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JOINT ANNOUNCEMENT

CONNECTED TRANSACTION

FORMATION OF JOINT VENTURE AND INCREASE OF TOTAL CAPITAL COMMITMENT

The NWD Board and the NWS Board are pleased to announce that on 10 December 2015, CTFE, RZL (a direct wholly owned subsidiary of CTFE), NWSP (a direct wholly owned subsidiary of NWS), FGL (an indirect wholly owned subsidiary of NWS) and SGL entered into the Shareholders Agreement to regulate the respective rights and obligations of RZL and FGL towards the management of SGL. The entire issued share capital of SGL is owned as to 50% by RZL and 50% by FGL. The investment in SGL is accounted for as a joint venture of NWS Group.

Pursuant to the Shareholders Agreement, it was agreed that SGL shall, subject to the satisfaction of certain conditions precedent, establish a joint venture with ACG, in which SGL shall hold 80% of the shares and ACG shall hold the remaining 20% of the shares of the same class.

As at the date of this announcement, RZL is wholly owned by CTFE and CTFE holds approximately 43.87% of the total issued share capital of NWD and approximately 2.55% of the total issued share capital of NWS. NWD holds approximately 61.33% of the total issued share capital of NWS. Accordingly, the Transaction constitutes a connected transaction of each of NWD and NWS under Chapter 14A of the Listing Rules.

As at the date on which the Parties entered into the Shareholders Agreement, the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction for each of NWD and NWS were less than 0.1% and the Transaction was entered into on normal commercial terms. Hence, the Transaction originally constituted a de minimis connected transaction under Chapter 14A of the Listing Rules and was exempt from the reporting, announcement, annual review and independent shareholders' approval requirements.

On 8 March 2016, BACL was established as the joint venture between SGL and ACG as contemplated under the Shareholders Agreement and owned as to 80% by SGL and 20% by ACG. Pursuant to a supplemental agreement to the Shareholders Agreement entered into among the Parties on 8 March 2016, the Parties agreed that the total capital commitment (whether equity, loan or otherwise and including any guarantee or indemnity in connection with the establishment of SGL) of each of RZL and FGL towards SGL shall be increased from US\$4.0 million (equivalent to approximately HK\$31.2 million) to US\$240.0 million (equivalent to approximately HK\$1.872 billion). Accordingly, the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction for each of NWD and NWS are more than 0.1% but less than 5% and the Transaction 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 10 December 2015, CTFE, RZL (a direct wholly owned subsidiary of CTFE), NWSP (a direct wholly owned subsidiary of NWS), FGL (an indirect wholly owned subsidiary of NWS) and SGL entered into the Shareholders Agreement to regulate the respective rights and obligations of RZL and FGL towards the management of SGL. The entire issued share capital of SGL is owned as to 50% by RZL and 50% by FGL. The investment in SGL is accounted for as a joint venture of NWS Group.

MAJOR TERMS OF THE SHAREHOLDERS AGREEMENT

Date

10 December 2015, as amended by a supplemental agreement dated 8 March 2016

Parties

1. CTFE
2. RZL
3. NWSP
4. FGL
5. SGL

Capital Commitment

The Parties agreed that SGL shall be an investment holding company, investing directly or indirectly in the purchasing, leasing and selling of Commercial Aircraft and all lines of business ancillary thereto through a joint venture to be established between SGL and ACG.

Pursuant to the Shareholders Agreement, it was agreed that SGL shall, subject to the satisfaction of certain conditions precedent, establish a joint venture with ACG, in which SGL shall hold 80% of the shares and ACG shall hold the remaining 20% of the shares of the same class. The shareholders of SGL agreed to procure that such joint venture shall in the future establish such wholly owned subsidiaries in such jurisdictions that SGL may agree with ACG from time to time to take and hold the title to, and lease out, Commercial Aircraft.

Prior to the establishment of the joint venture with ACG, the Parties agreed that the initial total commitment of each of RZL and FGL towards SGL shall not exceed US\$4.0 million (equivalent to approximately HK\$31.2 million). On 8 March 2016, BACL was established as the joint venture between SGL and ACG as contemplated under the Shareholders Agreement and owned as to 80% by SGL and 20% by ACG. Pursuant to the supplemental agreement to the Shareholders Agreement dated 8 March 2016, the Parties agreed that the total capital commitment (whether equity, loan or otherwise and including any guarantee or indemnity in connection with the establishment of SGL) of each of RZL and FGL towards SGL shall be increased to such amount not exceeding US\$240.0 million (equivalent to approximately HK\$1.872 billion).

The amount of total capital commitment of each of RZL and FGL is determined after arm's length negotiation among the Parties with reference to the estimated capital requirements of SGL and the respective shareholding percentage held by RZL and FGL in SGL.

REASONS FOR AND BENEFITS OF THE TRANSACTION

In light of the world economic growth and increasing globalization, NWS expects that air traffic volume and demand for leased aircraft should continue to grow in the long-run. To capture the opportunities brought by the growing demand for air transportation and as disclosed in the joint announcement issued by NWD and NWS on 30 January 2015, NWS Group entered the commercial aircraft leasing sector by acquiring 40% equity interest in Goshawk Aviation Limited.

