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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 : 0017)**

 **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: 0917)**

## **CONNECTED TRANSACTION**

### **SHAREHOLDERS AGREEMENT OF WORLD TARGET DEVELOPMENT LIMITED**

#### **Shareholders Agreement**

Pursuant to the Shareholders Agreement, Smart Creation and Fast Plus have agreed to use World Target as their joint venture vehicle to engage in the development of properties in the PRC, and other ancillary business.

#### **Connected Transaction of NWD and NWCL**

As at the date of this announcement, NWD directly and indirectly through its subsidiaries held approximately 70% interests in the issued share capital of NWCL, and CTF held approximately 37.02% interests in NWD. CTF and Fast Plus are wholly-owned subsidiaries of Centennial which is a connected person of NWD and NWCL. Accordingly, the entering into the Shareholders Agreement by Smart Creation constitutes a connected transaction of NWD and NWCL under the Listing Rules. As the ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Shareholders Agreement are less than 2.5% for each of NWD and NWCL, the transaction contemplated under the Shareholders Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under the Listing Rules so far as each of NWD and NWCL is concerned.

## **THE SHAREHOLDERS AGREEMENT**

### **Date**

6th February 2008

### **Parties**

- (1) Smart Creation, an indirect wholly-owned subsidiary of NWCL;
- (2) Fast Plus, a wholly-owned subsidiary of Centennial; and
- (3) World Target.

## **Business and operation of the Joint Venture**

World Target was incorporated on 10th August 2007 in Hong Kong with a fully paid-up capital of HK\$100, which is owned as to 50% by Smart Creation and 50% by Fast Plus respectively. There was no other capital commitment to World Target as at the date of its incorporation. World Target is regarded as a jointly controlled entity in the accounts of NWD and NWCL. As at the date of this announcement, World Target owns the entire interest in Tianjin New World.

The principal business of World Target is to engage in the development of properties in the PRC and other business to be determined and approved by its board from time to time. To pursue the aforesaid principal business, World Target intends to acquire development rights of land in the PRC by bidding in public auction through the vehicle of Tianjin New World and other project companies to be established.

Tianjin New World is a wholly foreign owned enterprise incorporated in the PRC on 28th December 2007 with a registered capital of HK\$700,000,000. The total investment amount of Tianjin New World is HK\$700,000,000. Up to the date of the announcement, the registered capital of the Tianjin New World remains unpaid. Tianjin New World does not own any assets and has not engaged in any business since its incorporation.

At the date of incorporation of Tianjin New World, each of Smart Creation and Fast Plus was not under a commitment to contribute to the registered capital of HK\$700,000,000 of Tianjin New World. World Target is required to contribute to 15% of the registered capital of Tianjin New World within 3 months of the establishment of Tianjin New World. In the event that Tianjin New World fails to acquire any development rights of land, World Target will not pay up the registered capital of Tianjin New World within the prescribed time and will de-register Tianjin New World, each of Smart Creation, Fast Plus and World Target will not be penalized or bear any other adverse consequence under the PRC laws.

## **Funding of the Joint Venture**

Each of Smart Creation and Fast Plus agreed to make initial loan up to a maximum amount of HK\$350,000,000 to World Target for contribution to the registered capital of Tianjin New World. Such loan will bear interest at the prevailing market rate or such other rate to be determined by Smart Creation, Fast Plus and World Target. Smart Creation will satisfy the said initial loan of HK\$350,000,000 with NWCL's internal resources. There is no further capital commitment to World Target. In the event that Smart Creation is required to make further capital commitment for the project of World Target, NWD and NWCL will fully comply with the Listing Rules and further announcement will be made as and when appropriate in accordance with the Listing Rules. It is the present intention of the parties to the Shareholders Agreement that they will use their best endeavours to procure World Target to raise further financings, if required, by loans and other facilities from banks and financial institutions for its business operation and development.

