions contemplated thereunder are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Hong Tu is a connected person of the Company by virtue of its holding of 40% CJV Interest. Accordingly, entering into the Agreement constitutes a connected transaction of the Company under the Listing Rules. As more than one of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement are more than 2.5% but less than 25% and the consideration is less than HK\$10,000,000, the Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **TRANSFER OF CJV INTEREST**

On 28 September 1996, Hong Tu and Sweet Prospects entered into the CJV Agreement to establish the CJV. Pursuant to the terms of the CJV Agreement, among other things, Hong Tu shall be responsible for procuring the land use rights and the corresponding development rights for the CJV for developing certain properties in Guangzhou, whilst Sweet Prospects shall be responsible for providing the registered capital of the CJV and all the development costs. As at

the date of this announcement, Hong Tu and Sweet Prospects have a 40% and 60% CJV Interest, respectively.

Following the promulgation and implementation of the relevant land reform policies in the PRC to unify the system for granting state-owned land use rights through bidding at auctions organised by the PRC government authorities, Hong Tu is no longer required to obtain the development rights of properties in Guangzhou for the CJV in accordance with the terms of the CJV Agreement, even though the CJV does not intend to acquire additional properties in the near future. As a result, on 6 October 2009, Hong Tu, Xin Sui and Sweet Prospects entered into the Agreement in which Hong Tu agreed to transfer all of its rights and obligations in the CJV to Xin Sui for the consideration of RMB1.00.

The consideration shall be payable by Xin Sui to Hong Tu within 30 days of Completion. Hong Tu, Xin Sui and Sweet Prospects also agreed that the CJV shall pay to Hong Tu upon Completion a sum of RMB4,680,000, being service fees in arrears owed by the CJV to Hong Tu in procuring the land use rights and the corresponding development rights for the CJV for developing certain properties in Guangzhou.

Subject to and upon Completion, Xin Sui and Sweet Prospects will have a 40% and 60% CJV Interest, respectively and the CJV will become a wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

Following the promulgation and implementation of the relevant land reform policies in the PRC to unify the system for granting state-owned land use rights through bidding at auctions organised by the PRC government authorities, Hong Tu is no longer required to obtain the development rights of properties in Guangzhou for the CJV in accordance with the terms of the CJV Agreement. The CJV has obtained the development rights of all its existing properties and does not intend to acquire additional properties in the near future. The transfer of all the rights and obligations in the CJV by Hong Tu to Xin Sui will allow the Company to gain full control of the CJV indirectly and entitle it to 100% of the profits of the CJV.

The terms of the Agreement have been determined through arm's length negotiations between the parties and reflect normal commercial terms. The Board (including the independent non-executive directors) considers that the terms of the Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **LISTING RULES IMPLICATIONS**

As more than one of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement are more than 5% but less than 25%, entering into the Agreement constitutes a discloseable transaction of the Company. The Agreement and the transactions contemplated thereunder are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Hong Tu is a connected person of the Company by virtue of its holding of 40% CJV Interest. Accordingly, entering into the Agreement constitutes a connected transaction of the Company under the Listing Rules. As more than one of the relevant

percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Agreement are more than 2.5% but less than 25% and the consideration is less than HK\$10,000,000, the Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

### **INFORMATION RELATING TO THE CJV**

The CJV is a co-operative joint venture enterprise established in the PRC. It is principally engaged in the development of the remaining phases of Guangzhou Park Paradise, a residential development in Rongtai Cun, Baiyun District, Guangzhou, Guangdong Province, the PRC with gross floor area of 365,418 square metres.

The audited net profit before and after taxation and extraordinary items attributable to the CJV for the financial year ended 30 June 2007 was approximately HK\$35,509,000 and HK\$23,791,000, respectively and that for the financial year ended 30 June 2008 was approximately HK\$42,433,000 and HK\$6,350,000, respectively.

As at 31 December 2008, the audited net asset value of the CJV was approximately HK\$813,609,000.

### **INFORMATION RELATING TO THE COMPANY**

The Company is principally engaged in the property development, property related investments as well as rental and hotel operation in the PRC.

### **INFORMATION RELATING TO HONG TU**

The principal business activities of Hong Tu are interior decoration, demolition of buildings, property agency, property investment planning, wholesale and retail trading.

### **DEFINITIONS**

“Agreement”	the agreement dated 6 October 2009 entered into by and among Hong Tu, Xin Sui and Sweet Prospects;
“Board”	the board of Directors;
“CJV”	廣州集賢莊新世界城市花園發展有限公司 (Guangzhou Jixian Zhuang New World City Garden Development Limited *), a co-operative joint venture enterprise established by Hong Tu and Sweet Prospects in 1996 pursuant to the CJV Agreement;
“CJV Agreement”	the agreement dated 28 September 1996 entered into between Hong Tu and Sweet Prospects to establish the CJV;

“CJV Interest”	the current entitlements of Hong Tu and Sweet Prospects in the profits and assets (if in liquidation) of the CJV according to the CJV Agreement;
“Company”	New World China Land Limited, a company whose shares are listed on the main board of the Stock Exchange (Stock Code: 917);
“Completion”	completion of the registration procedure in respect of the transfer of all the rights and obligations in the CJV by Hong Tu to Xin Sui;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Tu”	廣州宏圖實業有限公司 (Guangzhou Hong Tu Industrial Co. Ltd.*), a company incorporated under the laws of the PRC and holder of 40% CJV Interest;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC);
“RMB”	Renminbi, the lawful currency of the PRC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed thereto in the Listing Rules;
“Sweet Prospects”	Sweet Prospects Enterprises Limited, a limited liability company incorporated under the laws of the British Virgin Islands, an indirect wholly-owned subsidiary of the Company and holder of 60% CJV Interest;

“Xin Sui”

廣州新穗旅游中心有限公司(Guangzhou Xin Sui Tourism Centre Limited\*), a limited liability company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of the Company;

“%”

per cent.

By order of the Board of  
**New World China Land Limited**  
**Ngan Man-ying, Lynda**  
*Company Secretary*

Hong Kong, 6 October 2009

As at the date of this announcement, the Board 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.

*This announcement is published on the websites of the Company ([www.nwcl.com.hk](http://www.nwcl.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).*

*\* For identification purpose only*