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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)**

## **CONNECTED TRANSACTIONS**

### **SALE OF PROPERTIES IN BEIJING**

On 18 October 2013, Chong Wen, an indirect 70%-owned jointly controlled entity of the Company, entered into (i) the Aerospace Property Sale and Purchase Contract with Aerospace, pursuant to which Chong Wen agreed to sell and Aerospace agreed to purchase the entire property interest in Beijing Property A at the total consideration of RMB17,088,060; and (ii) the Sunlong Property Sale and Purchase Contract with Sunlong, pursuant to which Chong Wen agreed to sell and Sunlong agreed to purchase the entire property interest in Beijing Property B at the total consideration of RMB19,608,270.

As at the date of this announcement, Aerospace is a wholly-owned subsidiary of China Aerospace, which is an indirect 50%-owned jointly controlled entity of NWD, and Sunlong is an indirect wholly-owned subsidiary of NWD, thus each of Aerospace and Sunlong is an associate of NWD. NWD is a controlling shareholder of the Company. Therefore, each of Aerospace and Sunlong is a connected person of the Company and the transactions contemplated under the Property Sale and Purchase Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Property Sale and Purchase Contracts exceed 0.1% but all of them are less than 5%, the Property Sale and Purchase Contracts are only subject to the reporting and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND**

On 18 October 2013, Chong Wen entered into the Aerospace Property Sale and Purchase Contract with Aerospace and the Sunlong Property Sale and Purchase Contract with Sunlong, respectively.

## **AEROSPACE PROPERTY SALE AND PURCHASE CONTRACT**

### **Date**

18 October 2013

**Parties**

Vendor: Chong Wen

Purchaser: Aerospace

**Assets to be sold**

Pursuant to the Aerospace Property Sale and Purchase Contract, Chong Wen agreed to sell and Aerospace agreed to purchase the entire property interest in Beijing Property A.

**Consideration**

The consideration for the sale of Beijing Property A is RMB17,088,060, which shall be payable by Aerospace to Chong Wen in RMB and settled in cash. Such consideration was arrived at after arm's length negotiations between Chong Wen and Aerospace with reference to the selling prices of comparable properties in the adjacent area.

**Completion**

Completion shall take place within three months from the date of the Aerospace Property Sale and Purchase Contract subject to the provision by Chong Wen to Aerospace of a commercial property area survey technical report prepared by a qualified property surveying institution and the execution of a quality maintenance guarantee agreement between Chong Wen and Aerospace.

**SUNLONG PROPERTY SALE AND PURCHASE CONTRACT****Date**

18 October 2013

**Parties**

Vendor: Chong Wen

Purchaser: Sunlong

**Assets to be sold**

Pursuant to the Sunlong Property Sale and Purchase Contract, Chong Wen agreed to sell and Sunlong agreed to purchase the entire property interest in Beijing Property B.

**Consideration**

The consideration for the sale of Beijing Property B is RMB19,608,270, which shall be payable by Sunlong to Chong Wen in RMB and settled in cash. Such consideration was arrived at after arm's length negotiations between Chong Wen and Sunlong with reference to the selling prices of comparable properties in the adjacent area.

## **Completion**

Completion shall take place within three months from the date of the Sunlong Property Sale and Purchase Contract subject to the provision by Chong Wen to Sunlong of a commercial property area survey technical report prepared by a qualified property surveying institution and the execution of a quality maintenance guarantee agreement between Chong Wen and Sunlong.

## **INFORMATION ABOUT THE BEIJING PROPERTIES**

The Beijing Properties comprise the commercial portion of Beijing Xin Yu Garden located at 90 Guangqumennei Street, Dongcheng District, Beijing, the PRC.

Beijing Property A consists of three office units and has a total construction area of 517.82 square metres. Beijing Property B consists of five office units and has a total construction area of 594.19 square metres. Both Beijing Property A and Beijing Property B are completed properties held for sale by Chong Wen. The book values of Beijing Property A and Beijing Property B are approximately RMB4,200,000 and RMB4,800,000, respectively.

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

The Property Sale and Purchase Contracts have been negotiated and entered into by Chong Wen in its ordinary and usual course of business. Upon completion of the transactions under the Property Sale and Purchase Contracts, the Group is expected to record a gain of approximately RMB10,900,000. The expected gain is calculated based on the consideration under the Property Sale and Purchase Contracts deducting the direct cost of development of the Beijing Properties and after taking into account of the relevant taxes to be charged, including business tax, land appreciation tax and corporate income tax. Proceeds from the sale of the Beijing Properties will be used by the Group as general working capital.

