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(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE COMPANY
FOR THE ACQUISITION, CONTROL AND MANAGEMENT OF CERTAIN OF
THE GROUP'S HOTELS**

Exclusive Financial Adviser to the Company

J.P.Morgan

On 29 April 2015, the Company and its subsidiaries, namely Beames, Park New Astor and Great TST, entered into legally binding Transaction Agreements with HIP Company Limited (HIP), with a view to establishing a new joint venture company (JVC) in which Beames and HIP will each (directly or indirectly) hold 50% of the issued share capital and into which the entire ownership of three hotels, namely, Grand Hyatt Hong Kong, Renaissance Harbour View and Hyatt Regency TST (the Hotels) will be injected with effect from Closing. HIP is a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA).

The Transaction Agreements comprise the Investment Agreement between Beames and HIP, and the Asset Purchase Agreement between Park New Astor, the Company, Great TST and HIP. Closing is subject to a number of customary conditions being fulfilled, including the completion of the pre-Closing reorganisation and entry into the JVC Debt Facility.

As at the date of this announcement, Grand Hyatt Hong Kong and Renaissance Harbour View are held indirectly as to 100% by Mega Fortune, an indirect wholly-owned subsidiary of Beames, which is held as to 64% by the Company and as to 36% by Chow Tai Fook Enterprise Limited (CTFE), and Hyatt Regency TST is held by Park New Astor, an indirect wholly-owned subsidiary of the Company, and Sunfield Investments, an independent third party. As part of the pre-Closing reorganisation, Mega Fortune will establish JVC, and Grand Hyatt Hong Kong and Renaissance Harbour View will be transferred under JVC and its subsidiaries (JVC Group) prior to Closing. Upon Closing, JVC will be owned 50% by Star Lagoon, a wholly-owned subsidiary of Beames and 50% by HIP.

The total consideration for the sale and transfer of the Hotels to JVC Group is HK\$18,500 million (subject to customary closing adjustments), out of which approximately HK\$10,082 million will be received by the Company as its share in the cash proceeds (before expenses and subject to customary closing adjustments), for the Hotels on Closing.

The above consideration has been arrived at after arm's length negotiations having regard to relevant factors, including the book value of each of the Hotels and prevailing commercial and business conditions, and is subject to customary closing adjustments.

Beames, Star Lagoon, HIP and JVC will also enter into the Shareholders' Agreement on Closing to govern the relationship of the shareholders in JVC. Under the Shareholders' Agreement, shareholders are prohibited from transferring their shares in JVC to a third party for the first three years. The Shareholders' Agreement shall be for a term of 10 years, unless the parties agree to continue with the joint venture.

LISTING RULES IMPLICATIONS

As Beames is a subsidiary of the Company and one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transactions exceeds 5% but less than 25% when aggregated, the Transactions together constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, HIP and its ultimate beneficial owner are third parties independent of the Company and are not its connected persons as defined under the Listing Rules.

NWD Shareholders and potential investors should note that the implementation and completion of each of the Transactions are subject to a number of conditions, including, among others, the completion of the pre-Closing reorganisation. There is no assurance that the Transactions will be completed. NWD Shareholders and potential investors should, accordingly, exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 29 April 2015, the Company and its subsidiaries, namely Beames, Park New Astor and Great TST, entered into legally binding Transaction Agreements with HIP Company Limited (HIP), with a view to establishing a new joint venture company (JVC) in which Beames and HIP will each (directly or indirectly) hold 50% of its issued share capital and into which the entire ownership of three hotels, namely, Grand Hyatt Hong Kong, Renaissance Harbour View and Hyatt Regency TST (the Hotels) will be injected with effect from Closing. HIP is a wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA).

The Transaction Agreements comprise the Investment Agreement between Beames and HIP, and the Asset Purchase Agreement between Park New Astor, the Company, Great TST and HIP. Closing is subject to a number of customary conditions being fulfilled, including the completion of the pre-Closing reorganisation and entry into the JVC Debt Facility.

