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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)

CONTINUING CONNECTED TRANSACTIONS

MASTER SERVICES AGREEMENT

On 27 June 2013, the Company and CTF entered into the Master Services Agreement in relation to the Transactions.

CTF is a substantial shareholder of NWD which is a substantial shareholder of the Company. CTF is considered to be a connected person of the Company and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transactions is/are more than 0.1% and all of the relevant percentage ratios are less than 5% for the Company and each of the Annual Caps exceeds HK\$1,000,000, the Master Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for the Company.

THE MASTER SERVICES AGREEMENT

Background

Members of the Group and members of the CTF Group had in the past entered into certain services agreements for provision of Services by members of the Group to members of the CTF Group in accordance with the Former Master Services Agreement, which will expire on 30 June 2013. Certain of the services agreements have not expired as of the Effective Date. The Group and the CTF Group wish to continue the services agreements and may from time to time enter into new services agreements for the provision of Services by the Group to the CTF Group. On 27 June 2013, the Company and CTF entered into the Master Services Agreement in relation to the Transactions.

The principal terms of the Master Services Agreement are set out below.

Date

27 June 2013

Parties

- (1) The Company; and
- (2) CTF

General terms for the Transactions

Relevant members of the Group may from time to time enter into Definitive Agreement(s) with relevant members of the CTF Group in relation to any Transaction(s) upon, and subject to, the terms and conditions in compliance with those of the Master Services Agreement as may be agreed between relevant members of the Group and relevant members of the CTF Group. For the avoidance of doubt, all existing agreements between relevant members of the Group and relevant members of the CTF Group in respect of the Transactions (to the extent which cover Transactions after the Effective Date) shall be treated as Definitive Agreements made pursuant to the Master Services Agreement as from the Effective Date.

With effect from the Effective Date, the Transactions shall be conducted:

- (a) in the usual and ordinary course of business of the Company and CTF;
- (b) on normal commercial terms; and
- (c) in compliance with all applicable provisions of the Listing Rules (including the Annual Caps), the applicable laws, the Master Services Agreement and the relevant Definitive Agreement.

Duration

The Master Services Agreement shall commence on the Effective Date, and shall continue up to and including 30 June 2016, unless terminated earlier in accordance with the Master Services Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the Master Services Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the Master Services Agreement.

Historical transaction amounts

The aggregate transaction amounts under the Former Master Services Agreement for the Company for each of the two financial years ended 30 June 2012 and the six months ended 31 December 2012 were as follows:

	Transaction amounts for the year ended 30 June 2011	Transaction amounts for the year ended 30 June 2012	Transaction amounts for the six months ended 31 December 2012
	HK\$	HK\$	HK\$
Hotel Management and Consultancy Services	17,695,000	54,900,000	36,800,000
Contracting Services	-	3,700,000	1,800,000
Total	<u>17,695,000</u>	<u>58,600,000</u>	<u>38,600,000</u>

The Annual Caps

The Company expects that the Annual Caps in respect of the Services to be provided by members of the Group to members of the CTF Group for each of the three financial years ending 30 June 2016 will be HK\$158,700,000, HK\$193,000,000 and HK\$196,900,000, respectively.

Each of the Annual Caps above has been determined by reference to:

- (a) the prevailing market conditions;
- (b) the current amounts payable by the CTF Group relating to the Services; and
- (c) the projected quantity of Services that relevant members of the Group would be engaged to undertake in the next three financial years.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER SERVICES AGREEMENT

To allow for the continuity of the services agreements made between the Group and the CTF Group pursuant to the Former Master Services Agreement and cater for potential Definitive Agreements in the future, the Directors consider that the Master Services Agreement will provide a single basis on which the Company will comply with the reporting, announcement and independent shareholders' approval requirements (to the extent applicable) under the Listing Rules and thereby aiming to reduce the administrative burden on the Company to comply with such requirements in relation to the execution or renewal of operational agreements in respect of the Services.

The Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group and CTF Group.

The Directors believe that it is in the interests of the Group to enter into the Master Services Agreement so that the Group may regulate the services agreements with the CTF Group under a common framework agreement.

The Directors (including the independent non-executive Directors) consider that the terms of the Master Services Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole and that the Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE CTF GROUP

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

To the best knowledge of the Directors, CTF is principally engaged in investment holding.

