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(Stock Code: 0017)

DISCLOSEABLE TRANSACTION LAND ACQUISITION

The Board is pleased to announce that on 30 July 2019, Honour Team, an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the Land Use Right of the Land through listing-for-sale at a consideration of RMB9,791,870,000 (equivalent to approximately HK\$11,127,125,000) for residential, business commercial and public carparking development.

Since one or more of the applicable percentage ratios are greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the Land Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 30 July 2019, Honour Team, an indirect wholly-owned subsidiary of the Company, successfully won the bidding in respect of the Land Use Right of the Land through listing-for-sale at a consideration of RMB9,791,870,000 (equivalent to approximately HK\$11,127,125,000) for residential, business commercial and public carparking development. Subject to Honour Team's fulfillment of the requirements and conditions under the listing-for-sale documents and the qualification examination to be conducted by Hangzhou Public Resource Trading Center (杭州市公共資源交易中心), Hangzhou Bureau of Planning and Natural Resources will issue the confirmation notice to Honour Team in accordance with the conditions of the listing-for-sale documents. Honour Team will subsequently enter into the grant contract for the state-owned construction land use right in Hangzhou (杭州市國有建設用地使用權出讓合同) with Hangzhou Bureau of Planning and Natural Resources.

DETAILS OF THE LAND ACQUISITION

Date : 30 July 2019

Parties : Hangzhou Bureau of Planning and Natural Resources as vendor.

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiry, Hangzhou Bureau of Planning and Natural Resources is an independent third party to the Company and its respective connected persons.

Honour Team as purchaser.

Land : For residential, business commercial and public carparking development of the Land with a site area of approximately 93,364 square metres and a maximum gross floor area of approximately 453,886.1 square metres, comprising a gross floor area above ground of approximately 393,886.1 square metres and below ground of approximately 60,000 square metres, according to the listing-for-sale documents.

CONSIDERATION AND PAYMENT TERMS

The consideration for the Land Acquisition is RMB9,791,870,000 (equivalent to approximately HK\$11,127,125,000), which will be payable by cash instalments in the following manner:

<u>Required date of payment</u>	<u>Required amount payable</u>
Before 13 August 2019	RMB1,958,374,000 (equivalent to approximately HK\$2,225,425,000) (being 20% of the consideration). The Deposit will be used for the satisfaction of part of the payment.
Before 12 September 2019	RMB2,937,561,000 (equivalent to approximately HK\$3,338,137,500) (being 30% of the consideration)
Before 12 October 2019	RMB2,937,561,000 (equivalent to approximately HK\$3,338,137,500) (being 30% of the consideration)
Before 12 April 2020	RMB1,958,374,000 (equivalent to approximately HK\$2,225,425,000) (being 20% of the consideration)

The consideration is the outcome of the listing-for-sale held by Hangzhou Bureau of Planning and Natural Resources in the Zhejiang Province land use right online trading system (浙江省土地使用權網上交易系統) on 30 July 2019 which was conducted in accordance with the relevant PRC laws and regulations. The consideration will be funded from the Group's internal resources.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Land is located in Wangjiang New Town area of Shangcheng District of Hangzhou, Zhejiang Province, the PRC. Shangcheng District lies between West Lake and Qiantang River of Hangzhou, and is the central downtown of Hangzhou and the centre of economic and cultural activities in Hangzhou. Wangjiang New Town is a new core development area of the Shangcheng District. The Land is adjacent to Wujiang Road station on Line 1 and Chengzhan station on the planned Line 7 of Hangzhou Metro, and is located near the Hangzhou railway station. Located at an important transportation hub of the Yangtze River Delta, the Land is conveniently connected to the nearby major cities, including Shanghai, Ningbo and Nanjing. In 2022, Hangzhou will host the 19th Asian Games and it is expected that there will be increased social and economic development as well as business opportunities in Hangzhou. The Group continues to strategically invest in key cities in the PRC and develop iconic projects with great potential, so as to provide a quality living environment and extraordinary experience for the market. The Directors believe that the Land Acquisition will be beneficial to the Company and its shareholders as a whole as the Land is considered as desirable for development taking into account its famous scenery, easily accessible location and potential for development. The Directors also consider that the terms of the Land Acquisition are on normal commercial terms, and are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP AND HONOUR TEAM

The Group is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, commercial aircraft leasing, services and technology.

Honour Team is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by New World China Land Limited, which is an indirect wholly-owned subsidiary of the Company. Its principal business activity is investment holding.

LISTING RULES IMPLICATION

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Land Acquisition are more than 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“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 shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0017)
“connected person”	has the meaning as defined in the Listing Rules
“Deposit”	a deposit of HK\$58,000,000 paid by Honour Team to the Hangzhou Bureau of Planning and Natural Resources on 28 June 2019 in respect of bidding for the Land Acquisition
“Director(s)”	the director(s) of the Company
“Hangzhou Bureau of Planning and Natural Resources”	Hangzhou Bureau of Planning and Natural Resources (杭州市規劃和自然資源局), a PRC government bureau
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Honour Team”	Honour Team International Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by New World China Land Limited, which is an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time

“Land”	a parcel of land located at land lot number 杭政儲出[2019] 41 號 with a site area of approximately 93,364 square metres located at Wangjiang New Town, Shangcheng District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市上城區望江新城)
“Land Acquisition”	the acquisition of the Land Use Right of the Land through listing-for-sale by Honour Team
“Land Use Right”	國有建設用地使用權, state-owned construction land use right of the Land for a term of 70 years in respect of residential development and a term of 40 years for business commercial and public carparking development
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“%”	per cent

Unless otherwise specified in this announcement and for the purpose of illustration only, RMB is translated into HK\$ at the rate of HK\$1.00 = RMB0.88.

By order of the Board
Wong Man-Hoi
Company Secretary

Hong Kong, 30 July 2019

As at the date of this announcement, (a) the executive directors are Dr. Cheng Kar-Shun, Henry; Dr. Cheng Chi-Kong, Adrian; Mr. Cheng Chi-Heng; Ms. Cheng Chi-Man, Sonia; Mr. Au Tak-Cheong; Mr. Sitt Nam-Hoi; and Mr. So Chung-Keung Alfred; (b) the non-executive directors are Mr. Doo Wai-Hoi, William; Mr. Cheng Kar-Shing, Peter; and Ms. Ki Man-Fung, Leonie; 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; Mr. Liang Cheung-Biu, Thomas; and Mr. Ip Yuk-Keung.