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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)

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
AND
SUPPLEMENTAL MASTER SERVICES AGREEMENT**

Reference is made to the transactions between the Company and CTF under the Master Services Agreement dated 23 November 2010, details of which were disclosed in the announcement of the Company dated 23 November 2010.

Since the completion of the acquisition of the Management Company in July 2011, it became an indirect wholly-owned subsidiary of the Company. The Management Company is principally engaged in the provision of hotel management services for ultra luxury hotels and resorts and of technical advisory and consulting services to owners of hotels worldwide. It also provides Hotel Management and Consultancy Services to members of the CTF Group. As a result of the acquisition of the Management Company, the Directors expect that the service fees payable by the CTF Group to the Group will increase and the Original Annual Caps for the two years ending 30 June 2013 will be insufficient.

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transaction, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

As at the date of this announcement, CTF held approximately 42.11% of the total issued share capital of NWD, while NWD held approximately 70% attributable interests in the issued share capital of the Company and is a substantial shareholder of the Company. CTF is therefore considered as a connected person of the Company under the Listing Rules. The Revision of Annual Caps therefore constitutes continuing connected transactions of the Company under the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the Revised Annual Caps are less than 5% and the Revised Annual Caps exceed HK\$1,000,000, the Revision of Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

BACKGROUND

Reference is made to the transactions between the Company and CTF under the Master Services Agreement dated 23 November 2010, details of which were disclosed in the announcement of the Company dated 23 November 2010.

REVISION OF ANNUAL CAPS UNDER THE MASTER SERVICES AGREEMENT

On 23 November 2010, the Master Services Agreement was entered into between the Company and CTF, pursuant to which the Company agreed to procure members of the Group to provide the Services to members of the CTF Group during the term of the Master Services Agreement.

Since the completion of the acquisition of the Management Company in July 2011, it became an indirect wholly-owned subsidiary of the Company, further details of the acquisition were set out in the announcements of the Company dated 20 June 2011 and 1 August 2011. The Management Company is principally engaged in the provision of hotel management services for ultra luxury hotels and resorts and of technical advisory and consulting services to owners of hotels worldwide. It also provides Hotel Management and Consultancy Services to members of the CTF Group. As a result of the acquisition of the Management Company, the Directors expect that the service fees payable by the CTF Group to the Group will increase and the Original Annual Caps for the two years ending 30 June 2013 will be insufficient.

The Directors therefore revise the Original Annual Caps for the two years ending 30 June 2013 as follows:

	Original Annual Cap for the year ending 30 June 2012 HK\$ (million)	Original Annual Cap for the year ending 30 June 2013 HK\$ (million)	Revised Annual Cap for the year ending 30 June 2012 HK\$ (million)	Revised Annual Cap for the year ending 30 June 2013 HK\$ (million)
Hotel Management and Consultancy Services	31.7	42.4	67.2	94.7
Project Management and Consultancy Services	15.9	18.5	15.9	18.5
Total	<u>47.6</u>	<u>60.9</u>	<u>83.1</u>	<u>113.2</u>

Each of the Revised 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 similar to that category of Services; and
- (c) the projected quantity of Services that relevant members of the Group would be engaged to undertake during the term of the Master Services Agreement.

The historical transaction amounts in respect of the Hotel Management and Consultancy Services under the Master Services Agreement for the financial year ended 30 June 2011 and the six months ended 31 December 2011 were approximately HK\$17,695,000 and approximately HK\$25,975,000, respectively. The historical transaction amount in respect of the Project Management and Consultancy Services under the Master Services Agreement for the financial year ended 30 June 2011 and the six months ended 31 December 2011 were nil and approximately HK\$1,819,000. The Directors confirm that the transaction amounts under the Master Services Agreement for the period from 1 January 2012 to the date of this announcement comply with the relevant Original Annual Caps.

THE SUPPLEMENTAL MASTER SERVICES AGREEMENT

In order to give effect to the Revision of Annual Caps, it is necessary to amend the terms of the Master Services Agreement. Accordingly, the Company and CTF entered into the Supplemental Master Services Agreement on 14 March 2012, pursuant to which the maximum aggregate annual service fees payable by the CTF Group to the Group in respect of the provision of Services during the term of the Master Services Agreement shall not exceed the maximum aggregate annual value to be set by the Company from time to time in accordance with the Listing Rules.