As at the date of this announcement, Grand Hyatt Hong Kong and Renaissance Harbour View are held indirectly as to 100% by Mega Fortune, an indirect wholly-owned subsidiary of Beames, which is held as

to 64% by the Company and as to 36% by Chow Tai Fook Enterprise Limited (CTFE), and Hyatt Regency TST is held by Park New Astor, an indirect wholly-owned subsidiary of the Company, and Sunfield Investments, an independent third party. As part of the pre-Closing reorganisation, Mega Fortune will establish JVC, and Grand Hyatt Hong Kong and Renaissance Harbour View will be transferred under JVC and its subsidiaries (JVC Group) prior to Closing. Upon Closing, JVC will be owned 50% by Star Lagoon, a wholly-owned subsidiary of Beames and 50% by HIP.

The total consideration for the sale and transfer of the Hotels to JVC Group is HK\$18,500 million (subject to customary closing adjustments), out of which approximately HK\$10,082 million will be received by the Company as its share in the cash proceeds (before expenses and subject to customary closing adjustments), for the Hotels on Closing. The total consideration is satisfied as follows:

- (a) for the transfer of Grand Hyatt Hong Kong and Renaissance Harbour View:
 - (i) approximately HK\$7,556 million will be provided by the JVC Debt Facility, and will be paid to Mega Fortune on Closing;
 - (ii) approximately HK\$7,556 million will be settled by way of shareholder loans from JVC Group to Mega Fortune, of which 50% will be sold to HIP on Closing and the balance of 50% will be transferred to Star Lagoon on Closing; and
- (b) for the transfer of Hyatt Regency TST:
 - (i) approximately HK\$1,694 million will be provided by the JVC Debt Facility, and will be paid to Park New Astor and Sunfield Investments;
 - (ii) approximately HK\$1,694 million (subject to customary closing adjustments) will be settled using the proceeds of the shareholder loans and equity contributions from HIP and Star Lagoon to JVC Group in equal portions.

The shareholder loans from JVC Group will remain outstanding to HIP and Star Lagoon following Closing in proportion to their respective shareholdings in JVC.

In addition, a cash amount of approximately HK\$3,778 million (subject to customary closing adjustments) will be paid by HIP to Beames (as agent of Mega Fortune) on Closing in consideration of Mega Fortune transferring 50% of JVC and 50% of the approximately HK\$7,556 million shareholder loans to HIP. Taking into account the equity contributions from HIP for the transfer of Hyatt Regency TST, the total cash amount payable by HIP is approximately HK\$4,625 million (subject to customary closing adjustments).

The above consideration has been arrived at after arm's length negotiations having regard to relevant factors, including the book value of each of the Hotels and prevailing commercial and business conditions, and is subject to customary closing adjustments.

Beames, Star Lagoon, HIP and JVC will also enter into the Shareholders' Agreement on Closing to govern the relationship of the shareholders in JVC. Under the Shareholders' Agreement, shareholders are prohibited from transferring their shares in JVC to a third party for the first three years. The Shareholders' Agreement shall be for a term of 10 years, unless the parties agree to continue with the joint venture.

THE INVESTMENT AGREEMENT

Conditions precedent

Completion of the Investment Agreement is conditional upon the satisfaction of the following conditions precedent:

- (a) Beames shall have performed, in all material respects, all of its obligations under the Investment Agreement that are to be performed on or before Closing;
- (b) HIP shall have performed, in all material respects, all of its obligations under the Investment Agreement that are to be performed on or before Closing;
- (c) the pre-Closing reorganisation shall have been completed;
- (d) Finco, an indirect wholly-owned subsidiary of JVC, shall have entered into the JVC Debt Facility and any other document or agreement required under the JVC Debt Facility to which a member of JVC Group is a party, and an irrevocable drawdown notice shall have been validly submitted by Finco to the lenders under the JVC Debt Facility requesting that the Drawdown Amount be advanced by the lenders under the JVC Debt Facility on Closing; and
- (e) the conditions precedent under the Asset Purchase Agreement (as set forth below, except for the condition precedent referring to the Investment Agreement) shall have been fulfilled.

The condition precedent set out in paragraph (a) above may be waived, in whole or in part, at any time by HIP, the condition precedent set out in paragraph (b) above may be waived, in whole or in part, at any time by Beames, and the conditions precedent set out in paragraphs (c) to (e) above may only be waived by written agreement of both Beames and HIP.

Closing

Subject to the satisfaction of the conditions precedent referred to above, and provided that completion of the Asset Purchase Agreement shall occur concurrently with completion of the Investment Agreement and the advance of the Drawdown Amount by the lenders to Finco, completion of the Investment Agreement will take place on a day which is a business day in Hong Kong and which is the 10th Abu Dhabi business day following the date on which the pre-Closing reorganisation is completed.

