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JOINT ANNOUNCEMENT

CONNECTED TRANSACTION

ACQUISITION OF INTEREST IN A COMPANY ENGAGED IN COMMERCIAL AIRCRAFT LEASING

The NWD Board and the NWS Board are pleased to announce that on 30 January 2015, Natal Global (an indirect wholly-owned subsidiary of NWS), Zion Sky, Investec and Goshawk entered into the Share Purchase Agreement pursuant to which Natal Global agreed to purchase the Sale Shares and the Notes from Zion Sky at a total cash consideration of approximately US\$222.5 million (equivalent to approximately HK\$1,724.4 million). Goshawk is a company which is engaged in Commercial Aircraft leasing. Completion is expected to take place on or about 2 February 2015 and NWS will own 40% equity interest in Goshawk.

Pursuant to the Share Purchase Agreement, Natal Global, Zion Sky, Investec, GAL Partnership and Goshawk shall enter into the Shareholders' Agreement on the Completion Date to regulate their rights and obligations in the operation and management of the business and affairs of Goshawk.

As at the date of this announcement, Zion Sky is wholly-owned by CTFE and CTFE holds approximately 43.35% of the total issued share capital of NWD and approximately 2.58% of the total issued share capital of NWS. NWD holds approximately 61.31% of the total issued share capital of NWS. Accordingly, the Acquisition constitutes a connected transaction of each of NWD and NWS under Chapter 14A of the Listing Rules. Since the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Acquisition for each of NWD and NWS are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement for each of NWD and NWS under Chapter 14A of the Listing Rules.

INTRODUCTION

The NWD Board and the NWS Board are pleased to announce that on 30 January 2015, Natal Global (an indirect wholly-owned subsidiary of NWS), Zion Sky (a wholly-owned subsidiary of CTFE), Investec and Goshawk entered into the Share Purchase Agreement pursuant to which Zion Sky agreed to sell, and Natal Global agreed to buy, the Sale Shares, representing 40% of the total issued Preference Shares in the issued share capital of Goshawk, and the Notes and each right attaching thereto at Completion. Besides, Natal Global shall also buy from Investec 40% of the Additional Notes, at their outstanding principal amount together with accrued and unpaid interest, on 31 March 2015 unless the Additional Notes have been fully redeemed or refinanced by then.

Pursuant to the Share Purchase Agreement, Natal Global, Zion Sky, Investec, GAL Partnership and Goshawk shall enter into the Shareholders' Agreement on the Completion Date to regulate their rights and obligations in the operation and management of the business and affairs of Goshawk. Upon Completion, the entire issued share capital of Goshawk will be owned as to 40% by Zion Sky, 40% by Natal Global, 13.09% by Investec and 6.91% by GAL Partnership. The investment in Goshawk will be accounted for as an associated company of the NWS Group.

MAJOR TERMS OF THE SHARE PURCHASE AGREEMENT

Date

30 January 2015

Parties

1. Natal Global
2. Zion Sky
3. Investec
4. Goshawk

Consideration

The total consideration for the Sale Shares and the Notes is approximately US\$222.5 million (equivalent to approximately HK\$1,724.4 million), being the aggregate of (i) approximately US\$161.5 million (equivalent to approximately HK\$1,251.6 million) in respect of the Sale Shares; and (ii) approximately US\$61.0 million (equivalent to approximately HK\$472.8 million) in respect of the Notes and accrued and unpaid interest up to and including the Completion Date. The total consideration, which is payable on the Completion Date, will be satisfied in cash out of the internal resources of NWS and bank financing.

The consideration was determined after arm's length negotiations having regard to fair value of the portfolio of Commercial Aircraft invested in by Goshawk and the net asset value of Goshawk.

Completion

Completion is expected to take place on or about 2 February 2015, being the Completion Date.

MAJOR TERMS OF THE SHAREHOLDERS' AGREEMENT

Date

To be entered into on the Completion Date

Parties

1. Natal Global
2. Zion Sky
3. Investec
4. GAL Partnership
5. Goshawk

Investments

The SHA Parties agree that the business of Goshawk shall be investing directly or indirectly in Commercial Aircraft on lease to operating lessees.

Board of Directors

Each of Zion Sky, Natal Global and Investec (together with their respective affiliates to whom Preference Shares are transferred) is entitled to appoint director(s) to the Goshawk Board based on the following arrangement: (i) one director by a party holding 10% or more but less than 30% of the Preference Shares; (ii) two directors by a party holding 30% or more but not more than 50% of the Preference Shares; and (iii) majority of the Goshawk Board by a party holding more than 50% of the Preference Shares. As a result, upon Completion, Zion Sky, Natal Global and Investec will be entitled to appoint two directors, two directors and one director, respectively, to the Goshawk Board based on their respective shareholding percentages in Goshawk.