Further, in order to allow more flexibility and reduce the administrative burden on the Company to comply with the reporting and/or independent shareholders' approval requirement under the Listing Rules in relation to the execution or renewal of agreement in respect of the Services, the definitions of "CTF Group", "NWD Group" and "subsidiary" in the Master Services Agreement are replaced by the following:

- "CTF Group" means CTF, (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and/or (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
- "NWD Group" NWD, its subsidiaries, and/or any other company in the equity capital of which NWD and/or 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
- "subsidiary" means 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)

Save as disclosed above, all of the existing terms and conditions under the Master Services Agreement remain unchanged.

GENERAL

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

The Directors, including the independent non-executive Directors, consider that the Revision of Annual Caps and the terms of the Supplemental Master Services Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors have a material interest in the Revision of Annual Caps or the transaction contemplated under the Supplemental Master Services Agreement, however, Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter and Mr. Cheng Chi-kong, Adrian, present at the board meeting of the Company approving the Revision of Annual Caps and the Supplemental Master Services Agreement, have voluntarily abstained from voting on the relevant board resolution.

LISTING RULES IMPLICATIONS

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transaction, the Company will be required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant connected transaction.

As at the date of this announcement, CTF held approximately 42.11% of the total issued share capital of NWD, while NWD held approximately 70% attributable interests in the issued share capital of the Company and is a substantial shareholder of the Company. CTF is therefore considered as a connected person of the Company under the Listing Rules. The Revision of Annual Caps therefore constitutes continuing connected transactions of the Company under the Listing Rules.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the Revised Annual Caps are less than 5% and the Revised Annual Caps exceed HK\$1,000,000, the Revision of Annual Caps is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

"Company"	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"CTF"	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability
"CTF Group"	CTF, its subsidiaries and/or any other company in the equity capital of which CTF and/or 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, and for the purpose of this announcement, such term shall exclude members of the NWD Group; and upon signing of the Supplemental Master Services Agreement, the meanings as set out under the definition of "CTF Group" in the paragraph headed "The Supplemental Master Services Agreement" in this announcement

"Director(s)"	director(s) of the Company
"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 People's Republic of China
"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
"Management Company"	Rosewood Hotels and Resorts, L.L.C., an indirect wholly-owned subsidiary of the Company as at the date of this announcement
"Master Services Agreement"	the master services agreement in relation to the Services entered into between the Company and CTF on 23 November 2010
"NWD"	New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 17)

“NWD Group”	NWD and its subsidiaries from time to time; and upon signing of the Supplemental Master Services Agreement, the meanings as set out under the definition of “NWD Group” in the paragraph headed “The Supplemental Master Services Agreement” in this announcement
“Original Annual Caps”	the annual cap amounts in respect of the provision of Services as disclosed in the announcement of the Company dated 23 November 2010, for the three years ending 30 June 2013, respectively
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project Management and Consultancy Services”	the provision of project management and consultancy services by the relevant members of the Group to members of the CTF Group 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 (a) 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; (b) 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 (c) 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
“Revised Annual Caps”	the revised annual cap amounts in respect of the Services as set out on page 2 of this announcement, for the two years ending 30 June 2013, respectively
“Revision of Annual Caps”	the revision of the Original Annual Caps for each of the two years ending 30 June 2013, respectively
“Services”	the Hotel Management and Consultancy Services, the Project Management and Consultancy Services, and such other types of services as CTF and the Company may agree upon from time to time in writing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Master Services Agreement”	the supplemental master services agreement to the Master Services Agreement entered into between the Company and CTF dated 14 March 2012

“%”

per cent.

By order of the board
Ngan Man-ying, Lynda
Company Secretary

Hong Kong, 14 March 2012

At the date of this announcement, the board of Directors comprises: (a) seven executive Directors, namely Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Miss Cheng Chi-man, Sonia, Mr. Cheng Chi-him, Conrad, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda; (b) two non-executive Directors, namely Mr. Doo Wai-hoi, William and Mr. Chow Yu-chun, Alexander; and (c) three independent non-executive Directors, namely Dr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.