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(Stock Code: 0017)

**CONNECTED TRANSACTION  
ACQUISITION OF 36% INTEREST IN BEAMES HOLDINGS LIMITED**

On 20 November 2015, the Company entered into the Agreement with CTFE pursuant to which CTFE agreed to sell and assign, and the Company agreed to purchase and accept the assignment of, the Sale Shares (representing 36% of the issued shares of Beames) and the Sale Loan at the Consideration, which will be satisfied by way of cash on Completion.

As at the date of this announcement, the Company owns 64% of the issued share capital of Beames and upon Completion, Beames will become a wholly owned subsidiary of the Company.

CTFE directly and indirectly through its subsidiaries own approximately 43.41% of the issued share capital of the Company and is a substantial and controlling shareholder of the Company. Accordingly, CTFE is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all the percentage ratios (as defined in the Listing Rules) are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

**THE AGREEMENT**

The principal terms of the Agreement are summarised as below:

**Date**

20 November 2015

**Parties**

- (i) CTFE as the vendor of the Acquisition; and
- (ii) the Company as the purchaser of the Acquisition.

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### **Assets to be acquired**

Pursuant to the terms and conditions of the Agreement, CTFE has agreed to sell and assign, and the Company has agreed to purchase and accept the assignment of, the Sale Shares and the Sale Loan. The Sale Shares represent 36% of the entire issued share capital of Beames. The Sale Loan represents the entire unsecured and non-interest bearing shareholder's loan owing from Beames to CTFE as at the date of Completion which shall not be more than HK\$443,259,174.52.

As at the date of this announcement, Beames, a subsidiary of the Company, is owned as to 64% by the Company and 36% by CTFE.

### **Consideration**

The Consideration for the Acquisition is HK\$3,619.0 million subject to customary closing adjustments as set out in the terms of the Agreement and will be paid in cash by the Company to CTFE upon Completion.

The Consideration was determined between the Company and CTFE after arm's length negotiations with reference to the appraised values of the Hotel Properties as appraised by independent professionally qualified valuers. The Consideration will be funded by the Group's internal resources.

### **Completion**

Completion shall take place on 23 November 2015 or such other date as agreed between the Company and CTFE in writing. Upon Completion, Beames will become a wholly owned subsidiary of the Company.

### **INFORMATION ON THE GROUP AND THE TARGET GROUP**

The Group is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

The principal business activity of CTFE is investment holding.

Beames, a company incorporated in British Virgin Islands with limited liability, through its subsidiaries, associated companies and joint ventures, principally own and operate the Hotel Properties in Hong Kong and South East Asia cities.

Set out below is a summary of the unaudited consolidated net profits of Beames for each of the two years ended 30 June 2014 and 30 June 2015:

	<b>For the year ended 30 June</b>	
	<b>2015</b> <i>(unaudited)</i> <b>HK\$</b>	<b>2014</b> <i>(unaudited)</i> <b>HK\$</b>
Net profit before taxation and extraordinary items	101.0 million	484.9 million
Net profit after taxation and extraordinary items	13,736.5 million <i>(Note 1)</i>	391.6 million

*Note 1: includes profit arising from a one-off extraordinary item on disposal of subsidiaries*

As at 30 June 2015, the unaudited consolidated net asset value of Beames was approximately HK\$8,557.4 million.

According to the record of CTFE, CTFE's original acquisition costs of the 36% equity interest in Beames in 1990 was approximately HK\$1,296.0 million.

#### **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The main business areas of the Group include property investment and hotel business operations in Hong Kong and Southeast Asia. Through the acquisition by the Company of further interests in Beames, the Group will effectively consolidate the Group's interest in Hotel Properties held by the Vendor, which is consistent with the core business strategies of the Group. Besides streamlining the structure of Beames, the increase in stake in the Hotel Properties will provide flexibility and a wider platform for investments which will enhance recurrent income and facilitate future merger or joint venture opportunities.

The terms of the Agreement were determined through arm's length negotiations between the Company and CTFE and reflect normal commercial terms. The Directors (including the independent non-executive Directors) consider that the terms of the Agreement including the Consideration, which have been arrived at after arm's length negotiations, are fair and reasonable, in the ordinary and usual course of business of the Group and are in the interests of the Group and the shareholders of the Company as a whole.

#### **LISTING RULES IMPLICATIONS**

CTFE directly and indirectly through its subsidiaries own approximately 43.41% of the issued share capital of the Company and is a substantial and controlling shareholder of the Company. Accordingly, CTFE is a connected person of the Company and the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As all the percentage ratios (as defined in the Listing Rules) are more than 0.1% but less than 5%, the Acquisition is only subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules. Dr. Cheng Kar-Shun, Henry and Dr. Cheng Chi-Kong, Adrian, each a director of the Company, are also directors of CTFE. Accordingly, they and their associate, Ms. Cheng Chi-Man, Sonia had abstained from voting on the resolutions approving the Acquisition at a board meeting of the Company. Mr. Cheng Kar-Shing, Peter and Mr. Cheng Chi-Heng, each a common director of the Company and CTFE, were not present at the relevant board meeting and therefore did not vote on the relevant board resolutions. Mr. Doo Wai-Hoi, William and Mr. Ho Hau-Hay, Hamilton had voluntarily

abstained from voting due to the interests held by Mr. Doo's mother and Mr. Ho's brother, each in one of the Hotel Properties. Save as mentioned above, none of the other Directors has a material interest in the Acquisition.

## **DEFINITIONS**

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Company in accordance with the terms and conditions of the Agreement and the performance of the transactions contemplated under the Agreement;
“Agreement”	the sale and purchase agreement dated 20 November 2015 entered into between the Company as purchaser and CTFE as vendor in relation to the Acquisition;
“Beames”	Beames Holdings Limited, a company incorporated in British Virgin Islands with limited liability;
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock code: 0017);
“Completion”	Completion of the Acquisition;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the purchase price for the Sale Shares and the Sale Loan payable by the Purchaser to the Vendor;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“CTFE”	Chow Tai Fook Enterprises Limited, a controlling and substantial shareholder of the Company;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries;

“Hotel Properties”	major hotel properties situated in Hong Kong and South East Asia, including 49.2% attributable interest in Rosewood Beijing, 72% attributable interest in Renaissance Riverside Hotel Saigon, 67.5% attributable interest in New World Hotel Saigon, 49% attributable interest in New World Makati Hotel, 50% attributable interest in Grand Hyatt Hong Kong, 50% attributable interest in Renaissance Harbour View Hotel and 50% attributable interest in Hyatt Regency Hong Kong, Tsim Sha Tsui and 45% attributable interest in Shun Tak Centre Properties;
"Listing Rules"	the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange Limited;
“Sale Loan”	the entire amount of unsecured and non-interest bearing shareholder’s loan owing from Beames to the CTFE as at the date of Completion;
“Sale Shares”	36% of the entire issued share capital of Beames;
“Shun Tak Centre Properties”	Shun Tak Centre Shopping Mall, Units No. 3801-6 and 3812, 38/F., West Tower, Shun Tak Centre and 85 car parking spaces, all at 168-200 Connaught Road Central, Sheung Wan, Hong Kong;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Target Group”	Beames and its subsidiaries, associated companies and joint ventures;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

By order of the Board  
**Wong Man-Hoi**  
Company Secretary

Hong Kong, 20 November 2015

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