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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: 17)

 **海通(香港)金融控股有限公司**
HAI TONG (HK) FINANCIAL HOLDINGS LIMITED
(incorporated in Hong Kong with limited liability)


新創建 NWS
新創建集團有限公司*
NWS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock code: 659)

 **taifook大福**
TAIFOOK SECURITIES GROUP LIMITED
大福證券集團有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 665)

JOINT ANNOUNCEMENT

(I) Possible unconditional mandatory cash offers by HSBC

**for and on behalf of Hai Tong (HK) Financial Holdings Limited
for all the issued shares in Taifook Securities Group Limited
(other than those shares already owned by or agreed to be acquired by
Hai Tong (HK) Financial Holdings Limited and parties acting in concert with it
at the time when the offer is made)
and for the cancellation of all outstanding share options**

AND

**(II) Discloseable transaction for
New World Development Company Limited
and NWS Holdings Limited
in relation to the disposal of shares in Taifook Securities Group Limited**

AND

**(III) Resumption of trading in the shares of
Taifook Securities Group Limited and NWS Holdings Limited**

Financial adviser to Hai Tong (HK) Financial Holdings Limited

HSBC 

Financial adviser to NWS Holdings Limited

 **BOCI ASIA LIMITED**

* For identification purpose only

THE SALE AND PURCHASE AGREEMENT

On 19 November 2009, Hai Tong (HK) entered into the Sale and Purchase Agreement with NWS, pursuant to which Hai Tong (HK) has conditionally agreed to purchase and NWS has conditionally agreed to procure the sale of the Sale Shares for cash consideration in the sum of HK\$1,822,361,433.60 (equivalent to HK\$4.88 per Sale Share). The Sale Shares represent approximately 52.86% of the entire issued share capital of Taifook as at the date of this announcement. Completion of the Sale and Purchase Agreement is conditional upon the fulfillment or waiver (where applicable) of certain conditions as described in the paragraph headed “Completion” under the section headed “Sale and Purchase Agreement” in this announcement.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

Hai Tong (HK) and parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code) do not hold any Taifook Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Taifook as at the date of this announcement. Upon Completion, Hai Tong (HK) and parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code) will own 373,434,720 Taifook Shares, representing approximately 52.86% of the entire issued share capital of Taifook as at the date of this announcement. In accordance with Rule 26.1 of the Takeovers Code, upon Completion, Hai Tong (HK) will be required to make the Share Offer for all the issued Taifook Shares (other than those Taifook Shares already owned by or agreed to be acquired by Hai Tong (HK) and parties acting in concert with it at the time when the Share Offer is made) and the Option Offer for the cancellation of all outstanding Share Options.

The principal terms of the possible General Offers are set out under the section headed “Possible unconditional mandatory cash offers” in this announcement. As at the date of this announcement, other than 24,049,605 outstanding Share Options, there are no outstanding warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Taifook Shares.

DESPATCH OF COMPOSITE OFFER DOCUMENT

It is the intention of the respective boards of directors of Hai Tong (HK) and Taifook to combine the offer document and the offeree board circular into a composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, Hai Tong (HK) is required to despatch an offer document containing the terms of the General Offers and a form of acceptance and transfer of the Taifook Shares and cancellation of the Share Options to the Taifook Shareholders and the Taifook Optionholders within 21 days of the date of this announcement. As the conditions precedent to Completion cannot be fulfilled or waived (where applicable) within 21 days of the date of this announcement, Hai Tong (HK) will apply for the consent of the Executive under Note 2 to Rule 8.2 of the Takeovers Code for an extension of time for despatching the composite offer document to any time within 7 days of Completion.

DISCLOSEABLE TRANSACTION FOR NWD AND NWS AND THE LISTING RULES IMPLICATIONS

As the applicable percentage ratios for each of NWD and NWS in respect of NWS' disposal of the Sale Shares under the Sale and Purchase Agreement are more than 5% but less than 25%, the disposal by NWS constitutes a discloseable transaction for both NWD and NWS under the Listing Rules. Accordingly, both NWD and NWS are subject to the reporting and announcement requirements in respect of NWS' disposal of the Sale Shares under the Listing Rules.

RESUMPTION OF TRADING IN SHARES OF TAIFOOK AND NWS

At the request of Taifook and NWS, trading in the Taifook Shares and the shares of NWS on the Stock Exchange were suspended with effect from 9:30 a.m. on 16 November 2009 and from 9:30 a.m. on 20 November 2009 respectively pending the publication of this announcement. Application has been made for the resumption of trading in the Taifook Shares and the shares of NWS on the Stock Exchange with effect from 9:30 a.m. on 23 November 2009.

WARNING: The General Offers are a possibility only. Completion of the Sale and Purchase Agreement is conditional upon the fulfillment or waiver (where applicable) of certain conditions under the Sale and Purchase Agreement and the General Offers will only be made if Completion takes place. Accordingly, the Sale and Purchase Agreement may or may not be completed and the General Offers may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of NWD, NWS and Taifook respectively.