Further Funding

The SHA Parties agree that further finance to fund Goshawk's future investments in Commercial Aircraft will be provided by the Goshawk Shareholders by way of shareholder loans or subscription for Preference Shares, in each case, on a pro rata basis.

Right of First Refusal

Prior to the transfer by a Goshawk Shareholder of any of its Preference Shares to a third party (which is not a Goshawk Shareholder or an affiliate of a Goshawk Shareholder), written notice must be given to the other non-transferor Goshawk Shareholders who shall have the right to take up such Preference Shares on the terms of the offer.

Tag Along Right

If a Goshawk Shareholder holds in aggregate more than 50% of the issued Preference Shares and intends to transfer all of its Preference Shares to a third party, such Goshawk Shareholder shall procure that the third party offeror makes an offer to the other non-transferor Goshawk Shareholders to purchase all of the Preference Shares held for cash consideration at a price that is at least equal to the highest price per Preference Share offered or paid by such third party offeror.

Drag Along Right

If a third party offeror has offered to purchase all of the issued Preference Shares in Goshawk and the Goshawk Shareholders which hold in aggregate 75% or more of the issued Preference Shares wish to transfer all of their Preference Shares held, then such Goshawk Shareholders and the third party offeror may give to each other non-transferor Goshawk Shareholder a written notice requiring the transfer of all their Preference Shares to such third party offeror.

In the event of any exercise of the aforesaid right of first refusal, tag along right or drag along right which involves the sale or purchase of Preference Shares by Natal Global in the future, both NWD and NWS will comply with the applicable requirements of the Listing Rules at the relevant time.

REASONS FOR, AND BENEFITS OF, THE ACQUISITION

In light of the world economic growth and increasing globalization, it is expected that air traffic volume and demand for leased aircraft should continue to grow in the long-run. Given this, and that the aircraft leasing business generates strong recurring cash flow and income, the directors of NWS believe that the NWS Group will benefit through its investment in Goshawk. As well, the Acquisition will further enhance the NWS Group's exposure in the aviation industry after its recent investment in Beijing Capital International Airport.

The NWD Board and the NWS Board (including their respective independent non-executive directors) are of the view that the Acquisition is on normal commercial terms, and that the terms of the Share Purchase Agreement and the Shareholders' Agreement are fair and reasonable and in the interests of NWD, NWS and their respective shareholders as a whole.

INFORMATION ON THE NWD GROUP, THE NWS GROUP, ZION SKY, NATAL GLOBAL AND GOSHAWK

The NWD Group (including the NWS 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. NWD is the ultimate holding company of NWS and is, together with certain of its subsidiaries, interested in approximately 61.31% of the total issued share capital of NWS as at the date of this announcement.

The NWS Group is principally engaged in (i) the investment in and/or operation of facilities, construction, transport and strategic investments; and (ii) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as ports and logistics facilities.

Zion Sky is an investment holding company wholly owned by CTFE.

Natal Global is an investment holding company wholly owned by NWS.

Goshawk is principally engaged in the investments in operating aircraft for hire for general aviation, freight and scheduled airline service, but excluding corporate or private jets. As at the date of this announcement, Goshawk has a portfolio of 27 aircraft which are leased to various airlines across the world. According to the unaudited consolidated management accounts of Goshawk as at 31 December 2014, the net asset value of Goshawk amounted to approximately US\$295.8 million (equivalent to approximately HK\$2,292.5 million), and the net profit before and after income tax for the year ended 31 December 2014 are as follows:

	<i>US\$</i> <i>(million)</i>	<i>Equivalent to HK\$</i> <i>(million)</i>
Net profit before income tax	21.5	166.6
Net profit after income tax	23.3	180.6

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zion Sky is wholly-owned by CTFE and CTFE holds approximately 43.35% of the total issued share capital of NWD and approximately 2.58% of the total issued share capital of NWS. NWD holds approximately 61.31% of the total issued share capital of NWS. Accordingly, the Acquisition constitutes a connected transaction of each of NWD and NWS under Chapter 14A of the Listing Rules. Since the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Acquisition for each of NWD and NWS are more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement for each of NWD and NWS under Chapter 14A of the Listing Rules.

Dr. Cheng Kar Shun, Henry, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Kar Shing, Peter and Mr. Cheng Chi Heng, all being directors of NWD, are also directors of CTFE. Accordingly, Dr. Cheng Kar Shun, Henry, Dr. Cheng Chi Kong, Adrian, Mr. Cheng Kar Shing, Peter and Mr. Cheng Chi Heng, and Mr. Doo Wai Hoi, William (associate of the relevant directors) abstained from voting on the resolutions approving the Acquisition at the meeting of the NWD Board. Ms. Cheng Chi Man, Sonia (associate of the relevant directors) was not present at that meeting and therefore did not vote on the relevant board resolutions.

