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CONTINUING CONNECTED TRANSACTIONS

New Master Services Agreement

On 19 May 2011, the Company and Mr. Doo entered into the New Master Services Agreement in relation to possible execution of new Operational Agreements for the provision of the Operational Services by the relevant members of the Services Group to the relevant members of the Group for an initial term of three years commencing from the Effective Date.

Listing Rules Implications

Mr. Doo is the Director of the Company and a director of certain subsidiaries of the Company. He is therefore a connected person of the Company under the Listing Rules. Each of the members of the Services Group is an associate of Mr. Doo and hence a connected person of the Company. The entering into of the New Master Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the estimated maximum aggregate annual values of the Continuing Connected Transactions under the New Master Services Agreement will be more than 5%, the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder will be subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

General

An EGM will be convened and held by the Company to consider and, if thought fit, approve the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder (including the Annual Caps). Mr. Doo and his associates will abstain from voting at the EGM to approve the relevant resolutions in respect of the New Master Services Agreement.

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders in respect of the Continuing Connected Transactions (including the Annual Caps).

ICAL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions (including the Annual Caps), which are subject to the Independent Shareholders' approval.

A circular containing the particulars of the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM is expected to be despatched to the Shareholders on or about 10 June 2011.

BACKGROUND

On 19 May 2011, the Company and Mr. Doo entered into the New Master Services Agreement in relation to possible execution of new Operational Agreements for the provision of the Operational Services by the relevant members of the Services Group to the relevant members of the Group for an initial term of three years commencing from the Effective Date.

CONTINUING CONNECTED TRANSACTIONS UNDER THE NEW MASTER SERVICES AGREEMENT

On 19 May 2011, the Company entered into the New Master Services Agreement with Mr. Doo under the following principal terms and conditions:

- Parties: (1) the Company
(2) Mr. Doo
- Duration: The New Master Services Agreement shall be for an initial term of three years commencing from the Effective Date.
- Subject to re-compliance with the reporting, announcement and independent shareholders' approval requirements (to the extent applicable) under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules and/or any other relevant laws and regulations at the relevant time, the New Master Services Agreement may be renewed for a further term of three years.
- Nature of transactions: Provision of the Operational Services by members of the Services Group to members of the Group.
- Pricing basis: As a general principle:
the prices and terms with respect to Operational Services to be provided by member(s) of the Services Group to member(s) of the Group shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and at prices and terms no less favourable to the Group than prices and terms available to or

from independent third parties to the Group.

Conditions

The New Master Services Agreement is subject to (i) approval of the New Master Services Agreement and the Continuing Connected Transactions (including the Annual Caps) by the Independent Shareholders at the EGM; and (ii) the approval of the NWD Master Services Agreement and the continuing connected transactions contemplated thereunder (including the annual caps set for such transactions) by the NWD Independent Shareholders at an extraordinary general meeting to be held by NWD having been obtained.

Provision of the Operational Services

Under the New Master Services Agreement, it was agreed between the Company and Mr. Doo that the relevant members of the Services Group shall, to the extent practicable, provide the Operational Services to the relevant members of the Group during the term of the New Master Services Agreement.

The Operational Services to be provided under the New Master Services Agreement shall include the contracting services and such other types of services as the Company and Mr. Doo may agree upon from time to time in writing, details of the contracting services are as follows:

Contracting services means 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 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 services, landscaping and cleaning services

The above-mentioned engagement is subject to the following qualifications:

- (a) the engagement only applies to services required for business, projects and premises for which the relevant members of the Group have the right to select providers of the relevant Operational Services;
- (b) the engagement is not contrary to the terms of contracts governing the relevant business, projects or premises or any applicable laws, regulations or administrative directives promulgated by competent authorities to which the businesses, projects and/or premises of the relevant members of the Group or the Services Group may relate; and

- (c) in the event that the providers of certain particular Operational Services is/are to be selected through auction or tenders, the engagement shall only become effective as and when the relevant member(s) of the Services Group has/have successfully bid for such auction or tenders.

Operational Agreements

Pursuant to the New Master Services Agreement, member(s) of the Services Group and member(s) of the Group shall, from time to time during the term of the New Master Services Agreement, enter into new separate Operational Agreement(s) in respect of the provision of the Operational Services provided that such separate agreement(s) shall always be subject to the terms of the New Master Services Agreement. In this connection, the Company and Mr. Doo have agreed that:

- (a) as a general principle:

the prices and terms of the Operational Agreements with respect to the Operational Services to be provided by member(s) of the Services Group to member(s) of the Group shall be determined in the ordinary course of business on normal commercial terms, negotiated on an arm's length basis and at prices and terms no less favourable to the Group than prices and terms available to or from independent third parties to the Group;

- (b) subject to the general principle in (a) above, the prices and terms at which the security and guarding services to be provided shall be determined in the ordinary course of business on a cost-plus basis on terms (including prices) no less favourable than those charged to and contracted with other independent third party customers of the Services Group. The cost element includes all direct costs incurred, such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis; and
- (c) the duration of each Operational Agreement shall be in compliance with the applicable laws and regulations in force from time to time and shall be negotiated on arm's length basis.