If completion of the Investment Agreement has not occurred on or before 29 October 2015, either of Beames and HIP may terminate the Investment Agreement. The Investment Agreement shall also automatically terminate if the Asset Purchase Agreement is terminated.

THE ASSET PURCHASE AGREEMENT

Sale of Hyatt Regency TST to JVC Group on Closing

As at the date of this announcement, Park New Astor, an indirect wholly-owned subsidiary of the Company, has an 8% interest as tenant in common in the Hyatt Regency TST property with the remaining 92% interest as tenant in common being held by Sunfield Investments, an independent third party.

Pursuant to the Asset Purchase Agreement, Park New Astor will sell and transfer to Great TST on Closing the hotel business of Hyatt Regency TST. Pursuant to the Transaction Agreements, immediately prior to Closing, Great TST, Park New Astor and Sunfield Investments will also enter into an agreement for the sale and transfer to Great TST of 100% of the legal and beneficial interest in the Hyatt Regency TST property.

Conditions precedent

Completion of the Asset Purchase Agreement is conditional upon the satisfaction of the following conditions precedent:

- (a) a notice of transfer of business in respect of the transfer of the hotel business of Hyatt Regency TST shall have been published and become complete in accordance with the Transfer of Business (Protection of Creditors) Ordinance (Chapter 49 of the Laws of Hong Kong);
- (b) Hyatt shall have executed a novation deed in respect of the novation to Great TST of the Hyatt Regency TST hotel management agreement;
- (c) relevant regulatory licenses relating to the operation of Hyatt Regency TST currently held by Park New Astor shall have been transferred to, or renewed with, Great TST; and
- (d) the conditions precedent under the Investment Agreement (as set forth above, except for the condition precedent referring to the Asset Purchase Agreement) shall have been fulfilled (or waived).

Each of the conditions precedent set out above may only be waived by written agreement of all parties to the Asset Purchase Agreement.

Closing

Subject to the satisfaction of the conditions precedent referred to above, and provided that completion of the Investment Agreement shall occur concurrently with completion of the Asset Purchase Agreement, completion of the Asset Purchase Agreement will take place on a day which is a business day in Hong Kong and which is the 10th Abu Dhabi business day following the date on which the pre-Closing reorganisation under the Investment Agreement is completed.

If completion of the Asset Purchase Agreement has not occurred on or before 29 October 2015, Park New Astor or Great TST may terminate the Asset Purchase Agreement. The Asset Purchase Agreement shall also automatically terminate if the Investment Agreement is terminated.

Parent guarantee by the Company

Under the Asset Purchase Agreement, the Company acts as guarantor of Park New Astor, guaranteeing to HIP the due performance by Park New Astor of its obligations under the Asset Purchase Agreement.

ADMINISTRATIVE SERVICES AGREEMENT

Pursuant to the Shareholders' Agreement and the Investment Agreement, on Closing, Newly Development, an indirect wholly-owned subsidiary of the Company, and Finco, an indirect wholly-owned subsidiary of JVC, will enter into an administrative service agreement for the provision of certain administrative services (including book-keeping, handling of treasury functions and provision of information technology services) by Newly Development to Finco against payment of a monthly service fee by Finco to Newly Development.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Directors consider that the Transactions provide an opportunity for the Company to realise value of the Hotels for the NWD Shareholders and that JVC will be an effective platform for the Group and HIP to create synergies and to pursue value enhancing acquisitions in the hospitality sector in the future.

The Directors are of the view that the terms of the Transaction Agreements are fair and reasonable and that the Transactions are in the interests of the Group and the NWD Shareholders as a whole.

FINANCIAL EFFECT OF THE TRANSACTIONS

After Closing, the Hotels will cease to be subsidiaries of the Company and the financial results of the Hotels will be accounted as joint ventures of the Group using equity method of accounting.

It is estimated that the Group will record a gain (before taxation and allocating to non-controlling interests) on the Transactions (subject to audit) of approximately HK\$15.5 billion, which is calculated with reference to the net proceeds from the Transactions less the unaudited aggregated book value of Grand Hyatt Hong Kong Company Limited, New World Harbourview Hotel Company Limited and Hyatt Regency TST as at 30 June 2014 and the relevant stamp duty, and the remeasurement of retained interest in the JVC Group at fair value after disposal of 50% interest upon Closing. The actual gain on the Transactions to be recorded by the Group is subject to audit.