Hai Tong (HK) has entered into the Sale and Purchase Agreement with NWS on 19 November 2009, pursuant to which Hai Tong (HK) has conditionally agreed to acquire from NWS the Sale Shares, representing approximately 52.86% of the entire issued share capital of Taifook as at the date of this announcement, for a total cash consideration of HK\$1,822,361,433.60.

1. SALE AND PURCHASE AGREEMENT

Date: 19 November 2009

Parties: Vendor: NWS
Purchaser: Hai Tong (HK)

Taifook Shares to be acquired by Hai Tong (HK) from NWS

Subject to and in accordance with the terms and conditions of the Sale and Purchase Agreement, Hai Tong (HK) has conditionally agreed to buy and NWS has conditionally agreed, as beneficial owner, to procure the sale of the Sale Shares, of which NWS indirectly holds through its wholly-owned subsidiary, NWS Financial Management Services Limited, representing approximately 52.86% of the entire issued share capital of Taifook as at the date of this announcement, free from any encumbrance and together with all rights which are on the date of the Sale and Purchase Agreement or may at any time thereafter become attaching to them including all dividends and distributions

declared, paid or made in respect of them on or after the date of the Sale and Purchase Agreement but excluding the 2009 Final Dividend.

Upon Completion, NWS will continue to hold its remaining interest in Taifook, namely 63,600,000 Taifook Shares representing approximately 9.00% of the issued share capital of Taifook as at the date of this announcement and NWS has undertaken in the Sale and Purchase Agreement not to dispose of part or all of these Taifook Shares within 4 months from Completion.

Consideration for the Sale Shares

The Consideration in the sum of HK\$1,822,361,433.60 represents a consideration of HK\$4.88 per Sale Share. The Consideration was determined following arm's length negotiation between NWS and Hai Tong (HK) with reference to (i) the prevailing market price of the Taifook Shares; (ii) the book value of the 52.86% shareholding in Taifook which amounted to approximately HK\$1,017.8 million as at 30 June 2009; and (iii) the audited consolidated net profits attributable to 52.86% shareholding in Taifook for the 18 months ended 30 June 2009 of approximately HK\$99.9 million.

The purchase price of HK\$4.88 per Sale Share represents:

- (a) a premium of approximately 0.62% over the closing price of HK\$4.85 per Taifook Share as quoted on the Stock Exchange on 13 November 2009, being the last full trading day prior to the suspension of trading in the Taifook Shares on 16 November 2009;
- (b) a premium of approximately 14.23% over the average closing price of the Taifook Shares as quoted on the Stock Exchange for the last 5 consecutive full trading days prior to the suspension of trading in the Taifook Shares on 16 November 2009, being approximately HK\$4.27 per Taifook Share;
- (c) a premium of approximately 41.79% over the average closing price of the Taifook Shares as quoted on the Stock Exchange for the last 30 consecutive full trading days prior to the suspension of trading in the Taifook Shares on 16 November 2009, being approximately HK\$3.44 per Taifook Share;
- (d) a premium of approximately 22.31% over the closing price of HK\$3.99 of the Taifook Shares as quoted on the Stock Exchange on 10 November 2009, being the last full trading day prior to market rumours on the potential sale of the Sale Shares on 11 November 2009; and
- (e) a premium of approximately 78.75% over the audited consolidated net asset value per Taifook Share attributable to the Taifook Shareholders of approximately HK\$2.73 per Taifook Share as at 30 June 2009.

The Consideration shall be settled by Hai Tong (HK) in the following manner:

- (i) a total sum of HK\$364,472,286.72 being the deposit paid by Hai Tong (HK) to NWS upon signing of the Sale and Purchase Agreement (the "**Deposit**"); and
- (ii) the remaining balance of the Consideration in the sum of HK\$1,457,889,146.88 which is payable by Hai Tong (HK) to NWS on the Completion Date.

The Deposit

If Completion does not take place because the conditions precedent to Completion (as set out below) are not satisfied or waived (as the case may be) according to the Sale and Purchase Agreement, 50% of the Deposit shall be refunded to Hai Tong (HK). However, the whole amount of the Deposit shall be refunded to Hai Tong (HK) if Completion does not take place as a result of default by NWS.

Completion

Completion is conditional upon the satisfaction of the following conditions:

- (a) approval from SFC pursuant to section 132 of the SFO required for Hai Tong (HK) to become a substantial shareholder of each of the relevant companies in the Taifook Group which is a corporation licensed by SFC for conducting regulated activities in Hong Kong having been obtained;
- (b) none of the licences granted by SFC to the major subsidiaries of Taifook for conducting regulated activities in Hong Kong having been revoked, terminated or suspended, and none of such major subsidiaries of Taifook having been notified of such revocation, termination or suspension;
- (c) the listing of the Sale Shares on the Stock Exchange not being revoked and the Sale Shares remain tradable on the Stock Exchange (excluding any suspension in the trading of the Sale Shares pending an announcement of the Sale and Purchase Agreement or the Acquisition); and
- (d) no more than 13,650,000 Taifook Shares will be issued by Taifook as scrip dividend for the 2009 Final Dividend.

