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 **新世界發展有限公司**  
New World Development Company Limited  
(incorporated in Hong Kong with limited liability)  
(Stock Code: 17)

 **New World China Land Limited**  
新世界中國地產有限公司  
(incorporated in Cayman Islands with limited liability)  
(Stock Code: 917)

## **CONTINUING CONNECTED TRANSACTIONS**

### **RENEWAL OF MASTER PURCHASE AGREEMENT**

### **RENEWAL OF ANNUAL CAPS**

Reference is made to the 2013 Joint Announcement in respect of the Master Purchase Agreement.

On 19 March 2013, NWCL and CTFJ entered into the Master Purchase Agreement in relation to the Transactions. The Master Purchase Agreement is valid up to and including 30 June 2015 and according to the terms of the Master Purchase Agreement, it will be automatically renewed for a successive period of three years thereafter subject to compliance with certain conditions, including the Listing Rules.

The Original NWCL Annual Caps will expire on 30 June 2015 and the NWCL Directors have estimated the New NWCL Annual Caps for the three financial years ending 30 June 2018 as set forth in this announcement.

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 under the renewed Master Purchase Agreement will constitute continuing connected transactions of NWCL under Chapter 14A of the Listing Rules.

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

Since the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the New NWCL Annual Caps in respect of the Transactions contemplated under the renewed Master Purchase Agreement exceeds 0.1% but does not exceed 5%, the Transactions and the New NWCL Annual Caps are subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules for each of NWCL and NWD.

Reference is made to the 2013 Joint Announcement in respect of the Master Purchase Agreement.

## **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 have been set out in the 2013 Joint Announcement. There has been no change in the terms of the Master Purchase Agreement since it was entered into on 19 March 2013.

The Master Purchase Agreement commenced on 19 March 2013 and is valid 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.

Accordingly, upon the expiry of its initial term on 30 June 2015, the Master Purchase Agreement will be automatically renewed for a successive period of three years up to and including 30 June 2018, subject to compliance with the Listing Rules.

## **ANNUAL CAPS AND PRICING POLICIES**

### **New NWCL Annual Caps**

The Original NWCL Annual Caps will expire on 30 June 2015.

The NWCL Directors estimate that the amount to be paid by the NWCL Group to the CTFJ Group in respect of the Transactions will not exceed the following caps for the three financial years ending 30 June 2018:

	Financial Year Ending 30 June		
	2016	2017	2018
	(HK\$/million)	(HK\$/million)	(HK\$/million)
Amount to be paid by the NWCL Group to the CTFJ Group in respect of the Transactions	185.9	207.1	241.0

In arriving at the New NWCL Annual Caps set out above, the NWCL Directors have considered the following factors: (i) historical transaction value and volume; (ii) the projected marketing expenses for the upcoming property projects of the NWCL Group after taking into account the general property market condition and industry practice in the relevant cities of the PRC; (iii) the scale of marketing campaigns to be launched in respect of such property projects by the NWCL Group with reference to the marketing plan of such property projects; (iv) the expected values of the NWCL Gift Vouchers and the gold souvenirs to be provided to Purchasers of its property projects; and (v) future business expansion.

### **Pricing basis**

As part of its marketing strategy, the NWCL Group may issue the NWCL Gift Vouchers to Purchasers of its property projects which can be redeemed for products with equivalent value when the Purchasers present the NWCL Gift Vouchers at specific stores of the CTFJ Group. The face value of each NWCL Gift Voucher will be determined with reference to the purchase price of the property paid by the Purchasers depending on the prevailing marketing strategy of the relevant property projects at the time of purchase by the Purchasers. The redeemed NWCL Gift Vouchers will be processed through prescribed procedures and thereafter, the NWCL Group will, based on the face value of the NWCL Gift Vouchers and the Rebates, make payment to the CTFJ Group.

In addition to the NWCL Gift Vouchers, as part of its marketing campaigns, the NWCL Group may give out gold souvenirs (such as key chains and souvenir coins) to Purchasers of its property projects. The NWCL Group purchases such gold souvenirs from CTFJ at the retail price of gold products which is offered by CTFJ to its retail customers on normal commercial terms and in the ordinary and usual course of business.

