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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

Reference is made to the transactions between the Company and CTF under the Master Services Agreement dated 27 June 2013, details of which were disclosed in the announcement of the Company dated 27 June 2013.

In view of the expected increase in the transaction amounts under the Master Services Agreement, the Directors expect that the Original Annual Caps for each of the three years ending 30 June 2016 will be insufficient and therefore propose to revise the Original Annual Caps.

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.

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

BACKGROUND

Reference is made to the transactions between the Company and CTF under the Master Services Agreement dated 27 June 2013, details of which were disclosed in the announcement of the Company dated 27 June 2013.

REVISION OF ANNUAL CAPS UNDER THE MASTER SERVICES AGREEMENT

On 27 June 2013, 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.

In view of the expected increase in the transaction amounts under the Master Services Agreement owing to increasing demand for the Services by the CTF Group, the Directors expect that the Original Annual Caps for each of the three years ending 30 June 2016 will be insufficient. The Directors therefore propose to revise the Original Annual Caps for the three years ending 30 June 2016 from HK\$158,700,000, HK\$193,000,000 and HK\$196,900,000, respectively, to the Revised Annual Caps of HK\$464,000,000, HK\$459,000,000 and HK\$322,000,000, respectively.

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; and
- (c) the projected quantity of Services that relevant members of the Group would be engaged to undertake in the relevant financial years.

The historical transaction amount under the Master Services Agreement for the six months ended 31 December 2013 was approximately HK\$117,843,600. The Directors confirm that the transaction amount under the Master Services Agreement for the period from 1 January 2014 to the date of this announcement comply with the relevant Original Annual Caps.

GENERAL

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

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

The Directors, including the independent non-executive Directors, consider that the Revision of Annual Caps is based on normal commercial terms and is 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. Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter and Mr. Cheng Chi-kong, Adrian are common directors of the Company and CTF. The Revision of Annual Caps has been approved by way of written resolutions by all Directors.

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.

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

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, 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
“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 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 Services 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
“Original Annual Caps”	the annual cap amounts in respect of the provision of Services as disclosed in the announcement of the Company dated 27 June 2013, for each of the three years ending 30 June 2016
“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
“Revised Annual Caps”	the revised annual cap amounts in respect of the Services as set out on page 2 of this announcement, for each of the three years ending 30 June 2016
“Revision of Annual Caps”	the revision of the Original Annual Caps for each of the three years ending 30 June 2016
“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
“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 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 28 March 2014

As at the date of this announcement, the executive Directors of the Company 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.