As described above, Completion will take place on the Completion Date, which shall be 5 Business Days after fulfillment or waiver (if applicable) of the last condition precedent set out above, or such other date as may be agreed in writing between NWS and Hai Tong (HK).

Hai Tong (HK) may give written notice to NWS to waive any of the conditions precedent (a), (b) and (c) above as a condition to Completion. As at the date of this announcement, no condition has been satisfied or waived.

If any of the conditions set out above has not been satisfied or waived (as the case may be) on or before the Long Stop Date, the Sale and Purchase Agreement will terminate automatically with immediate effect and neither NWS nor Hai Tong (HK) will be obliged to complete the Acquisition.

Under the facility entered into by Hai Tong (HK) with HSBC in connection with the financing of the Consideration and the financing of the General Offers, Hai Tong (HK) may not change the Sale and Purchase Agreement or grant any waiver in respect of it without the consent of HSBC as lender. In addition, in connection with the confirmation of funding to HSBC as financial adviser, Hai Tong (HK) has confirmed it will not

(without the prior written consent of HSBC) amend, vary, waive, assign, novate, supplement, supersede or terminate any provision of the Sale and Purchase Agreement or extend the Long Stop Date beyond 28 February 2010.

2009 Final Dividend

As disclosed in the results announcement of Taifook dated 7 October 2009, the board of Taifook has recommended a final dividend for the 18 months ended 30 June 2009 in scrip form equivalent to HK\$8 cents per Taifook Share with a cash option to the Taifook Shareholders whose names appear on the register of members of Taifook on 1 December 2009, subject to the approval of Taifook Shareholders at the forthcoming annual general meeting of Taifook and the Listing Committee of the Stock Exchange granting listing of and permission to deal in the new Taifook Shares. Full details of the final scrip dividend will be set out in a circular of Taifook to be sent to the Taifook Shareholders together with a form of election on or about Thursday, 10 December 2009.

Under the Sale and Purchase Agreement, Hai Tong (HK) has no unilateral right to waive condition (d) above relating to the 2009 Final Dividend. In addition, Hai Tong (HK) has undertaken to HSBC that it will not waive, in any circumstances, condition (d) above or will not confirm that the condition has been satisfied, in any circumstances, where the 2009 Final Dividend would involve the issuance of more than 13,650,000 Taifook Shares.

NWS has also undertaken to Hai Tong (HK) that it will opt for cash instead of receiving dividend in scrip form for its entitlement to the 2009 Final Dividend.

2. SHAREHOLDING STRUCTURE

The existing shareholding structure of Taifook and the shareholding structure of Taifook upon Completion but before the General Offers (assuming that there is no change in the issued share capital of Taifook) are as follows:

	Existing shareholding structure		Shareholding structure upon Completion but before the General Offers	
	<i>Number of Taifook Shares</i>	<i>Approximate Shareholding %</i>	<i>Number of Taifook Shares</i>	<i>Approximate Shareholding %</i>
NWS	437,034,720	61.86	63,600,000	9.00
Hai Tong (HK) and parties acting in concert with it (<i>Note 1</i>)	–	–	373,434,720	52.86
Directors of Taifook (<i>Note 2</i>)	21,414,421	3.03	21,414,421	3.03
Public	247,999,087	35.11	247,999,087	35.11
Total	<u>706,448,228</u>	<u>100%</u>	<u>706,448,228</u>	<u>100%</u>

Notes:

1. HSBC is presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code. Details of the holdings or borrowings of the Taifook Shares or derivatives in respect of them by other members of the HSBC group will be obtained as soon as possible after this announcement has been made in accordance with Note 1 to Rule 3.5 of the Takeovers Code.
2. Such directors include Mr. Doo Wai Hoi, William, Mr. Wong Shiu Hoi, Peter and Mr. Chan Chi On, Derek. The shareholding of such directors of Taifook upon Completion but before the General Offers is based on the assumption that none of such directors will acquire or dispose of any Taifook Shares from the date of this announcement to Completion and before the General Offers.

3. REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

Hai Tong (HK) views the Hong Kong market to be very important to its international expansion strategy. The Acquisition offers a unique opportunity for Hai Tong (HK) to establish a sizeable customer base and distribution network in Hong Kong. Through the Acquisition and the General Offers, Hai Tong (HK) can fully utilize Taifook’s strong network and reputation to provide diversified financial services to customers in Hong Kong. At the same time, Hai Tong (HK) can combine its own strengths in its securities, brokerage and asset management businesses with Taifook’s comprehensive product offering and expertise to enhance Hai Tong (HK)’s own financial products and services for its customers.

The disposal of the Sale Shares is part of NWS’ continuing corporate strategy to consolidate its service-related businesses in order to enhance shareholder value and to refocus its efforts and resources on other stable growth areas such as infrastructure.

