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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 SALES AGREEMENT**

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

As at the date of this announcement, both the Company and NWDS are subsidiaries of NWD. NWDS is therefore a connected person of the Company and the Transactions contemplated under the Master Sales 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) 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 Sales 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 SALES AGREEMENT**

##### **Background**

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

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

##### **Date**

27 June 2013

## **Parties**

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

## **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 NWDS Group in relation to any Transaction(s) upon, and subject to, the terms and conditions in compliance with those of the Master Sales Agreement as may be agreed between relevant members of the Group and relevant members of the NWDS Group. For the avoidance of doubt, all existing agreements between relevant members of the Group and relevant members of the NWDS 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 Sales 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 NWDS;
- (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 Sales Agreement and the relevant Definitive Agreements.

## **Duration**

The Master Sales 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 Sales 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 Sales 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 Sales 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 Sales Agreement.

## **The historical transaction amounts**

The aggregate transaction amounts under the Former Master Sales Agreement for the Company for each of the two financial years ended 30 June 2012 and the six months ended 31 December 2012 were RMB3,990,000, RMB7,729,000 and RMB6,697,000, respectively.

## **The Annual Caps**

The Company expects that the Annual Caps for each of the three financial years ending 30 June 2016 will be RMB25,000,000.

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

- (a) the prevailing market conditions;
- (b) the historical transaction amounts under the Former Master Sales Agreement and the contract sum of the unexpired sales agreements made under the Former Master Sales Agreement;
- (c) the expected value of the Shopping Vouchers and the Prepaid Shopping Cards to be provided by the Group as part of the marketing plan for the sales of the properties of the Group ;
- (d) the budgeted marketing expenses of the Group; and
- (e) the estimated expansion of existing and future projects of members of the Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER SALES AGREEMENT**

As part of the marketing activities to promote the sales of properties of the Group, the Company has offered the Shopping Vouchers or the Prepaid Shopping Cards as complimentary gifts to the purchasers of properties of the Group. With proven positive marketing effort to facilitate successful sales of properties, the Directors consider that the entering into of the Master Sales Agreement can ensure the smooth operation of the marketing plan of the Group.

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.

The Directors (including the independent non-executive Directors) consider that the terms of the Master Sales 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 NWDS 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, the NWDS Group is principally engaged in the business of operating department stores in the PRC.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, both the Company and NWDS are subsidiaries of NWD. NWDS is therefore a connected person of the Company and the Transactions contemplated under the Master Sales 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) 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 Sales 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 Sales Agreement. Dr. Cheng Kar-shun, Henry, Mr. Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda are the common directors of the Company and NWDS. Dr. Cheng Kar-shun, Henry and Ms. Ngan Man-ying, Lynda 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 Group to the NWDS Group in respect of the Transactions for each of the three financial years ending 30 June 2016
“associate”	has the meaning ascribed to it under the Listing Rules
“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
“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 NWDS Group from time to time in relation to any of the Transactions at any time during the term of the Master Sales Agreement
“Directors”	the directors of the Company

“Discounts”	an amount to be deducted from the value to be agreed and settled by the relevant members of the Group in respect of the purchases of the Prepaid Shopping Cards or any other means acceptable to the NWDS Group as payment for purchases of goods at the Stores
“Effective Date”	1 July 2013
“Former Master Sales Agreement”	the master sales agreement entered into among the Company, NWDS and Chow Tai Fook Jewellery Company Limited (an associate of Chow Tai Fook Jewellery Group Limited) on 22 March 2011 in relation to the Transactions, details of which were disclosed in the joint announcement of the Company and NWDS dated 22 March 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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Sales Agreement”	the master sales agreement in relation to the Transactions entered into between the Company and NWDS 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

“NWDS”	New World Department Store China 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 the subsidiary of NWD
“NWDS Group”	NWDS and its subsidiaries from time to time
“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
“Prepaid Shopping Cards”	various prepaid shopping cards issued or to be issued by the NWDS Group to the Group which may be presented at the Stores for purchasing goods at the Stores
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“Shopping Vouchers”	various cash equivalent gift coupons, gift cards and stored value shopping cards issued or to be issued by the Group which may be presented at the Stores for purchasing goods at the Stores
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stores”	the department stores owned and operated by the NWDS Group from time to time
“subsidiary”	has the meaning given to it in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Transactions”	all existing and future transactions between members of the Group and members of the NWDS Group in respect of the use of the Shopping Vouchers, the Prepaid Shopping Cards or other means acceptable to the NWDS Group as payment of purchase of goods at the Stores and the settlement of the relevant value represented by such Shopping Vouchers , the Prepaid Shopping Cards (with the Discounts, where applicable) or by any other means acceptable to the NWDS Group between relevant members of the Group and the NWDS Group

“%”

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.*