LISTING RULES IMPLICATIONS

CTF is a substantial shareholder of NWD which is a substantial shareholder of the Company. CTF is considered to be a connected person of the Company and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transactions is/are more than 0.1% and all of the relevant percentage ratios are less than 5% for the Company and each of the Annual Caps exceeds HK\$1,000,000, the Master Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for the Company.

APPROVAL BY THE BOARD OF DIRECTORS

None of the Directors has a material interest in the Master Services Agreement. Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter and Mr. Cheng Chi-kong, Adrian are the common directors of the Company and CTF. Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter who were present at the meeting of the board of Directors voluntarily abstained from voting on the relevant board resolutions.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Annual Caps”	the annual cap amounts payable by the CTF Group to the Group in respect of the Transactions for each of the three financial years ending 30 June 2016
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“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 and is a subsidiary of NWD
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contracting Services”	the provision of the following services by the relevant members of the Group to members of the CTF Group from time to time: (a) construction, engineering and related services, including but not limited to building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance, consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction and project management, supply of construction and building equipment and materials, electrical and mechanical engineering works, supply and installation of air-conditioning, heating and ventilation systems, fire services systems, plumbing and drainage systems, lift repair and maintenance services, electrical systems, system design and consultancy, security and guarding, estate management and consultancy services, computer aided drafting and advisory services, landscaping and cleaning services; and (b) project management and consultancy services in relation to the planning, design and construction of property projects developed or owned by members of the CTF Group from time to time, including but not limited to (i) the provision of advices on design plans and development schedules; co-ordination with architects and consultants on the preparation of tender documents and drawings; monitoring the approval of necessary construction permits; (ii) overseeing the overall construction including the construction progress and managing the daily operation of construction sites; certifying periodic payments to suppliers and contractors; preparation of cash flow projection; and (iii) arranging for hand-over of the completed works complete with full technical documentation for future maintenance and operation; approving final payments to consultants; and co-ordination with consultants on the compilation of final accounts

“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, and is a substantial shareholder of NWD
“CTF Group”	CTF, (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and (b) any other company in the equity capital of which CTF and such other companies referred to in (a) above taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary, and for the purpose of the Master Services Agreement, such term shall exclude members of the NWD Group which CTF has interest in solely through NWD
“Definitive Agreement(s)”	the definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the CTF Group from time to time in relation to any of the Transactions at any time during the term of the Master Services Agreement
“Directors”	the directors of the Company
“Effective Date”	1 July 2013
“Former Master Services Agreement”	the master services agreement entered into between the Company and CTF on 23 November 2010 in relation to the provision of Services by the Group to the CTF Group, as supplemented by the supplemental master services agreements dated 14 March 2012 and 10 December 2012, details of which were disclosed in the announcements of the Company dated 23 November 2010, 14 March 2012 and 10 December 2012, respectively
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hotel Management and Consultancy Services”	the provision of management and consultancy services by the relevant members of the Group to members of the CTF Group in respect of hotels owned by members of the CTF Group from time to time including but not limited to hotel pre-opening consultancy services, and ongoing management, sales and marketing services such as (a) formulation of business strategy, operational plans, pricing policy and setting guidelines on the operating standard of the relevant hotel; (b) assistance in the preparation of budgets and overseeing the financial accounting and treasury management function; (c) overseeing the decoration, maintenance of facilities and assistance in the procurement of furniture, equipments, groceries and other supplies; (d) supervision of hotel personnel, advising on recruitment and remuneration policies and provision of staff training; and (e) monitoring the advertising, marketing and promotional activities of the relevant hotel and attending to the leasing matters
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Services Agreement”	the master services agreement in relation to the Transactions entered into between the Company and CTF on 27 June 2013
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and is the holding company of the Company
“NWD Group”	NWD, its subsidiaries, and any other company in the equity capital of which NWD and any of its subsidiaries taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors, and the subsidiaries of such company

“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Services”	the Hotel Management and Consultancy Services and the Contracting Services, and such other types of services as the Company and CTF may agree upon from time to time in writing
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	any entity which falls within the definition of “subsidiary” under the Listing Rules or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Transactions”	all existing and future transactions between members of the Group and members of the CTF Group in respect of the provision of Services
“%”	per cent.

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

Hong Kong, 27 June 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; the non-executive Director is Mr. Doo Wai-hoi, William 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.