Moreover, the Consideration will strengthen NWS’ financial position and will further enhance its cash status. Upon Completion, NWS expects to record an estimated gain on disposal of a subsidiary and a fair value gain on non-controlling interests retained (net of related expenses) totalling approximately HK\$0.7 billion before tax. Gain on disposal of a subsidiary is determined based on the difference between the Consideration and the latest carrying value of the Sales Shares. Fair value gain on non-controlling interests retained is estimated based on the difference between the estimated fair value of the remaining 63,600,000 Taifook Shares held by NWS (subject to adjustment for actual market value of the Taifook Shares upon Completion) and the latest carrying value of these Taifook Share.

4. DISCLOSEABLE TRANSACTION FOR NWD AND NWS AND THE LISTING RULES IMPLICATIONS

As the applicable percentage ratios for each of NWD and NWS in respect of NWS’ disposal of the Sale Shares under the Sale and Purchase Agreement are more than 5% but less than 25%, the disposal by NWS constitutes a discloseable transaction for both NWD and NWS under the Listing Rules. Accordingly, both NWD and NWS are subject to the reporting and announcement requirements in respect of NWS’ disposal of the Sale Shares under the Listing Rules.

To the best of the knowledge, information and belief of the directors of NWD and NWS, having made all reasonable enquiries, Hai Tong (HK) and its beneficial owner are a third party independent of NWD and NWS and any connected persons of NWD and NWS.

The respective directors of NWD and NWS consider that the Sale and Purchase Agreement is entered into after arm's length negotiation between NWS and Hai Tong (HK) and the terms therein are on normal commercial terms and are fair and reasonable and in the interests of NWD and NWS and their respective shareholders as a whole. In addition, NWS currently intends to use the net proceeds from the disposal of the Sale Shares for working capital purposes.

5. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

Hai Tong (HK) and parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definition of "acting in concert" in the Takeovers Code) do not hold any Taifook Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Taifook as at the date of this announcement. Upon Completion, Hai Tong (HK) and parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definition of "acting in concert" in the Takeovers Code) will own 373,434,720 Taifook Shares, representing approximately 52.86% of the entire issued share capital of Taifook as at the date of this announcement.

Under Rule 26.1 of the Takeover Code, upon Completion, Hai Tong (HK) will be required to make an unconditional mandatory cash offer for all the issued Taifook Shares, other than those Taifook Shares already owned by or agreed to be acquired by Hai Tong (HK) and parties acting in concert with it at the time when the Share Offer is made, and to cancel all outstanding Share Options. The General Offers comprising the Share Offer and the Option Offer, if and when made, will be unconditional in all respects.

HSBC will, for and on behalf of Hai Tong (HK), make the General Offers on the following terms in accordance with Rule 26.1 and Rule 13 of the Takeovers Code:

For each Offer Share HK\$4.88, in cash

For cancellation of each Share Option HK\$0.001, in cash

As at the date of this announcement, Taifook has 706,448,228 Taifook Shares in issue and 24,049,605 outstanding Share Options. There are no other outstanding warrants, derivatives or convertibles which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Taifook Shares.

Share Option Scheme

As at the date of this announcement, Taifook has outstanding Share Options entitling the Taifook Optionholders to subscribe for up to an aggregate of 24,049,605 Taifook Shares at an exercise price of HK\$5.875 per Taifook Share. All the Share Options are

currently exercisable. If the Share Options are exercised in full, Taifook will have to issue 24,049,605 Taifook Shares, representing approximately 3.29% of the enlarged issued share capital of Taifook as at the date of this announcement.

WARNING: The General Offers are a possibility only. Completion of the Sale and Purchase Agreement is conditional upon the fulfillment or waiver (where applicable) of certain conditions under the Sale and Purchase Agreement and the General Offers will only be made if Completion takes place. Accordingly, the Sale and Purchase Agreement may or may not be completed and the General Offers may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of Taifook, NWD and NWS respectively.

Total consideration

Based on the Share Offer Price of HK\$4.88 per Offer Share and 706,448,228 Taifook Shares in issue as at the date of this announcement, the entire issued share capital of Taifook is valued at approximately HK\$3,447.5 million.

In the event that the Share Offer is accepted in full, the maximum amount payable by Hai Tong (HK) under the Share Offer will be approximately HK\$1,625 million (assuming no Share Option is exercised and no Taifook Share is issued pursuant to the 2009 Final Dividend), approximately HK\$1,742 million (assuming all outstanding Share Options are exercised and no Taifook Share is issued pursuant to the 2009 Final Dividend), or approximately HK\$1,809 million (assuming all outstanding Share Options are exercised and no more than 13,650,000 Taifook Shares are issued pursuant to the 2009 Final Dividend).

Based on the Option Offer Price of HK\$0.001 for the cancellation of each outstanding Share Option and 24,049,605 outstanding Share Options, the maximum amount payable under the Option Offer (assuming no Share Option is exercised prior to the date of closing of the General Offers and the Option Offer is accepted in full) is approximately HK\$24,050.