## **Management of the Joint Venture**

The overall management of World Target shall be managed by the board of directors of World Target. The board of directors of World Target shall comprise of 4 directors. Each of Smart Creation and Fast Plus shall have the right, but not the obligation, to nominate 2 directors respectively. The chairman of the board of directors of World Target shall be appointed by the directors of World Target in meetings, who shall be entitled to a second or casting vote at any meeting of the board of directors of World Target.

## **INFORMATION RELATING TO NWD, NWCL AND SMART CREATION**

The core businesses of NWD and its subsidiaries include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

NWCL and its subsidiaries are principally engaged in property development, property related investment as well as rental and hotel operation in the PRC.

Smart Creation is an investment holding company. It does not conduct any business activity or hold any asset except the holding of the 50% equity interest in World Target.

## **INFORMATION RELATING TO FAST PLUS**

Fast Plus is an investment holding company. Its sole business is the holding of 50% equity interest in World Target.

## **REASONS FOR ENTERING INTO THE SHAREHOLDERS AGREEMENT**

The directors (including the independent non-executive directors) of NWD and NWCL believe that the entering into the Shareholders Agreement will regulate the rights and obligation of the shareholders of World Target. The strategic alliance with Fast Plus will enhance NWCL to identify and acquire quality land in the PRC for property development and strengthen its investments in the property market there.

The directors (including the independent non-executive directors) of NWD and NWCL consider that the terms of the Shareholders Agreement are fair and reasonable and in the interests of their respective companies and shareholders as a whole and are entered into on an arm's length basis, on normal commercial terms and on terms no more favourable to Fast Plus.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, NWD directly and indirectly through its subsidiaries held approximately 70% interests in the issued share capital of NWCL, and CTF held approximately 37.02% interests in NWD. CTF and Fast Plus are wholly-owned subsidiaries of Centennial which is a connected person of NWD and NWCL. Accordingly, the entering into the Shareholders Agreement by Smart Creation constitutes a connected transaction of NWD and NWCL under the Listing Rules. As the ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Shareholders Agreement are less than 2.5% for each of NWD and NWCL, the transaction contemplated under the Shareholders Agreement is subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirements under the Listing Rules so far as each of NWD and NWCL is concerned.

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Centennial”	Centennial Success Limited, a company incorporated in British Virgin Islands
“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Centennial
“Fast Plus”	Fast Plus Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Centennial
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NWCL”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“PRC”	the People’s Republic of China
“Shareholders Agreement”	the shareholders agreement dated 6th February 2008 entered into between Smart Creation, Fast Plus and World Target
“Smart Creation”	Smart Creation Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of NWCL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin New World”	天津新世界環渤海房地產開發有限公司 (Tianjin New World Pan Bo Hai Real Estate Development Co. Ltd.*)
“World Target” and “Joint Venture”	World Target Development Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent.

By order of the board  
**New World Development Company Limited**  
**Leung Chi-kin, Stewart**  
*Company Secretary*

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

Hong Kong, 6th February 2008

*As at the date of this announcement, the board of directors of NWD comprises (a) six executive directors, namely Dato’ Dr. Cheng Yu-tung, Dr. Cheng Kar-shun, Henry, Dr. Sin Wai-kin, David, Mr. Liang Chong-hou, David, Mr. Leung Chi-kin, Stewart and Mr. Cheng Chi-kong, Adrian; (b) five non-executive directors, namely Lord Sandberg, Michael, Mr. Cheng Yue-pui, Mr. Cheng Kar-shing, Peter, Mr. Chow Kwai-cheung, and Mr. Liang Cheung-biu, Thomas; and (c) four independent non-executive directors, namely, Mr. Yeung Ping-leung, Howard, Dr. Cha Mou-sing, Payson (alternate director to Dr. Cha Mou-sing, Payson: Mr. Cha Mou-zing, Victor), Mr. Ho Hau-hay, Hamilton and Mr. Lee Luen-wai, John.*

*As at the date of this announcement, the board of directors NWCL 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.*

*\* The unofficial English transliteration or translation is for identification purposes only.*