HISTORICAL AGGREGATE TRANSACTION VALUES

Assuming completion of the Disposal, the aggregate transaction values in respect of the Continuing Connected Transactions for the financial years ended 30 June 2009 and 2010 and the six months ended 31 December 2010 were as follows:

Aggregate transaction values

	Financial year ended 30/06/2009 (HK\$ million)	Financial year ended 30/06/2010 (HK\$ million)	Six months ended 31/12/2010 (HK\$ million)
Provision of Operational Services to members of the Group by members of the Services Group which belongs to the NWD Group prior to the completion of the Disposal	58.9	147.7	57.9

MAXIMUM AGGREGATE ANNUAL VALUES

The Company expects that the Annual Caps in respect of the Continuing Connected Transactions contemplated under the Master Services Agreement will be as follows:

	Annual Cap for each of the financial years ending 30 June		
	2012 (HK\$ million)	2013 (HK\$ million)	2014 (HK\$ million)
Provision of Operational Services to members of the Group by members of the Services Group	1,761	1,491	1,476

Note : The above Annual Caps do not cover the anticipated transaction value under the Existing Master Services Agreement as announced by the Company on 16 May 2011 for each of the three financial years ending 30 June 2014.

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

- (a) the historical annual or annualised amounts in respect of such category of the Operational Service provided by the relevant members of the Services Group (which belongs to the NWD Group prior to the completion of the Disposal) to the relevant members of the Group during the past three financial years; and
- (b) the projected annual or annualised amounts in respect of such category of the Operational Service to be provided by the relevant members of the Services Group to the relevant members of the Group in the next three financial years.

The above-mentioned projected figures are determined basing on the relevant historical figures, taking into account the business growth of the Group and the estimated future demand with particular consideration to the anticipated higher level of Operational Services to

be required for the construction of the Shenyang New World Centre undertaken by the Group, which is a large-scale complex development under construction and the total cost of the Operational Services to be involved during the coming three years for such project is estimated to exceed HK\$750 million annually, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Group.

The Directors (excluding the independent non-executive Directors whose views will be given in the circular after taking into account the advice from the Independent Financial Adviser) are of the views that the Annual Caps as stated above are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

REASONS FOR, AND BENEFITS OF, ENTERING INTO THE NEW MASTER SERVICES AGREEMENT

The transactions contemplated under the New Master Services Agreement 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. The above-mentioned Operational Agreements will be agreed on an arm's length basis, on normal commercial terms and comparable with terms available to or from independent third parties.

The New Master Services Agreement is intended to streamline the continuing connected transactions between members of the Group and the Services Group arising from possible execution of the Operational Agreements between the Services Group and the Group. It provides a single basis on which the Company will comply with the reporting, announcement and Independent Shareholders' approval requirements in compliance with the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the Operational Agreements in respect of the provision of the Operational Services.

The Directors (excluding the independent non-executive Directors whose views will be given in the circular after taking into account the advice from the Independent Financial Adviser) are of the views that the terms of the New Master Services Agreement are fair and 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 New Master Services Agreement.

INFORMATION REGARDING MR. DOO, THE SERVICES GROUP AND THE GROUP

Mr. Doo

Mr. Doo is the Vice-Chairman and a non-executive director of the Company and a director of certain subsidiaries of the Company. Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter. He is also the uncle of Mr. Cheng Chi-kong, Adrian, Miss Cheng Chi-man, Sonia and Mr. Cheng Chi-him, Conrad.

The Services Group

The Services Group is principally engaged in the provision of services including laundry and landscaping, security and guarding, trading of building materials, insurance brokerage, property management, cleaning, and electrical and mechanical engineering.

The Group

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

LISTING RULES IMPLICATIONS

Since Mr. Doo is the Director of the Company and a director of certain subsidiaries of the Company. He is therefore a connected person of the Company under the Listing Rules. Each of the members of the Services Group is an associate of Mr. Doo and hence a connected person of the Company. The entering into of the New Master Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the estimated maximum aggregate annual values of the Continuing Connected Transactions under the New Master Services Agreement will be more than 5%, the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder will be subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

GENERAL

An EGM will be convened and held by the Company to consider and, if thought fit, approve the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder (including the Annual Caps). Mr. Doo and his associates will abstain from voting at the EGM to approve the relevant resolutions in respect of the New Master Services Agreement.

An Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders in respect of the Continuing Connected Transactions (including the Annual Caps).

ICAL has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Continuing Connected Transactions (including the Annual Caps), which are subject to the Independent Shareholders' approval.

A circular containing the particulars of the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder together with a letter from the Independent Board Committee, a letter from the Independent Financial Adviser and a notice of the EGM is expected to be despatched to the Shareholders on or about 10 June 2011.

DEFINITIONS

Unless the context otherwise requires, the following expressions have the meanings set out in this announcement:

“Annual Caps”	the estimated maximum aggregate annual values in respect of the Operational Services contemplated under the New Master Services Agreement
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“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(s)”	has the meaning ascribed to it in the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the New Master Services Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	management buyout of certain subsidiaries of NWS by a company owned by Mr. Doo as to 90%, details of which were set out in the joint announcement of NWD and NWS dated 11 June 2010 and in their circular dated 2 July 2010
“Effective Date”	1 July 2011, being the date on which the New Master Services Agreement shall become effective
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder (including the Annual Caps)
“Existing Master Services Agreement”	the agreement entered into between the Company and Mr. Doo dated 16 May 2011 in relation to the provision of certain ongoing contracting services to the Group by members of the Services Group in accordance with the operational agreements entered into prior to completion of the Disposal and which will be subsisting on the date of completion of the Disposal, details of which were set out in the announcement of the Company dated 16 May 2011
“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
“Independent Board Committee”	the independent board committee of the Company comprising Dr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John, established to advise the Independent Shareholders with regard to the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder (including the Annual Caps)
“Independent Financial Adviser”	ICAL, the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Continuing Connected Transactions (including the Annual Caps)
“Independent Shareholders”	the Shareholders, other than Mr. Doo and his associates, who do not have any material interest in the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder and are not required to abstain from voting at the EGM to consider and approve the New Master Services Agreement and the Continuing Connected Transactions contemplated thereunder (including the Annual Caps)
“ICAL”	Investec Capital Asia Limited (formerly known as Access Capital Limited), a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders with regard to the Continuing Connected Transactions (including the Annual Caps)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Doo”	Mr. Doo Wai-hoi, William, the Vice-Chairman and a non-executive Director of the Company and a director of certain subsidiaries of the Company. Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter and the uncle of Mr. Cheng Chi-kong, Adrian, Miss Cheng Chi-man, Sonia and Mr. Cheng Chi-him, Conrad

“New Master Services Agreement”	the master services agreement dated 19 May 2011 entered into between the Company and Mr. Doo in relation to the provision of the Operational Services to streamline and regulate the Continuing Connected Transactions between members of the Group and members of the Services Group arising after completion of the Disposal
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange and which holds an approximately 70% attributable interest in the Company as at the date of this announcement
“NWD Group”	NWD and its subsidiaries from time to time
“NWD Independent Shareholders”	the shareholders of NWD, other than Mr. Doo and his associates, who do not have any material interest in the transactions contemplated under the NWD Master Services Agreement
“NWD Master Services Agreement”	the new master services agreement dated 19 May 2011 in relation to the operational and rental services referred to therein entered into between NWD and Mr. Doo to streamline and regulate the continuing connected transactions between members of the NWD Group and members of the Services Group which may arise after completion of the Disposal
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 659) and beneficially owned as to approximately 59.14% by NWD as at the date of this announcement
“Operational Agreements”	the individual agreements in respect of the provision of any of the Operational Services which may from time to time be entered into between a member of the Services Group and a member of the Group after completion of the Disposal pursuant to the New Master Services Agreement, and “Operational Agreement” means any of them
“Operational Services”	contracting services and such other types of services as the parties may agree upon from time to time in writing to be provided by members of the Services Group to members of the Group, the initial scope of the Operational Services is set out in the paragraph headed “Provision of the Operational Services” in this announcement

“Services Group”	Mr. Doo and any company in the equity capital of which Mr. Doo is or will be directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount may from time to time be specified in the Code on Takeovers and Mergers as being the level for triggering the a mandatory 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	any entity which falls within the definition of “subsidiary” has the meanings ascribed to it under the Listing Rules or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“%”	per cent.

By Order of the Board
Ngan Man-ying, Lynda
Company Secretary

Hong Kong, 19 May 2011

At the date of this announcement, the Board 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) 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 (c) three independent non-executive directors, namely Dr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.