A comparison of the Share Offer Price to the closing prices of Taifook Shares is set out above under the heading “Consideration for the Sale Shares”. Pursuant to Rule 13 of the Takeovers Code, the Option Offer Price will normally represent the difference between the exercise price of the respective Share Options and the Share Offer Price. However, as the exercise price of all the Share Options is above the Share Offer Price, the Option Offer Price is nominal.

Confirmation of Financial Resources

The consideration payable under the Sale and Purchase Agreement and in respect of acceptances under the General Offers will be met from the internal resources of Hai Tong (HK) and from a facility made available by HSBC. HSBC, as financial adviser to Hai Tong (HK), is satisfied that sufficient resources are available to Hai Tong (HK) to satisfy full acceptances of the General Offers.

Effect of accepting the General Offers

The General Offers to be made upon Completion will be unconditional in all respects. By accepting the Share Offer, Taifook Shareholders will sell their Taifook Shares to Hai Tong (HK) free from all liens, claims and encumbrances and together with all rights attaching to the Taifook Shares as at the date of close of the General Offers, including the rights to receive all dividends and distribution declared, made or paid on or after the posting of the composite offer document but excluding the 2009 Final Dividend. The General Offers are expected to be made after the dividend record date for the 2009 Final Dividend (1 December 2009) as disclosed above. Accordingly, qualifying Taifook Shareholders as at the dividend record date for payment of the 2009 Final Dividend will be entitled to retain the dividend, notwithstanding that they accept the Share Offer.

By accepting the Option Offer, the outstanding Share Options, together with all rights attaching thereto, will be entirely cancelled.

Overseas Taifook Shareholders and Taifook Optionholders

In order to address concerns regarding the implications under overseas securities laws of making the General Offers to overseas Taifook Shareholders and Taifook Optionholders (which implications may include illegality, filing and registration requirements or the need for compliance with other requirements), the General Offers may not be made to the Excluded Taifook Shareholders and/or the Excluded Taifook Optionholders, subject to the Executive's prior consent. An application will be made in advance before the composite offer document is despatched to the Taifook Shareholders and Taifook Optionholders, to the Executive under Note 3 to Rule 8 of the Takeovers Code for consent if any Excluded Taifook Shareholder and/or any Excluded Taifook Optionholder has then been identified.

The making of the General Offers to the Taifook Shareholders and the Taifook Optionholders who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subjected to the laws of the relevant jurisdictions. Such relevant Taifook Shareholders or Taifook Optionholders may be prohibited or affected by laws of the relevant jurisdictions and it is the responsibility of each relevant Taifook Shareholder and Taifook Optionholder who wishes to accept the relevant General Offer to satisfy himself/herself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required in compliance with all necessary formalities or legal requirements and the payment of any transfer or other taxes due in such relevant jurisdictions.

Any acceptance by any Taifook Shareholder or Taifook Optionholder will be deemed to constitute a representation and warranty from such Taifook Shareholder or Taifook Optionholder to Hai Tong (HK) that the local laws and requirements have been complied with. Taifook Shareholders and Taifook Optionholders should consult their professional advisers if in doubt.

Stamp duty

Ad valorem stamp duty arising in connection with acceptance of the Share Offer amounting to 0.1% of the amount payable in respect of the relevant acceptance or, if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) is payable by those accepting Taifook Shareholders which will be deducted from the payment to be received by them. Hai Tong (HK) will bear its own portion of buyer's ad valorem stamp duty under the Share Offer at the rate of 0.1% of the amount payable in respect of relevant acceptances or, if higher, the value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and will be responsible to account to the Stamp Office of Hong Kong for the stamp duty payable for the sale and purchase of the relevant Offer Shares pursuant to the acceptances of the Share Offer.

No stamp duty is payable in connection with the Option Offer.

Payment

Payment (after deducting the accepting Taifook Shareholders' share of stamp duty) in cash in respect of acceptances of the General Offers will be made as soon as possible but in any event within 10 days of the date on which the relevant documents of title are received by Hai Tong (HK) to render each such acceptance complete and valid.

Information on the existing directors of Taifook

Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick and Mr. To Hin Tsun, Gerald who are existing directors of Taifook have indicated to Hai Tong (HK) their intention to resign from their respective offices with Taifook with effect from the earliest date as may be permitted under Rule 7 of, or pursuant to any dispensation from, the Takeovers Code or by the Executive.

Information on Hai Tong (HK) and its intention regarding the Taifook Group

At the date of this Announcement,

- (a) Neither Hai Tong (HK) nor parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definitions of "acting in concert" in the Takeovers Code) holds any Taifook Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Taifook.
- (b) Neither Hai Tong (HK) nor parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definitions of "acting in concert" in the Takeovers Code) has acquired any voting rights in Taifook during the 6-month period immediately prior to 11 November 2009 (being the date of the announcement of Taifook issued pursuant to Rule 3.7 of the Takeovers Code), up to and including the date of this announcement.

