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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 TRANSACTION

#### **SALE AND PURCHASE OF INTERESTS IN DALIAN IFC AND DALIAN NWH**

Pursuant to the Agreement dated 8 February 2005, Beijing Bank has agreed to sell and NWDC, a wholly-owned subsidiary of the Company, has agreed to purchase 70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH for an aggregate consideration of RMB440,000,000 (equivalent to HK\$415,096,000).

#### **DISCLOSEABLE TRANSACTION**

According to the Listing Rules, the Agreement constitutes a discloseable transaction for the Company which is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. A circular containing details of the Agreement will be despatched to shareholders of the Company as soon as practicable.

### **SALE AND PURCHASE OF INTERESTS IN DALIAN IFC AND DALIAN NWH**

#### **The Agreement**

**Date** 8 February 2005

**Parties** (1) Beijing Bank, as the vendor  
(2) NWDC, a wholly-owned subsidiary of the Company, as the purchaser

Beijing Bank was the owner of 70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH.

NWDC was the owner of 30% of the equity interest in Dalian IFC and 30% of the equity interest in Dalian NWH.

#### **Major terms of the Agreement**

Pursuant to the Agreement, Beijing Bank has agreed to sell and NWDC has agreed to purchase the Sale Interests, including 70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH.

The aggregate consideration payable by NWDC to Beijing Bank for the Sale Interests is RMB440,000,000 (equivalent to HK\$415,096,000), which will be paid in cash by 5 instalments, the amount and due date of each are as follow:

- (1) RMB88,000,000 (equivalent to HK\$83,019,200) within 10 Business Days from the date of the Agreement;
- (2) RMB44,000,000 (equivalent to HK\$41,509,600) within 10 Business Days from the date on which the business registrations of each of Dalian IFC and Dalian NWH reflecting the changes in shareholding are completed;
- (3) RMB88,000,000 (equivalent to HK\$83,019,200) on or before 25 December 2005;
- (4) RMB88,000,000 (equivalent to HK\$83,019,200) on or before 25 December 2006; and
- (5) RMB132,000,000 (equivalent to HK\$124,528,800) on or before 25 December 2007.

In accordance with the terms of the Agreement, the Company executed a letter of guarantee on 8 February 2005 and pursuant to which, the Company shall provide unconditional and irrevocable guarantee to Beijing Bank in respect of all payment obligations of NWDC under the Agreement. The consideration for the acquisition will be satisfied by using the Company's internal resources and/or external financing obtained by the Company.

The terms and conditions of the Agreement, including the consideration to be paid by NWDC to Beijing Bank for the Sale Interests, are determined after arm's length negotiation between the parties thereto with reference to, among others, the prevailing market price of land in Dalian, the PRC and the Directors believe that the terms and conditions of the Agreement are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

## **INFORMATION OF DALIAN IFC**

Dalian IFC was incorporated in the PRC on 8 March 1993 with limited liability and it was owned as to 70% and 30% by Beijing Bank and NWDC, respectively, as at the date of the Agreement. Upon completion of the Agreement, Dalian IFC will become an indirect wholly-owned subsidiary of the Company. The sole asset and business of Dalian IFC is the ownership and development right of a piece of land situated at No. 41 Renmin Lu, Zhongshan District, Dalian, the PRC and the land use right of which was acquired on 26 March 1994. The superstructure of the residential and commercial complex with gross floor area of approximately 215,166 square metres is now being built on the land, with completion expected to be in or around 2008 or 2009. As at the date of the Agreement, approximately RMB 224,005,498 (equivalent to HK\$211,326,787) has been used for the preparation and construction of the complex. The estimated cost of completion of such residential and commercial complex is approximately RMB844,109,508 (equivalent to HK\$796,332,910).

The unaudited net asset value of Dalian IFC as at 30 June 2004 was RMB496,606,955 (equivalent to HK\$468,499,001). The unaudited net loss after taxation of Dalian IFC for the financial years ended 31 December 2003 and 31 December 2004 was RMB1,708 (equivalent to HK\$1,611) and RMB47,656 (equivalent to HK\$44,959), respectively.

## **INFORMATION OF DALIAN NWH**

Dalian NWH was incorporated in the PRC on 28 April 1995 with limited liability and it was owned as to 65%, 30% and 5% by Beijing Bank, NWDC and Dalian Zhongshan District Foreign Enterprise Service Centre (大連中山區外商投資企業服務中心), respectively, as at the date of the Agreement. Upon completion of the Agreement, Dalian NWH will be owned as to 95% by NWDC and 5% by Dalian Zhongshan District Foreign Enterprise Service Centre (大連中山區外商投資企業服務中心), a third party which is not a connected person of the Company and is independent of the Company and its connected persons. Dalian NWH is the holder of a licence in hotel operation which is not expected to commence any business operation until the completion of the construction of the residential and commercial complex by Dalian IFC. So far as the Directors are aware, no further approvals from government authorities in the PRC will be required for the commencement of operation of the hotel business by Dalian NWH.