The Directors (including the independent non-executive Directors) consider that the terms of each of the Aerospace Property Sale and Purchase Contract and the Sunlong Property Sale and Purchase Contract are on normal commercial terms, which are fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

## **INFORMATION ON THE GROUP, CHONG WEN, AEROSPACE AND SUNLONG**

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

To the best knowledge of the Directors, Aerospace is an investment holding company and Sunlong is a high technology enterprise that integrates computer and telecommunications technologies to provide value-added telecommunications services and information technology applications.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Aerospace is a wholly-owned subsidiary of China Aerospace, which is an indirect 50%-owned jointly controlled entity of NWD and Sunlong is an indirect wholly-owned subsidiary of NWD, thus each of Aerospace and Sunlong is an associate of NWD. NWD is a controlling shareholder of the Company. Therefore, each of Aerospace and Sunlong is a connected person of the Company and the transactions contemplated under the Property Sale and Purchase Contracts constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Property Sale and Purchase Contracts exceed 0.1% but all of them are less than 5%, the Property Sale and Purchase Contracts are only subject to the reporting and announcement requirements, and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## BOARD'S APPROVAL

Each of the Property Sale and Purchase Contracts has been approved by the Board. None of the Directors has any material interest in the transactions contemplated under the Property Sale and Purchase Contracts. Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Ms. Cheng Chi-man, Sonia and Mr. Lee Luen-wai, John are the common directors of the Company and NWD. Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter who were present at the meeting of the Board voluntarily abstained from voting on the relevant resolutions of the Board approving the Property Sale and Purchase Contracts.

## DEFINITIONS

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

### "Aerospace"

航天新世界（中國）科技有限公司 (Aerospace New World (China) Technology Limited\*), a company incorporated under the laws of the PRC and a company wholly-owned by China Aerospace

### "Aerospace Property Sale and Purchase Contract"

the property sale and purchase contract dated 18 October 2013 entered into between Chong Wen and Aerospace in relation to the sale and purchase of the entire property interest in Beijing Property A

<b>"Beijing Property A"</b>	Units 1004, 1005 and 1006 of Beijing Xin Yu Garden Commercial Centre located at 90 Guangqumennei Street, Dongcheng District, Beijing, the PRC, with a total construction area of 517.82 square metres
<b>"Beijing Property B"</b>	Units 1001, 1002, 1003, 1007 and 1008 of Beijing Xin Yu Garden Commercial Centre located at 90 Guangqumennei Street, Dongcheng District, Beijing, the PRC, with a total construction area of 594.19 square metres
<b>"Beijing Properties"</b>	Beijing Property A and Beijing Property B
<b>"Board"</b>	the board of Directors
<b>"China Aerospace"</b>	China Aerospace New World Technology Limited, a company incorporated in Hong Kong and is an indirect 50%-owned jointly controlled entity of NWD
<b>"Chong Wen"</b>	北京崇文 • 新世界房地產發展有限公司 (Beijing Chong Wen – New World Properties Development Co., Ltd.*), a company incorporated under the laws of the PRC and an indirect 70%-owned jointly controlled entity of the Company which falls within the definition of subsidiary
<b>"Company"</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>"connected person(s)"</b>	has the meaning ascribed to it in the Listing Rules
<b>"Director(s)"</b>	the directors of the Company
<b>"Group"</b>	the Company and its subsidiaries
<b>"Hong Kong"</b>	the Hong Kong Special Administrative Region of the PRC
<b>"Listing Rules"</b>	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 and Macau Special Administrative Region of the PRC)
"Property Sale and Purchase Contracts"	the Aerospace Property Sale and Purchase Contract and the Sunlong Property Sale and Purchase Contract
"RMB"	Renminbi, the lawful currency of the PRC
"NWD"	New World Development Company Limited, 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 the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in the Listing Rules
"Sunlong"	深圳市翔龍通訊有限公司 (Shenzhen Sunlong Communication Co., Ltd.*), a company incorporated under the laws of the PRC and an indirect wholly-owned subsidiary of NWD
"Sunlong Property Sale and Purchase Contract"	the property sale and purchase contract dated 18 October 2013 entered into between Chong Wen and Sunlong in relation to the sale and purchase of the entire property interest in Beijing Property B
"%"	per cent.

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

Hong Kong, 18 October 2013

*As at the date of this announcement, the executive Directors are Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter, Mr. 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 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 only*