- (c) Neither Hai Tong (HK) nor parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definitions of “acting in concert” in the Takeovers Code) has borrowed or lent any Taifook Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Taifook.
- (d) Neither Hai Tong (HK) nor parties acting in concert with it (excluding persons presumed to be acting in concert with Hai Tong (HK) in accordance with class 5 of the definitions of “acting in concert” in the Takeovers Code) has received any irrevocable commitment to accept or reject the General Offers.
- (e) There is no outstanding derivative in respect of the Taifook Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Taifook entered into by Hai Tong (HK) or parties acting in concert with it.
- (f) Save as disclosed above in the sections headed “Completion” and “2009 Final Dividend”, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Taifook Shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Taifook or shares and other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Hai Tong (HK) which might be material to the General Offers.
- (g) Save as disclosed above in the sections headed “Completion” and “2009 Final Dividend”, there is no agreement or arrangement to which Hai Tong (HK) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the General Offers.

Hai Tong (HK) is currently reviewing the overall businesses of the Taifook Group and will keep the Taifook Shareholders and investors informed by further announcement if it decides on anything that requires disclosure pursuant to the Takeovers Code.

Hai Tong (HK) is committed to the stability and continuity of Taifook’s management and employees. Hai Tong (HK) also aims to ensure the appropriate degree of continuity of the board of directors of Taifook. Upon despatch of the composite offer document, new director(s) will be appointed by Hai Tong (HK) to the board of Taifook. Further announcement will be made as to the details of the appointment of new director(s) of Taifook.

Independent board committee and independent financial adviser

If the General Offers are made, in accordance with the Takeovers Code, an independent board committee of Taifook will be established for the purpose of advising the Taifook Shareholders (other than Hai Tong (HK) and parties acting in concert with it) and the Taifook Optionholders in relation to the Share Offer and the Option Offer respectively as to whether the General Offers are, or are not, fair and reasonable and to accept, or not to accept, the General Offers. An independent financial adviser will be appointed, subject to the approval by the independent board committee of Taifook, to consider the terms of the General Offers and to advise the independent board committee in respect of the General Offers. Taifook Shareholders and Taifook Optionholders are advised to take

no action as regards the General Offers until they have received the composite offer document which will contain, inter alia, the advice of the independent board committee and the independent financial adviser. An announcement will be made as soon as the independent financial adviser is appointed.

Composite offer document

It is the intention of the respective boards of directors of Hai Tong (HK) and Taifook to combine the offer document and the offeree board circular in the composite offer document. Pursuant to Rule 8.2 of the Takeovers Code, within 21 days of the date of this announcement or such later date as the Executive may approve, Hai Tong (HK) is required to despatch the offer document containing the terms of the General Offers, the form of acceptance and transfer of the Offer Shares and the cancellation of the Share Options to the Taifook Shareholders and the Taifook Optionholders. As the conditions precedent to Completion cannot be fulfilled or waived (where applicable) within 21 days of the date of this announcement, Hai Tong (HK) will apply for the consent of the Executive under Note 2 to Rule 8.2 of the Takeovers Code for an extension of time for despatching the composite offer document to any time within 7 days of Completion.

6. FINANCIAL INFORMATION OF TAIFOOK

As at 30 June 2009, the book value of the 52.86% shareholding in Taifook amounted to approximately HK\$1,017.8 million.

The audited consolidated net profits before taxation and extraordinary items attributable to 52.86% shareholding in Taifook for the 18 months ended 30 June 2009 and for the financial year ended 31 December 2007 amounted to approximately HK\$110.2 million and approximately HK\$307.9 million respectively. The audited consolidated net profits after taxation and extraordinary items attributable to 52.86% shareholding in Taifook for the 18 months ended 30 June 2009 and the financial year ended 31 December 2007 amounted to approximately HK\$99.9 million and approximately HK\$256.3 million respectively.

Upon Completion, Taifook will cease to be a subsidiary of each of NWD and NWS and the financial results of the Taifook Group will cease to be consolidated as a subsidiary with the group financial results of NWD and NWS respectively.

7. MAINTAINING THE LISTING STATUS OF TAIFOOK

Hai Tong (HK) intends to maintain the listing of the Taifook Shares on the main board of the Stock Exchange. Taifook has undertaken and the new director(s) of Taifook to be nominated by Hai Tong (HK) will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the General Offers to ensure that not less than 25% of the Taifook Shares will be held by the public.

The Stock Exchange has indicated that if, upon the close of the General Offers, less than 25% of the Taifook Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Taifook

Shares; or (ii) there are insufficient Taifook Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Taifook Shares until a level of sufficient public float is attained.

So long as Taifook remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of Taifook. Any acquisitions or disposals of assets by the Taifook Group will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require Taifook to issue an announcement and a circular to the Taifook Shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of Taifook.

The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of the Taifook Group and any such transactions may result in Taifook being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the Listing Rules.

