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New World China Land Limited **新世界中國地產有限公司**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 917)

DISCLOSEABLE TRANSACTION

PROVISION OF GUARANTEE

On 27 August 2013, the Borrower, a wholly-owned subsidiary of Silvery Yield which is in turn indirectly held as to 49% by the Company, entered into the Facility Agreement with the Bank, pursuant to which the Bank agreed to provide the Loan Facility to the Borrower subject to and in accordance with the terms and conditions therein.

As one of the conditions of the Loan Facility under the Facility Agreement, the Company has entered into the Deed of Guarantee with the Bank on 27 August 2013, pursuant to which the Company agreed to guarantee up to 49% of the Guaranteed Indebtedness of the Borrower under the Facility Agreement in favour of the Bank.

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the guarantee under the Deed of Guarantee is more than 5% and all of the relevant percentage ratios are less than 25%, the provision of the guarantee by the Company under the Deed of Guarantee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

On 27 August 2013, the Borrower, a wholly-owned subsidiary of Silvery Yield which is in turn indirectly held as to 49% by the Company, entered into the Facility Agreement with the Bank, pursuant to which the Bank agreed to provide the Loan Facility to the Borrower subject to and in accordance with the terms and conditions therein.

As conditions to the provision of the Loan Facility under the Facility Agreement, it was agreed that, among others, (a) the Company shall provide guarantee in favour of the

Bank in respect of the Guaranteed Indebtedness of the Borrower under the Facility Agreement on a several basis in proportion to its 49% beneficial shareholding in Silvery Yield; (b) other guarantors shall provide similar guarantees in favour of the Bank with respect to the remaining 51% of the Guaranteed Indebtedness; (c) Silvery Yield shall provide security to the Bank by way of a fixed charge over the entire issued share capital in the Borrower held by it in favour of the Bank under the Share Charge; and (d) the Borrower shall provide security to the Bank by way of a share pledge over the entire equity interest in Ningbo Company in favour of the Bank under the Share Pledge.

In this respect, the Company has entered into the Deed of Guarantee with the Bank on 27 August 2013, pursuant to which the Company agreed to guarantee up to 49% of the Guaranteed Indebtedness of the Borrower under the Facility Agreement, the major terms and conditions of which are summarised in the section headed "The Deed of Guarantee" below.

THE DEED OF GUARANTEE

Parties to the Deed of Guarantee

(a) the Company; and

(b) the Bank.

Date

27 August 2013

Term

The Deed of Guarantee shall remain in force until the entire Guaranteed Indebtedness has been fully settled.

Consideration

The Company will not receive any fee or commission from providing the guarantee under the Deed of Guarantee.

Scope of the guarantee under the Deed of Guarantee

In consideration of the provision of the Loan Facility by the Bank to the Borrower under the Facility Agreement, the Company agreed to guarantee up to 49% of the Guaranteed Indebtedness of the Borrower under the Facility Agreement, which shall be subject to deduction of any repayment made by the Borrower or any proceeds from any enforcement of the Share Charge and/or the Share Pledge by the Bank.

The Company also provided an unconditional and irrevocable guarantee in favour of the Bank that (i) any payment by the Company under the Deed of Guarantee shall be appropriately and timely made in the same currency as that of the Loan Facility; (ii) in the event of default under the Facility Agreement, the Company shall immediately pay its proportion of the Guaranteed Indebtedness under the Deed of Guarantee to the Bank in the same currency as that of the Loan Facility, as if the Company is the principal debtor to the Bank; and (iii) the Company shall indemnify all costs, losses and damages arising from the unenforceability, invalidity or illegality of the guarantee made by the Company under the Deed of Guarantee.

REASONS FOR THE PROVISION OF GUARANTEE

Ningbo Company, a wholly-owned subsidiary of the Borrower established in the PRC, has recently obtained the state-owned construction land use right over certain parcels of land located in Jiang Dong district of Ning Bo municipality in the PRC for further property development. The Loan Facility is to be used by the Borrower to pay for the registered capital of Ningbo Company as the operating entity to develop the said parcels of land, which will in turn be used by Ningbo Company to pay for the land price, deed tax and the initial property development cost. As one of the conditions to the provision of the Loan Facility under the Facility Agreement, the Company shall provide guarantee in favour of the Bank in respect of the Guaranteed Indebtedness of the Borrower under the Facility Agreement on a several basis in proportion to its 49% beneficial shareholding in Silvery Yield.