Taking into account the sum of (i) the approximately HK\$3,778 million cash consideration payable by HIP to Beames (as agent of Mega Fortune) on Closing and (ii) the approximately HK\$7,556 million provided by the JVC Debt Facility and paid to Mega Fortune on Closing, less (iii) 50% of the approximately HK\$1,694 million equity contribution funded by Star Lagoon for the transfer of Hyatt Regency TST, the total cash proceeds of approximately HK\$10,487 million (before expenses and subject to customary closing adjustments) to be received by Beames (through its subsidiaries) on Closing will be distributed by Beames to its shareholders, the Company and CTFE, pro-rata to their respective shareholdings in Beames.

Taking into account (i) the Company's 64% shareholding in Beames and (ii) the cash consideration payable to Park New Astor for Hyatt Regency TST, the total net cash proceeds received by the Company from the Transactions will be approximately HK\$10,082 million (before expenses and subject to customary closing adjustments). The proceeds received by the Company from the Transactions will be used for financing its development projects, land bank expansion and other general working capital purposes.

INFORMATION ON THE HOTELS

Valuation of the Hotels

Based on the property valuation report prepared by Savills Valuation and Professional Services Limited, an independent property valuer appointed by the Company, the market value of the Hotels was HK\$21,300 million at 1 March 2015.

Information on Grand Hyatt Hong Kong

Grand Hyatt Hong Kong is a high tariff A hotel and is widely regarded as one of Grand Hyatt's flagship hotels in Asia. It is conveniently located in Hong Kong Island's Wan Chai district, between the central business district of Central and Admiralty and the shopping and entertainment area of Causeway Bay. Grand Hyatt Hong Kong has 539 rooms, each offering luxurious accommodation and amenities. It was opened in 1989.

At 30 June 2014, the book value of Grand Hyatt Hong Kong Company Limited, the Hong Kong incorporated (indirect) subsidiary of Beames that currently holds Grand Hyatt Hong Kong, was HK\$315.8 million.

The net profits attributable to Grand Hyatt Hong Kong Company Limited, before and after taxation, for the financial years ended 30 June 2014 and 30 June 2013 were as follows:

	For the financial year ended	
	30 June 2014	30 June 2013
Before taxation	HK\$266.4 million	HK\$316.1 million
After taxation	HK\$222.0 million	HK\$263.6 million

Information on Renaissance Harbour View

Renaissance Harbour View is a high tariff A hotel which is situated on the waterfront and offers spectacular views of Victoria Harbour. It is located adjacent to Grand Hyatt Hong Kong. Renaissance Harbour View offers 857 rooms, each offering luxurious and contemporary accommodations and amenities.

At 30 June 2014, the book value of New World Harbourview Hotel Company Limited, the Hong Kong incorporated (indirect) subsidiary of Beames that currently holds Renaissance Harbour View, was HK\$251.8 million.

The net profits attributable to New World Harbourview Hotel Company Limited, before and after taxation, for the financial years ended 30 June 2014 and 30 June 2013 were as follows:

	For the financial year ended	
	30 June 2014	30 June 2013
Before taxation	HK\$253.7 million	HK\$244.6 million
After taxation	HK\$211.8 million	HK\$204.1 million

Information on Hyatt Regency TST

Hyatt Regency TST is conveniently situated in Tsim Sha Tsui, one of the busiest business, shopping and leisure districts in Hong Kong. It is close to many tourist attractions and provides direct access to the Tsim Sha Tsui and East Tsim Sha Tsui MTR stations. Hyatt Regency TST has 381 rooms, each offering contemporary and comfortable accommodation and amenities.

At 30 June 2014, the book value of Hyatt Regency TST business (comprising the hotel operation and the hotel property) was HK\$2,226.1 million.

The net profits attributable to Hyatt Regency TST, before and after taxation, for the financial years ended 30 June 2014 and 30 June 2013 were as follows:

	For the financial year ended	
	30 June 2014	30 June 2013
Before taxation	HK\$163.5 million	HK\$149.6 million
After taxation	HK\$136.5 million	HK\$124.9 million

INFORMATION ON THE COMPANY

The Company and its subsidiaries are principally engaged in property, infrastructure, hotel operation, department store operation, services, as well as telecommunications and technology businesses.