These pricing policies are consistent with market practice and are determined after arm-length negotiation based on fair and reasonable principle.

### **Historical Transaction Amounts**

The table below sets forth the historical amount paid by the NWCL Group to the CTFJ Group in respect of the Transactions for each of the two financial years ended 30 June 2014 and the six months ended 31 December 2014 and the annual cap for the financial year ending 30 June 2015:

	Financial Year Ended 30 June		Six months	Annual Cap for
	2013	2014	ended 31	the year ending
	(HK\$/million)	(HK\$/million)	December	30 June
			2014	2015
			(HK\$/million)	(HK\$/million)
Amount paid by the NWCL Group to the CTFJ Group in respect of the Transactions	9.93	79.81	41.5	259.4

As far as the NWCL Directors are aware, the annual cap for the year ending 30 June 2015 has not been exceeded as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF THE AUTOMATIC RENEWAL OF THE MASTER PURCHASE AGREEMENT**

As part of the NWCL Group's marketing activities, NWCL Gift Vouchers or gold souvenirs may be provided to compliment the Purchasers. The NWCL Directors believe that the automatic renewal 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 that the Master Purchase Agreement be renewed 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 the automatic renewal of the Master Purchase Agreement.

## **DIRECTORS' CONFIRMATION**

The NWCL Directors (including the independent non-executive NWCL Directors) consider that the renewal of the Master Purchase Agreement and its terms are fair and reasonable, on normal commercial terms and within the ordinary and usual course of business of the NWCL Group, and are in the interests of the NWCL Group and the NWCL Shareholders as a whole, and that the New 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 renewal of the Master Purchase Agreement and its terms are fair and reasonable, on normal commercial terms and within the ordinary and usual course of business of the NWD Group, and are in the interests of the NWD Group and the NWD Shareholders as a whole, and that the New NWCL Annual Caps are fair and reasonable and in the interests of the NWD Group and the NWD 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 and rental and hotel operation in the PRC as well as hotel management business.

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 2,200 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.

Since the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the New NWCL Annual Caps in respect of the Transactions contemplated under the renewed Master Purchase Agreement exceeds 0.1% but does not exceed 5%, the Transactions and the New NWCL Annual Caps are subject to the reporting, annual review and announcement requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules for each of NWCL and NWD.

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

The automatic renewal of the Master Purchase Agreement and the New NWCL Annual Caps have been confirmed and approved by way of written resolutions signed by all NWCL Directors. Dr. Cheng Kar-Shun, Henry and Dr. Cheng Chi-Kong, Adrian are common directors of NWCL and CTFJ. Mr. Cheng Kar-Shing, Peter, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Him, Conrad are regarded as their associates. None of the NWCL Directors otherwise has a material interest in the automatic renewal of the Master Purchase Agreement and the New NWCL Annual Caps. The relevant board resolutions were approved by way of written resolutions signed by all NWCL Directors.

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

Dr. Cheng Kar-Shun, Henry, Dr. Cheng Chi-Kong, Adrian, and Mr. Cheng Chi-Heng are common directors of NWD and CTFJ. Accordingly, they and their associates, being Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter and Ms. Cheng Chi-Man, Sonia, had abstained from voting on the resolutions approving the automatic renewal of the Master Purchase Agreement and the New NWCL Annual Caps at a board meeting of NWD. Save as mentioned above, none of the other NWD Directors has a material interest in the automatic renewal of the Master Purchase Agreement and the New NWCL Annual Caps.

## DEFINITIONS

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

“2013 Joint Announcement”	the joint announcement of NWD, CTFJ and NWCL dated 19 March 2013 in respect of the Master Purchase Agreement
“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 Group”	CTFJ and its subsidiaries from time to time
“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
“New 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 2018

“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 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 (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, 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
“Original 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
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Purchasers”	The purchasers of NWCL Group’s property development projects
“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 622 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, among other things, (i) the purchases of gold souvenirs by the relevant members of the NWCL Group from the relevant members of the CTFJ Group; and (ii) 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**  
(新世界發展有限公司)  
**Wong Man-Hoi**  
*Company Secretary*

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

Hong Kong, 8 May 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.*