The Directors are of the view that the terms of the Deed of Guarantee are on normal commercial terms and they are fair and reasonable and that the Deed of Guarantee is in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in property development, property investment as well as rental and hotel operation in the PRC.

The Borrower

The Borrower is incorporated in Hong Kong with limited liability and as of the date of this announcement, it is wholly-owned by Silvery Yield, which in turn is indirectly held as to 49% by the Company. The principal business activity of the Borrower is investment holding.

The Bank

To the best knowledge of the Directors, the Bank is a licensed commercial bank in the PRC and it provides a variety of financial products and services to corporate and personal banking customers. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Bank is an Independent Third Party.

LISTING RULES IMPLICATIONS

As one of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the guarantee under the Deed of Guarantee is more than 5% and all of the relevant percentage ratios are less than 25%, the provision of the guarantee by the Company under the Deed of Guarantee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Bank”	a licensed commercial bank in the PRC, being the lender under the Facility Agreement and the beneficiary under the Deed of Guarantee
“Borrower”	Eminent Elite Limited (騰冠有限公司), a company incorporated in Hong Kong with limited liability, which is wholly-owned by Silvery Yield as at the date of this announcement
“BVI”	British Virgin Islands
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 917)

“Deed of Guarantee”	the deed of guarantee entered into between the Company and the Bank dated 27 August 2013, pursuant to which the Company agreed to guarantee up to 49% of the Guaranteed Indebtedness of the Borrower under the Facility Agreement
“Director(s)”	director(s) of the Company
“Dynamic Grow”	Dynamic Grow International Limited, a company incorporated in the BVI with limited liability and holds 49% of the issued share capital of Silvery Yield as at the date of this announcement
“Esteemed Sino”	Esteemed Sino Limited, a company incorporated in the BVI with limited liability, which is a wholly-owned subsidiary of the Company and holds 49% of the issued share capital of Silvery Yield as at the date of this announcement
“Facility Agreement”	the loan facility agreement entered into between the Borrower and the Bank on 27 August 2013 in respect of the Loan Facility
“Group”	the Company and its subsidiaries
“Guaranteed Indebtedness”	all amounts due from or obligations to be fulfilled by the Borrower in favour of the Bank under the Facility Agreement, which includes the principal amount utilised under the Loan Facility, the interest accrued therefrom, the administration charges incurred, and all amounts due from or obligations to be fulfilled by the Borrower and other financing parties referred to in the Facility Agreement in favour of the Bank pursuant to the Facility Agreement and other financing documents in relation to the Loan Facility
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	third party who is independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	a 5-year term loan facility granted by the Bank to the Borrower in the principal amount of up to US\$420 million
“Ningbo Company”	寧波新立房地產開發有限公司, a wholly-owned subsidiary of the Borrower established in the PRC
“Praiseworthy”	Praiseworthy International Limited, a company incorporated in the BVI with limited liability and holds 2% of the issued share capital of Silvery Yield as at the date of this announcement
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Share Charge”	a deed of charge dated 27 August 2013 over the entire issued share capital in the Borrower given by Silvery Yield in favour of the Bank
“Shareholders”	the holders of shares of the Company
“Share Pledge”	a deed of share pledge to be entered into among the Borrower, the Bank and such other party(ies) as may be necessary in respect of the share pledge over the entire equity interest in Ningbo Company given by the Borrower in favour of the Bank
“Silvery Yield”	Silvery Yield Development Limited, a company incorporated in the BVI with limited liability, which is owned as to 49% by Esteemed Sino, 49% by Dynamic Grow and 2% by Praiseworthy as at the date of this announcement

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars, the lawful currency of United States of America

By order of the board of
New World China Land Limited
Ngan Man-ying, Lynda
Company Secretary

Hong Kong, 27 August 2013

As at the date of this announcement, the executive Directors are Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Ms. Cheng Chi-man, Sonia, Mr. Cheng Chi-him, Conrad, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda; and the independent non-executive Directors are Dr. Cheng Wai-chee, Christopher, Hon. Tien Pei-chun, James, Mr. Lee Luen-wai, John and Mr. Ip Yuk-keung, Albert.