Dr. Cheng Kar Shun, Henry, being a director of NWS, is also a director of CTFE. Accordingly, Dr. Cheng Kar Shun, Henry and those of his associates who are also members of the NWS Board (i.e. Mr. Cheng Chi Ming, Brian and Mr. William Junior Guilherme Doo) abstained from voting on the resolutions approving the Acquisition at the meeting of the NWS Board.

Save as disclosed above, no other directors of each of NWD and NWS are regarded as having a material interest in the Acquisition and hence no other directors of each of NWD and NWS are required under the Listing Rules to abstain from voting on the resolutions approving the Acquisition at the respective meetings of the NWD Board and the NWS Board.

DEFINITIONS

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

“Acquisition”	Natal Global’s acquisition of the Sale Shares and the Notes as contemplated under the Share Purchase Agreement;
“Additional Notes”	the loan notes in the estimated outstanding principal amount of approximately US\$174.1 million (equivalent to approximately HK\$1,349.3 million) as at the Completion Date issued by GAL Dutch Finance B.V., a Dutch vehicle through which Goshawk’s investments in the portfolio of aircraft are made, as issuer in favour of Investec, the proceeds of which have been used to bridge finance the purchase of certain aircraft in the portfolio;
“Commercial Aircraft”	operating aircraft for hire for general aviation, freight and scheduled airline service, but excluding corporate or private jets;
“Completion”	completion of the sale and purchase of the Sale Shares and the Notes in accordance with the Share Purchase Agreement;
“Completion Date”	the date of Completion, which is expected to be on or about 2 February 2015;

“CTFE”	Chow Tai Fook Enterprises Limited (周大福企業有限公司), a company incorporated in Hong Kong, which is the sole shareholder of Zion Sky;
“GAL Partnership”	GAL Partnership L.P., an exempted limited partnership registered in the Cayman Islands under the Exempted Limited Partnership Law, 2014, acting by its general partner, GAL General Partner Limited;
“Goshawk”	Goshawk Aviation Limited, an exempted limited liability company incorporated under the laws of the Cayman Islands;
“Goshawk Board”	the board of directors of Goshawk;
“Goshawk Shareholder(s)”	registered holder(s) of the Preference Share(s) of Goshawk from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China;
“Investec”	Investec Bank plc, a public limited company incorporated under the laws of England;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Natal Global”	Natal Global Limited, a company incorporated in the British Virgin Islands, which is an indirect wholly-owned subsidiary of NWS;
“Notes”	the loan notes in the outstanding principal amount of approximately US\$60.9 million (equivalent to approximately HK\$472.0 million), representing approximately 18.7% of the estimated total outstanding notes as at the Completion Date issued by GAL Dutch Finance B.V. under the senior notes deed dated 12 May 2014 and entered into between GAL Dutch Finance B.V. as issuer and, among others, Zion Sky and Investec as noteholders;

“NWD”	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 (stock code: 17) and beneficially owned as to approximately 43.35% by CTFE as at the date of this announcement;
“NWD Board”	the board of directors of NWD;
“NWD Group”	NWD and its subsidiaries (including the NWS Group) from time to time;
“NWS”	NWS Holdings Limited (新創建集團有限公司*), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 659) and beneficially owned as to approximately 61.31% by NWD and 2.58% by CTFE as at the date of this announcement;
“NWS Board”	the board of directors of NWS;
“NWS Group”	NWS and its subsidiaries from time to time;
“Preference Share(s)”	the preference share(s) of US\$0.001 each in the share capital of Goshawk;
“Sale Shares”	144,810,506 Preference Shares held by Zion Sky, representing 40% of the total issued share capital of Goshawk;
“SHA Parties”	parties to the Shareholders’ Agreement, being Natal Global, Zion Sky, Investec, GAL Partnership and Goshawk;
“Share Purchase Agreement”	a share purchase agreement dated 30 January 2015 and entered into between Natal Global, Zion Sky, Investec, and Goshawk in respect of the Acquisition;
“Shareholders’ Agreement”	an amended and restated shareholders’ agreement between the SHA Parties to be entered into on the Completion Date;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollars, the lawful currency of the United States of America;

“Zion Sky” Zion Sky Holdings Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of CTFE; and

“%” per cent.

Unless otherwise specified in this announcement and for the purpose of illustration only, US\$ is translated into HK\$ at the rate of US\$1.00 = HK\$7.75.

By order of the board of directors of
New World Development Company Limited
(新世界發展有限公司)
Dr. Cheng Kar Shun, Henry
Chairman

By order of the board of directors of
NWS Holdings Limited
(新創建集團有限公司*)
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 30 January 2015

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

As at the date of this announcement, (a) the executive directors of NWS are Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung and Mr. Cheng Chi Ming, Brian; (b) the non-executive directors of NWS are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai and Mr. William Junior Guilherme Doo; and (c) the independent non-executive directors of NWS are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David) and Mr. Lee Yiu Kwong, Alan.

* For identification purposes only