The unaudited net asset value of Dalian NWH as at 30 June 2004 was RMB217,000 (equivalent to HK\$204,718). Dalian NWH did not make any profit or incur any loss for the two financial years ended 31 December 2004.

The value of the aggregate consideration for the Sale Interests represents a premium of approximately 27% to the aggregate amount of the unaudited attributable net asset value of the Sale Interests.

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

In view of the positive economic environment in Dalian, the Board believes that there will be persistent demand for properties in Dalian, thus the acquisition of further interest in Dalian IFC will provide an excellent opportunity for the Company to strengthen its control in Dalian IFC and increase its interests in the land owned by Dalian IFC which is valuable for future development, taking into account its prime position in the commercial centre of Dalian and that there is a lack of land supply in the vicinity. Dalian NWH, a holder of a hotel licence, will serve as a vehicle for the Group to enter into hotel business in Dalian when suitable opportunity arises.

## **DISCLOSEABLE TRANSACTION**

According to the Listing Rules, as the consideration ratio (as defined in Rule 14.07(1) of the Listing Rules) is more than 5% but less than 25%, the Agreement constitutes a discloseable transaction for the Company which is subject to the notification and publication requirements as set out in Rules 14.34 to 14.39 of the Listing Rules. A circular containing details of the Agreement will be despatched to shareholders of the Company as soon as practicable.

## **INFORMATION RELATING TO THE COMPANY**

The principal business of the Company includes property development and property related investments in the PRC.

## **INFORMATION RELATING TO BEIJING BANK**

Beijing Bank is a joint stock company incorporated in the PRC on 29 January 1996 with limited liability. Beijing Bank is principally engaged in general banking business and other operations approved by China Banking Regulatory Commission.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Beijing Bank and its ultimate beneficial owner is a third party which is not a connected person of the Company and is independent of the Company and its connected person.

## DEFINITIONS

For the purposes of this announcement, capitalised terms appearing herein shall, unless the context otherwise admits, have the meanings set out below:

“Agreement”	a sale and purchase agreement dated 8 February 2005 entered into between NWDC and Beijing Bank in respect of the sale and purchase of the Sale Interests
“Beijing Bank”	Beijing Bank Co., Ltd. (北京銀行股份有限公司) (formerly known as Beijing City Commercial Bank Co., Ltd.), a joint stock company incorporated in the PRC on 29 January 1996 with limited liability and is a third party which is not a connected person of the Company and is independent of the Company and its connected persons
“Board”	the board of Directors
“Business Day”	means a day on which commercial banks are generally open for business in Dalian, the PRC
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Dalian IFC”	Dalian Bond Tak International Finance Centre Co., Ltd. (大連奔德國際金融中心有限公司), a company incorporated in the PRC on 8 March 1993 with limited liability and, as at the date of the Agreement, was owned as to 70% by the Beijing Bank and 30% by NWDC
“Dalian NWH”	Dalian Bond Tak New World Hotel Co., Ltd. (大連奔德新世界酒店有限公司), a company incorporated in the PRC on 28 April 1995 with limited liability and, as at the date of the Agreement, was owned as to 65% by the Beijing Bank, 30% by NWDC and 5% by Dalian Zhongshan District Foreign Invested Enterprise Service Centre (大連中山區外商投資企業服務中心)
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“NWDC”	New World Development (China) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	70% of the equity interest in Dalian IFC and 65% of the equity interest in Dalian NWH
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the board  
**New World China Land Limited**  
**Chow Yu-chun, Alexander**  
*Company Secretary*

Hong Kong, 14 February 2005

*As at the date hereof, the Board comprises:*

*Dr. Cheng Kar-shun, Henry, Messrs. Doo Wai-hoi, William, Cheng Kar-shing, Peter, Leung Chi-kin, Stewart, Chow Kwai-cheung, Chow Yu-chun, Alexander, Fong Shing-kwong, Michael, Fu Sze-shing, Cheng Wai-chee, Christopher\*, Tien Pei-chun, James\* and Lee Luen-wai, John\*.*

*\* independent non-executive Directors*

*For your convenience, this announcement contains conversion rate between Hong Kong Dollars and Renminbi at HK\$0.9434 = RMB1.00.*

*Please also refer to the published version of this announcement in the (**The Standard**)*