The aircraft leasing business generates strong recurring cash flows and income to NWS Group. In line with NWS Group's business development strategies, the respective directors of NWD and NWS believe that NWS Group can capture a larger market share in this industry by way of investment in SGL. This can strengthen NWS' portfolio investment in the aviation segment and generate additional benefits to NWS Group.

The NWD Board and the NWS Board (including their respective independent non-executive directors) are of the view that the Transaction is on normal commercial terms, and that the terms of the Shareholders Agreement (including the increase of total capital commitment in SGL) are fair and reasonable and in the interests of NWD, NWS and their respective shareholders as a whole.

INFORMATION ON NWD GROUP, NWS GROUP, RZL, NWSP, FGL AND SGL

NWD Group (including NWS Group) is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, services and technology. NWD is the ultimate holding company of NWS and is, together with certain of its subsidiaries, interested in approximately 61.33% of the total issued share capital of NWS as at the date of this announcement.

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.

RZL is an investment holding company wholly owned by CTFE.

Each of NWSP and FGL is an investment holding company wholly owned by NWS.

SGL is an investment holding company, investing directly or indirectly in purchasing, leasing and selling of Commercial Aircraft and all lines of business ancillary thereto.

LISTING RULES IMPLICATIONS

As at the date of this announcement, RZL is wholly owned by CTFE and CTFE holds approximately 43.87% of the total issued share capital of NWD and approximately 2.55% of the total issued share capital of NWS. NWD holds approximately 61.33% of the total issued share capital of NWS. Accordingly, the Transaction constitutes a connected transaction of each of NWD and NWS under Chapter 14A of the Listing Rules.

As at the date on which the Parties entered into the Shareholders Agreement, the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction for each of NWD and NWS were less than 0.1% and the Transaction was entered into on normal commercial terms. Hence, the Transaction originally constituted a de minimis connected transaction under Chapter 14A of the Listing Rules and was exempt from the reporting, announcement, annual review and independent shareholders' approval requirements.

On 8 March 2016, BACL was established as the joint venture between SGL and ACG as contemplated under the Shareholders Agreement and owned as to 80% by SGL and 20% by ACG. Pursuant to a supplemental agreement to the Shareholders Agreement entered into among the Parties on 8 March 2016, the Parties agreed that the total capital commitment (whether equity, loan or otherwise and including any guarantee or indemnity in connection with the establishment of SGL) of each of RZL and FGL towards SGL shall be increased from US\$4.0 million (equivalent to approximately HK\$31.2 million) to US\$240.0 million (equivalent to approximately HK\$1.872 billion). Accordingly, the applicable percentage ratios (as defined under Rule 14.07

of the Listing Rules) of the Transaction for each of NWD and NWS are more than 0.1% but less than 5% and the Transaction 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 their associates who are also members of the NWD Board (i.e. Mr. Doo Wai Hoi, William and Ms. Cheng Chi Man, Sonia) abstained from voting on the resolutions approving the Transaction at the meeting of the NWD Board.

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 Transaction at the meeting of the NWS Board.

Save as disclosed above, no other directors of NWD and NWS are regarded as having a material interest in the Transaction and hence no other directors of NWD and NWS are required under the Listing Rules to abstain from voting on the resolutions approving the Transaction 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:

“ACG”	Aviation Capital Group Corp., a company established in the United States of America engaged in the business of aircraft leasing;
“BACL”	Bauhinia Aviation Capital Limited, a company incorporated in the Cayman Islands and a joint venture between SGL and ACG for the purpose of carrying out the business of purchasing, leasing and selling of Commercial Aircraft and all lines of business ancillary thereto;
“Commercial Aircraft”	young commercial aircraft;
“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 RZL;

“FGL”	Flying Gravity Limited, a company incorporated in the British Virgin Islands, which is an indirect wholly owned subsidiary of NWS;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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 43.87% by CTFE as at the date of this announcement;
“NWD Board”	the board of directors of NWD;
“NWD Group”	NWD and its subsidiaries (including 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 61.33% by NWD and 2.55% 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;
“NWSP”	NWS Ports Management Limited (新創建港口管理有限公司), a company incorporated in the British Virgin Islands, which is a direct wholly owned subsidiary of NWS;
“Parties”	parties to the Shareholders Agreement, being CTFE, RZL, NWSP, FGL and SGL;
“RZL”	Razor Zenith Limited, a company incorporated in the British Virgin Islands, which is a direct wholly owned subsidiary of CTFE;

“SGL”	Silverway Global Limited, a company incorporated in the British Virgin Islands and beneficially owned as to 50% by RZL and 50% by FGL as at the date of this announcement;
“Shareholders Agreement”	the shareholders agreement dated 10 December 2015 entered into among CTFE, RZL, NWSP, FGL and SGL (where the context requires, as amended and supplemented by the supplemental agreement dated 8 March 2016);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the formation of a joint venture between RZL and FGL through SGL and the increase of total capital commitment in SGL pursuant to the terms of the Shareholders Agreement and the performance of the transactions contemplated thereunder;
“US\$”	United States dollars, the lawful currency of the United States of America; 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\$1.0 = HK\$7.8.

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, 8 March 2016

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. Hui Hon Chung, 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, Mr. Lam Wai Hon, Patrick 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. Lee Yiu Kwong, Alan and Mrs. Oei Fung Wai Chi, Grace.

** For identification purposes only*