8. GENERAL

Information on Taifook

Taifook is a company incorporated in Bermuda and the Taifook Shares have been listed on the Stock Exchange since 1996. The principal activity of Taifook is investment holding. The principal activities of the Taifook Group comprise securities, futures and options contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management and the provision of financial planning and advisory services.

Further Information on Hai Tong (HK)

Hai Tong (HK) is a company incorporated in Hong Kong and is wholly-owned by Haitong Securities Co., Ltd., a joint stock company incorporated in the PRC which is listed on SSE. Hai Tong (HK) is principally engaged in the provision of securities and other related financial services, such as securities brokerage (including margin trading), futures contract brokerage, asset management, sponsorship of public offerings, underwriting and financial advisory, through its wholly-owned subsidiaries, i.e. Hai Tong Securities (HK) Brokerage Limited (licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO), Hai Tong Assets Management (HK) Limited (licensed to conduct Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities under the SFO); and Hai Tong Capital (HK) Limited (licensed to conduct Type 6 (advising on corporate finance) regulated activities under the SFO).

Information on NWD

The NWD group of companies is principally engaged in investments in the areas of property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology. NWD is the ultimate holding company of NWS and is indirectly interested in approximately 57% of the total issued share capital of NWS as at the date of this announcement.

Information on NWS

The NWS group of companies is principally engaged in (1) the investment in and/or operation of facilities, contracting, transport and financial services; and (2) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as ports and logistics facilities.

9. DISCLOSURE OF DEALINGS

Associates of Taifook and Hai Tong (HK) are reminded to disclose their dealings in the Taifook Shares.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved. Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

10. RESUMPTION OF TRADING IN SHARES OF TAIFOOK AND NWS

At the request of Taifook and NWS, trading in the Taifook Shares and the shares of NWS on the Stock Exchange were suspended with effect from 9:30 a.m. on 16 November 2009 and from 9:30 a.m. on 20 November 2009 respectively pending the publication of this announcement. Application has been made for the resumption of trading in the Taifook Shares and the shares of NWS on the Stock Exchange from 9:30 a.m. on 23 November 2009.

11. DEFINITIONS

“2009 Final Dividend”	means the final dividend in scrip form equivalent to HK\$8 cents per Taifook Share with a cash option to Taifook Shareholders for the 18 months ended 30 June 2009 which was recommended by the board of directors of Taifook on 7 October 2009
“Acquisition”	means the acquisition of the Sale Shares by Hai Tong (HK) from NWS pursuant to the terms of the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code, as extended to include persons presumed to be acting in concert
“associates”	has the meaning ascribed thereto under the Takeovers Code
“Business Day”	means a day other than a Saturday, Sunday or public holiday in Hong Kong
“Completion”	means the completion of the sale and purchase of the Sale Shares contemplated under the Sale and Purchase Agreement
“Completion Date”	means the date on which Completion takes place in accordance with the Sale and Purchase Agreement which is 5 Business Days after the date on which all the conditions precedent in the Sale and Purchase Agreement are either satisfied, or waived (as the case may be) in accordance with the Sale and Purchase Agreement, as or such other date as may be agreed in writing between the parties
“Consideration”	means the consideration of HK\$1,822,361,433.60 for the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement

“Excluded Taifook Optionholder(s)”	overseas Taifook Optionholder(s), if any, whose address(es), as shown on the register of optionholders of Taifook as at the latest practicable date to be set out in the composite offer document, is/are outside Hong Kong and located in a jurisdiction the laws of which prohibit the making of the Option Offer to such Taifook Optionholders or otherwise require Hai Tong (HK) or Taifook to comply with additional requirements which are (in the opinion of the directors of Taifook or Hai Tong (HK) Directors, but subject to the prior consent of the Executive) unduly onerous or burdensome, having regard to the number of Taifook Optionholders involved in that jurisdiction and their interests in the Share Options
“Excluded Taifook Shareholder(s)”	overseas Taifook Shareholder(s), if any, whose address(es), as shown on the register of members of Taifook as at the latest practicable date to be set out in the composite offer document, is/are outside Hong Kong and located in a jurisdiction the laws of which prohibit the making of the Share Offer to such Taifook Shareholders or otherwise require Hai Tong (HK) or Taifook to comply with additional requirements which are (in the opinion of the directors of Taifook or Hai Tong (HK) Directors, but subject to the prior consent of the Executive) unduly onerous or burdensome, having regard to the number of Taifook Shareholders involved in that jurisdiction and their shareholdings in Taifook
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“General Offers”	means the Share Offer and the Option Offer
“Hai Tong (HK)”	means Hai Tong (HK) Financial Holdings Limited, a company incorporated in Hong Kong, which is a wholly-owned subsidiary of Haitong Securities Co., Ltd., a company incorporated in the PRC whose shares are listed on SSE
“Hai Tong (HK) Director(s)”	means director(s) of Hai Tong (HK)
“Hai Tong (HK) Group”	means Hai Tong (HK) and its subsidiaries
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC

“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	28 February 2010 or such other date as NWS and Hai Tong (HK) may at any time and from time to time agree in writing
“NWD”	means New World Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange
“NWS”	means NWS Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange, which indirectly holds, through its wholly-owned subsidiary, NWS Financial Management Services Limited, approximately 61.86% of the issued share capital of Taifook as at the date of this announcement
“Offer Share(s)”	means the Taifook Share(s) subject to the Share Offer
“Option Offer”	means the unconditional mandatory cash offer to be made by HSBC, for and on behalf of Hai Tong (HK), upon Completion for the cancellation of all outstanding Share Options at the Option Offer Price in accordance with the Takeovers Code
“Option Offer Price”	means HK\$0.001 for cancellation of each outstanding Share Option
“PRC” or “China”	means the People’s Republic of China
“Sale and Purchase Agreement”	means the conditional sale and purchase agreement entered into between NWS and Hai Tong (HK) on 19 November 2009 in relation to the Acquisition

“Sale Shares”	means 373,434,720 Taifook Shares agreed to be sold by NWS and agreed to be acquired by Hai Tong (HK) pursuant to the Sale and Purchase Agreement, representing approximately 52.86% of the entire issued share capital of Taifook as at the date of this announcement
“SSE”	means the Shanghai Stock Exchange
“SFC”	means the Securities and Futures Commission of Hong Kong
“SFO”	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Offer”	means the unconditional mandatory cash offer to be made by HSBC, for and on behalf of Hai Tong (HK), upon Completion for the Offer Shares (other than those Taifook Shares already owned by or agreed to be acquired by Hai Tong (HK) and parties acting in concert with it at the time when the General Offers are made) at the Share Offer Price in accordance with the Takeovers Code
“Share Offer Price”	means HK\$4.88 per Offer Share
“Share Options”	means options which have been granted by Taifook in accordance with the share option scheme adopted by Taifook on 23 August 2002
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Taifook”	means Taifook Securities Group Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange
“Taifook Group”	means Taifook and its subsidiaries
“Taifook Optionholder(s)”	means holder(s) of the Share Options
“Taifook Shareholder(s)”	means holder(s) of the Taifook Shares
“Taifook Share(s)”	means ordinary share(s) of HK\$0.10 each in the share capital of Taifook
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers

“HK\$”

means Hong Kong dollars, the lawful currency of Hong Kong

By order of the board of
**Hai Tong (HK) Financial
Holdings Limited**
Mr. Li Jianguo
Chairman

By order of the board of
**Taifook Securities
Group Limited**
Dr. Cheng Kar Shun, Henry
Chairman

By order of the board of
**New World Development
Company Limited**
Dr. Cheng Kar Shun, Henry
Managing Director

By order of the board of
NWS Holdings Limited
Dr. Cheng Kar Shun, Henry
Chairman

20 November 2009

As at the date of this announcement, the Hai Tong (HK) Directors are Mr. Li Jianguo, Mr. Lin Yong and Ms. Ji Qing Yu.

As at the date of this announcement, (a) the executive directors of Taifook are Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Wong Shiu Hoi, Peter, Mr. Lee Yiu Wing, William, Mr. Chan Chi On, Derek, Mr. Poon Mo Yiu, Patrick and Mr. Cheng Chi Ming, Brian; (b) the non-executive directors of Taifook are Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick, Mr. To Hin Tsun, Gerald and Mr. Lee Ka Sze, Carmelo; and (c) the independent non-executive directors of Taifook are Mr. Man Mo Leung, Mr. Tsui Hing Chuen, William and Mr. Lau Wai Piu, Bill.

As at the date of this announcement, (a) the executive directors of NWD are 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) the non-executive directors of NWD are Mr. Cheng Kar Shing, Peter, Mr. Chow Kwai Cheung, Mr. Liang Cheung Bui, Thomas and Ms. Ki Man Fung, Leonie; and (c) the independent non-executive directors of NWD are 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, (a) the executive directors of NWS are Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung, Mr. William Junior Guilherme Doo and Mr. Cheng Chi Ming, Brian; (b) the non-executive directors of NWS are Mr. Doo Wai Hoi, William, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive directors of NWS are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

The Hai Tong (HK) Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Taifook Group, the NWD group and the NWS group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Taifook Group, the NWD group and the NWS group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of Taifook jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Hai Tong (HK) Group, Haitong Securities Co., Ltd., the NWD group and the NWS group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Hai Tong (HK) Group, Haitong Securities Co., Ltd., the NWD group and the NWS group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of NWD jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Hai Tong (HK) Group, Haitong Securities Co., Ltd., the NWS group and the Taifook Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Hai Tong (HK) Group, Haitong Securities Co., Ltd., the NWS group and the Taifook Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of NWS jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that in relation to the Hai Tong (HK) Group, Haitong Securities Co., Ltd., the NWD group and the Taifook Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement (other than those expressed by the Hai Tong (HK) Group, Haitong Securities Co., Ltd., the NWD group and the Taifook Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.