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## **CONTINUING CONNECTED TRANSACTIONS**

### **MASTER PURCHASE AGREEMENT**

On 19 March 2013, NWCL and CTFJ entered into the Master Purchase Agreement in relation to the Transactions.

CTFE is a substantial shareholder of NWD which is a substantial shareholder of NWCL. CTFE is considered to be a connected person of NWCL. CTFJ is a fellow subsidiary of CTFE and is therefore an associate of a connected person (being CTFE) of NWCL. In view of such relationship, CTFJ is considered to be a connected person of NWCL and the Transactions constitute continuing connected transactions of NWCL under Chapter 14A of the Listing Rules.

NWCL is a subsidiary of NWD. The Transactions also constitute continuing connected transactions of NWD under Chapter 14A of the Listing Rules.

CTFH is a substantial shareholder of CTFJ. NWCL is deemed to be an associate of CTFH and therefore a connected person of CTFJ. The Transactions constitute continuing connected transactions of CTFJ under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transactions is/are more than 0.1% and all of the relevant percentage ratios are less than 5% for each of NWCL, NWD and CTFJ and each of the NWCL Annual Caps and the CTFJ Annual Caps exceeds HK\$1,000,000, the Master Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for each of NWCL, NWD and CTFJ.

## **THE MASTER PURCHASE AGREEMENT**

On 19 March 2013, NWCL and CTFJ entered into the Master Purchase Agreement in relation to the Transactions.

The principal terms of the Master Purchase Agreement are set out below.

### **Date**

19 March 2013

### **Parties**

- (1) NWCL; and
- (2) CTFJ

### **General terms for the Transactions**

Relevant members of the NWCL Group may from time to time enter into Definitive Agreement(s) with relevant members of the CTFJ Group in relation to any Transaction(s) upon, and subject to, the terms and conditions in compliance with those of the Master Purchase Agreement as may be agreed between relevant members of the NWCL Group and relevant members of the CTFJ Group.

With effect from the Effective Date, the Transactions shall be conducted:

- (a) in the usual and ordinary course of business of NWCL and CTFJ;
- (b) on normal commercial terms; and
- (c) in compliance with all applicable provisions of the Listing Rules (including the NWCL Annual Caps and the CTFJ Annual Caps), the applicable laws, the Master Purchase Agreement and the relevant Definitive Agreement.

### **Duration**

The Master Purchase Agreement shall commence on the Effective Date, and shall continue up to and including 30 June 2015, unless terminated earlier in accordance with the Master Purchase Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the Master Purchase Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the Master Purchase Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the Master Purchase Agreement.

### **The NWCL Annual Caps and the CTFJ Annual Caps**

The NWCL Annual Caps for each of the three financial years ending 30 June 2015 are HK\$65.1 million, HK\$194.2 million and HK\$259.4 million, respectively, and have been determined after taking into account of the projected marketing expenses for the upcoming

property projects of the NWCL Group, the scale of marketing campaigns to be launched in respect of such property projects by the NWCL Group, and the expected values of the gold products, the NWCL Gift Vouchers and the CTFJ Gift Vouchers.

The CTFJ Annual Caps for each of the three financial years ending 31 March 2015 are HK\$35.8 million, HK\$196.0 million and HK\$267.4 million, respectively, and have been determined after taking into account of the estimated expansion of marketing activities in cooperation with the NWCL Group, upcoming property projects of the NWCL Group, the prevailing market conditions and the expected values of the gold products, the NWCL Gift Vouchers and the CTFJ Gift Vouchers.

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

As part of the NWCL Group's marketing activities, gold products, NWCL Gift Vouchers or CTFJ Gift Vouchers will be provided as gifts to the purchasers of properties of the NWCL Group. The NWCL Directors believe that entering into of the Master Purchase Agreement can ensure the smooth operation of the marketing plan of the NWCL Group, enhance the business relationships between the NWCL Group and its customers and benefit the business development of the NWCL Group. The Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the NWCL Group and CTFJ Group. The NWCL Directors believe that it is in the interests of the NWCL Group to enter into the Master Purchase Agreement so that the NWCL Group may regulate the purchase agreements with the CTFJ Group under a common framework agreement.

As NWCL is a subsidiary of NWD, the NWD Directors believe that the NWD Group will also benefit as a result of NWCL's entering into of the Master Purchase Agreement.

The CTFJ Directors believe that entering into of the Master Purchase Agreement can ensure the smooth operation of the marketing plan of the CTFJ Group, encourage customer spending and promote sales of the CTFJ Group through an additional channel. The Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the CTFJ Group and the NWCL Group. The CTFJ Directors believe that it is in the interests of the CTFJ Group to enter into the Master Purchase Agreement so that the CTFJ Group may regulate the purchase agreements with the NWCL Group under a common framework agreement.