INFORMATION ON ADIA AND HIP

HIP is an investment holding company which is wholly-owned by ADIA, a public institution established by the Government of the Emirate of Abu Dhabi in 1976 as an independent investment institution. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories.

LISTING RULES IMPLICATIONS

As Beames is held as to 64% by the Company and one or more of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transactions exceeds 5% but less than 25% when aggregated, the Transactions together constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules and are therefore subject to the notification and announcement requirements under the Listing Rules.

GENERAL

NWD Shareholders and potential investors should note that the implementation and completion of each of the Transactions is subject to a number of conditions, including, among others, the completion of the pre-Closing reorganisation. There is no assurance that the Transactions will be completed. NWD Shareholders and potential investors should, accordingly, exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“ADIA”	Abu Dhabi Investment Authority;
“Asset Purchase Agreement”	the asset purchase agreement entered into on 29 April 2015 between Park New Astor (as seller), the Company (as the seller’s guarantor), Great TST (as buyer) and HIP relating to the transfer of the hotel business of Hyatt Regency TST to Great TST;
“Beames”	Beames Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, which is as to 64% owned by the Company;
“Closing”	completion of the Investment Agreement and the Asset Purchase Agreement;
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0017);
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability;
“Directors”	the directors of the Company;
“Drawdown Amount”	an amount of not less than HK\$9,250 million which shall be drawn by Finco from the lenders under the JVC Debt Facility;
“Finco”	a subsidiary to be established and indirectly wholly-owned by JVC in Hong Kong with limited liability;
“Grand Hyatt Hong Kong”	the Grand Hyatt Hong Kong hotel, which is located at 1 Harbour Road, Hong Kong;
“Great TST”	Great TST Limited, a company with limited liability incorporated in Hong Kong, which on Closing, will be an indirect wholly-owned subsidiary of JVC;
“Group”	the Company and its subsidiaries from time to time;
“HIP”	HIP Company Limited, a company incorporated under the laws of Jersey with limited liability and a wholly-owned subsidiary of ADIA;

“Hotels”	the three hotels which will form the hotel portfolio of JVC Group upon Closing, comprising Grand Hyatt Hong Kong, Renaissance Harbour View and Hyatt Regency TST, and “Hotel” means any of them;
“Hyatt”	Hyatt International – Asia Pacific, Limited, which is the hotel manager of Grant Hyatt Hong Kong and Hyatt Regency TST;
“Hyatt Regency TST”	the Hyatt Regency Hong Kong hotel, Tsim Sha Tsui, which is located at 18 Hanoi Road, Tsim Sha Tsui, Kowloon, Hong Kong;
“Investment Agreement”	the investment agreement entered into on 29 April 2015 between Beames and HIP in relation to the formation of JVC Group and the sale and transfer of Grant Hyatt Hong Kong and Renaissance Harbour View by Beames (through its subsidiaries) to JVC Group;
“JVC”	the joint venture company proposed to be established by Mega Fortune, 50% of the shares of which will be subsequently transferred to each of Star Lagoon and HIP on Closing;
“JVC Debt Facility”	a loan facility in the amount of not less than HK\$9,250 million to be obtained by Finco from banks;
“JVC Group”	JVC and its subsidiaries from time to time;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mega Fortune”	Mega Fortune Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Beames;
“Newly Development”	Newly Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“NWD Shareholders”	holders of shares of the Company;
“Park New Astor”	Park New Astor Hotel Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company;
“Renaissance Harbour View”	the Renaissance Harbour View Hotel, Hong Kong, which is located at 1 Harbour Road, Wanchai, Hong Kong;
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into on Closing between Star Lagoon, Beames, HIP and JVC;

“Star Lagoon”	Star Lagoon Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of Beames;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Sunfield Investments”	Sunfield Investments Limited, an independent third party company incorporated in Hong Kong with limited liability and established as a wholly-owned subsidiary of the Urban Renewal Authority;
“Transaction Agreements”	the Investment Agreement and the Asset Purchase Agreement; and
“Transactions”	the transactions contemplated under the Investment Agreement and the Asset Purchase Agreement.

By order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 30 April 2015

As at the date of this announcement, (a) the executive Directors 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 are Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and (c) the independent non-executive 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.