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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

SUPPLEMENTAL AGREEMENT TO THE MASTER SERVICE AGREEMENT

SUPPLEMENTAL AGREEMENT

On 30 April 2010, the Company announced the execution of the Master Service Agreement with NWD in relation to the provision of the Services by the Group to the NWD Group (including NWD and its subsidiaries from time to time) or vice versa for an initial term of twenty-six months commencing from 30 April 2010 to 30 June 2012.

As the Company and NWD propose to extend the scope of the Master Service Agreement, the Company and NWD therefore entered into the Supplemental Agreement on 13 May 2011 to amend the definition of NWD Group contained in the Master Service Agreement.

As at the date of this announcement, NWD is a controlling shareholder of the Company, holding approximately 70% attributable interest in the issued share capital of the Company. Hence, NWD is a connected person of the Company and the entering of the Supplemental Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the annual caps contemplated under the Master Service Agreement and other material terms set out thereunder remain unchanged, the Supplemental Agreement will not be subject to the approval of the independent shareholders of the Company.

BACKGROUND

On 30 April 2010, the Company announced the execution of the Master Service Agreement with NWD in relation to the provision of the Services by the Group to the NWD Group (including NWD and its subsidiaries from time to time) or vice versa for an initial term of twenty-six months commencing from 30 April 2010 to 30 June 2012.

As the Company and NWD propose to extend the scope of the Master Service Agreement, the Company and NWD therefore entered into the Supplemental Agreement on 13 May 2011 to amend the definition of NWD Group contained in the Master Service Agreement.

SUPPLEMENTAL AGREEMENT

Date

13 May 2011

Parties

- (i) the Company; and
- (ii) NWD.

Material Terms

- 1) The parties agree to replace the definitions of “NWD Group” and “subsidiary” in the Master Service Agreement with the following:

“NWD Group” means 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, and for the purpose of this Agreement, excludes members of the NWCL Group.

“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).

- 2) Save as provided in the Supplemental Agreement as set out in (1) above, all terms and conditions under the Master Service Agreement remain unchanged.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT

The Supplemental Agreement was entered into with NWD for the purposes of widening the definition of NWD Group with reference to the definition of “associates of a connected person” under the Listing Rules and clarifying the definition of subsidiary under the Master Service Agreement. The Directors consider that the extended definition of NWD Group under the Supplemental Agreement will allow more flexibility and reduce the administrative burden on the Company to comply with the reporting and independent shareholders’ approval requirement under the Listing Rules in relation to the execution or renewal of agreement in respect of the Services.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Supplemental Agreement are fair, reasonable and in the interests of the Company and its shareholders as a whole and that it is beneficial to the Company to enter into the Supplemental Agreement.

LISTING RULES IMPLICATION

As at the date of this announcement, NWD is a controlling shareholder of the Company, holding approximately 70% attributable interest in the issued share capital of the Company. Hence, NWD is a connected person of the Company and the entering of the Supplemental Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the annual caps contemplated under the Master Service Agreement and other material terms set out thereunder remain unchanged, the Supplemental Agreement will not be subject to the approval of the independent shareholders of the Company.

APPROVAL BY THE BOARD

Dr. Cheng Kar-shun, Henry, the chairman and managing director of the Company, is the managing director of NWD. Mr. Cheng Kar-shing, Peter is an executive director of the Company and a non-executive director of NWD. Mr. Cheng Chi-kong, Adrian is an executive director of NWD and the Company. Both Messrs. Leung Chi-kin, Stewart and Chow Kwai-cheung are non-executive directors of NWD and the Company; and Mr. Lee Luen-wai, John is an independent non-executive director of NWD and the Company. None of the Directors have a material interest in the transaction contemplated under the Supplemental Agreement, however, Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter present at the board meeting of the Company approving the Supplemental Agreement, have voluntarily abstained from voting on the relevant board resolution.

INFORMATION ON THE COMPANY

The Company is principally engaged in property development, property related investments as well as rental and hotel operation in the PRC.

INFORMATION ON NWD

The core businesses of NWD include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Contracting Services”	the construction, engineering and related services to be provided by the relevant members of the NWD Group to members of the Group

“Group” or “NWCL 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 Services”	the hotel management services to be provided by the Group to the NWD Group in respect of the hotels owned by members of the NWD Group from time to time
“Leasing Services”	the leasing and property management services to be provided by members of NWD Group to the Group in respect of the leasing and property management arrangements of the Office Premises
“Leasing and Property Management Services”	the leasing and property management services to be provided by members of the Group to members of NWD Group in respect of the leasing and property management arrangements of the Premises
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Master Service Agreement”	the master service agreement in relation to the Services entered into between the Company and NWD on 30 April 2010 and approved by the independent shareholders of the Company at a duly convened extraordinary general meeting of the Company held on 3 June 2010, details of which were set out in an announcement of the Company dated 30 April 2010 and in a circular dated 18 May 2010
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the main board of the Stock Exchange
“Office Premises”	the office premises owned by members of NWD Group from time to time
“Premises”	the premises owned by members of the Group from time to time
“Property Agency Services”	the property agency and related services in connection with the promotion, sale and leasing of properties to be provided by the relevant members of the NWD Group to members of the Group
“Services”	the Contracting Services, the Property Agency Services, the Hotel Management Services, the Leasing Services, the Leasing and Property Management Services, and such other types of services as the Company and NWD may agree upon from time to time in writing

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

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

Hong Kong, 13 May 2011

As at the date of this announcement, the board of directors of the Company comprises: (1) 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; (2) four non-executive directors, namely Mr. Doo Wai-hoi, William, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, and Mr. Chow Yu-chun, Alexander; and (3) three independent non-executive directors, namely Dr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.