The NWCL Directors (including the independent non-executive NWCL Directors) consider that the terms of the Master 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 NWCL Group and the NWCL Shareholders as a whole and that the NWCL Annual Caps are fair and reasonable and in the interests of the NWCL Group and the NWCL Shareholders as a whole.

The NWD Directors (including the independent non-executive NWD Directors) consider that the terms of the Master 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 and the NWD Shareholders as a whole and that the NWCL Annual Caps are fair and reasonable and in the interests of the NWD Group and the NWD Shareholders as a whole.

The CTFJ Directors (including the independent non-executive CTFJ Directors) consider that the terms of the Master 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 CTFJ Group and the CTFJ Shareholders as a whole and that the CTFJ Annual Caps are fair and reasonable and in the interests of the CTFJ Group and the CTFJ Shareholders as a whole.

## **INFORMATION OF THE NWCL GROUP, THE NWD GROUP AND THE CTFJ GROUP**

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

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

The CTFJ Group is one of the largest jewellers in Hong Kong, Macau and the PRC by market share with an extensive retail network of over 1,800 points of sale. The CTFJ Group's principal products are mass luxury and high-end luxury jewellery products, including gem-set jewellery, gold products, platinum/karat gold products and watches.

## **LISTING RULES IMPLICATIONS**

CTFE is a substantial shareholder of NWD which is a substantial shareholder of NWCL. CTFE is considered to be a connected person of NWCL. CTFJ is a fellow subsidiary of CTFE and is therefore an associate of a connected person (being CTFE) of NWCL. In view of such relationship, CTFJ is considered to be a connected person of NWCL and the Transactions constitute continuing connected transactions of NWCL under Chapter 14A of the Listing Rules.

NWCL is a subsidiary of NWD. The Transactions also constitute continuing connected transactions of NWD under Chapter 14A of the Listing Rules.

CTFH is a substantial shareholder of CTFJ. NWCL is deemed to be an associate of CTFH and therefore a connected person of CTFJ. The Transactions constitute continuing connected transactions of CTFJ under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transactions is/are more than 0.1% and all of the relevant percentage ratios are less than 5% for each of NWCL, NWD and CTFJ and each of the NWCL Annual Caps and the CTFJ Annual Caps exceeds HK\$1,000,000, the Master Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for each of NWCL, NWD and CTFJ.

## **APPROVAL BY THE BOARD OF NWCL DIRECTORS**

None of the NWCL Directors has a material interest in the Master Purchase Agreement. Dr. Cheng Kar-shun, Henry and Mr. Cheng Chi-kong, Adrian are common directors of NWCL and CTFJ. Dr. Cheng Kar-shun, Henry who was present at the meeting of board of NWCL Directors voluntarily abstained from voting on the relevant board resolutions.

## **APPROVAL BY THE BOARD OF NWD DIRECTORS**

None of the NWD Directors has a material interest in the Master Purchase Agreement. Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian, and Mr. Cheng Chi-heng are common directors of NWD and CTFJ. Dr. Cheng Kar-shun, Henry who was present at the meeting of the executive committee of the board of NWD Directors voluntarily abstained from voting on the relevant board resolutions. Mr. Cheng Chi-kong, Adrian and Mr. Cheng Chi-heng were not present at that meeting and therefore did not vote on the relevant board resolutions. An independent board committee comprising five independent non-executive NWD Directors, namely, Mr. Yeung Ping-leung, Howard, Mr. Cha Mou-sing, Payson, Mr. Ho Hau-hay, Hamilton, Mr. Lee Luen-wai, John and Mr. Liang Cheung-biu, Thomas, has been formed to review and approve the Master Purchase Agreement, the Transactions and the NWCL Annual Caps.

## **APPROVAL BY THE BOARD OF CTFJ DIRECTORS**

None of the CTFJ Directors has a material interest in the Master Purchase Agreement. Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian and Mr. Cheng Chi-heng are common directors of NWD and CTFJ. Dr. Cheng Kar-shun, Henry and Mr. Cheng Chi-kong, Adrian who were present at the meeting of board of CTFJ Directors voluntarily abstained from voting on the relevant board resolutions. Mr. Cheng Chi-heng was not present at that meeting and therefore did not vote on the relevant board resolutions. All other CTFJ Directors (including the independent non-executive CTFJ Directors) have reviewed and approved the Master Purchase Agreement, the Transactions and the CTFJ Annual Caps.

## **DEFINITIONS**

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“associate”	has the meaning ascribed to it under the Listing Rules
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, being a substantial shareholder of NWD and a fellow subsidiary of CTFJ
“CTFH”	Chow Tai Fook (Holding) Limited, a company incorporated in the British Virgin Islands with limited liability, the holding company of CTFE and a substantial shareholder of CTFJ
“CTFJ”	Chow Tai Fook Jewellery Group 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

“CTFJ Annual Caps”	the annual cap amounts payable by the NWCL Group to the CTFJ Group in respect of the Transactions for each of the three financial years ending 31 March 2015
“CTFJ Directors”	the directors of CTFJ
“CTFJ Gift Vouchers”	the gift vouchers issued or to be issued by the CTFJ Group which may be presented at the stores where the CTFJ Group operates its business for purchasing goods therein by holders of such gifts vouchers given by the NWCL Group
“CTFJ Group”	CTFJ and its subsidiaries from time to time
“CTFJ Shareholders”	shareholders of CTFJ
“Definitive Agreement(s)”	the definitive agreement(s) which may be entered into between any member(s) of the NWCL Group and any member(s) of the CTFJ Group from time to time in relation to any of the Transactions at any time during the term of the Master Purchase Agreement
“Effective Date”	19 March 2013
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Master Purchase Agreement”	the agreement in relation to the Transactions entered into between NWCL and CTFJ on 19 March 2013
“NWCL”	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 and is a subsidiary of NWD

“NWCL Annual Caps”	the annual cap amounts payable by the NWCL Group to the CTFJ Group in respect of the Transactions for each of the three financial years ending 30 June 2015
“NWCL Directors”	the directors of NWCL
“NWCL Gift Vouchers”	the gift vouchers issued or to be issued by the NWCL Group which may be presented at the stores where the CTFJ Group operates its business for purchasing goods therein by customers of the NWCL Group
“NWCL Group”	NWCL and its subsidiaries from time to time
“NWCL Shareholders”	shareholders of NWCL
“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, and is the holding company of NWCL
“NWD Directors”	the directors of NWD
“NWD Group”	NWD and its subsidiaries from time to time
“NWD Shareholders”	shareholders of NWD
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Rebates”	an amount to be offered by the relevant members of the CTFJ Group to the relevant members of the NWCL Group on settlement of the relevant value represented by the NWCL Gift Vouchers between them, equivalent to 5% of the value of the goods to be purchased by customers of the NWCL Group at the stores where the CTFJ Group operates its business by means of presenting the NWCL Gift Vouchers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Transactions”	all existing and future transactions between members of the NWCL Group and members of the CTFJ Group in respect of (i) the purchases of gold products by the relevant members of the NWCL Group from the relevant members of the CTFJ Group; (ii) the purchases of the CTFJ Gift Vouchers by the relevant members of the NWCL Group from the relevant members of the CTFJ Group and the use of such CTFJ Gift Vouchers by holders thereof given by the NWCL Group as payment of purchase of goods at the stores where the CTFJ Group operates its business; and (iii) the use of the NWCL Gift Vouchers by customers of the NWCL Group as payment of purchase of goods at the stores where the CTFJ Group operates its business and the settlement of the relevant value represented by such NWCL Gift Vouchers (with Rebates) between relevant members of the NWCL Group and the CTFJ Group
“%”	per cent.

By order of the board of  
**New World Development Company Limited**  
**Wong Man-hoi**  
*Company Secretary*

By order of the board of  
**Chow Tai Fook Jewellery Group Limited**  
**Cheng Ping-hei, Hamilton**  
*Company Secretary*

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

Hong Kong, 19 March 2013

*As at the date of this announcement, the executive NWD Directors are Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-fung, Leonie, Mr. Cheng Chi-heng and Ms. Cheng Chi-man, Sonia; the non-executive NWD Directors are Mr. Liang Chong-hou, David and Mr. Cheng Kar-shing, Peter; and the independent non-executive NWD 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.*



*As of the date of this announcement, the executive CTFJ Directors are Dr. Cheng Kar-shun, Henry, Mr. Wong Siu-kee, Kent, Mr. Cheng Chi-kong, Adrian, Mr. Cheng Chi-heng, Mr. Chan Sai-cheong, Mr. Chan Hiu-sang, Albert, Mr. Cheng Ping-hei, Hamilton and Mr. Suen Chi-keung, Peter, the non-executive CTFJ Directors are Mr. Cheng Kam-biu, Wilson and Mr. Koo Tong-fat and the independent non-executive CTFJ Directors are Mr. Cheng Ming-fun, Paul, Dr. Fung Kwok-king, Victor, Mr. Kwong Che-keung, Gordon, Mr. Lam Kin-fung, Jeffrey and Mr. Or Ching-fai, Raymond.*

*As at the date of this announcement, the executive NWCL 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; the non-executive NWCL Director is Mr. Doo Wai-hoi, William and the independent non-executive NWCL Directors are Dr. Cheng Wai-chee, Christopher, Hon. Tien Pei-chun, James, Mr. Lee Luen-wai, John and Mr. Ip Yuk-keung, Albert.*