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TERMINATION OF EXISTING CONTINUING CONNECTED TRANSACTION

On 11 December 2015, Huamei Technology, an indirect wholly-owned subsidiary of the Company, entered into the Termination Agreement with Beijing Shishang, an indirect wholly-owned subsidiary of NWDS, pursuant to which Huamei Technology and Beijing Shishang agreed to terminate the Lease Agreement with effect from 1 January 2016.

As at the date of this announcement, Beijing Shishang is an indirect wholly-owned subsidiary of NWDS which in turn is a subsidiary of NWD. NWD held an approximately 69.58% attributable interest in the issued share capital of the Company. As such, Beijing Shishang is an associate of the connected person of the Company under Rule 14A.13 of the Listing Rules. The transaction under the Termination Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the aggregate of the Annual Rental and the compensation payable by Huamei Technology under the Termination Agreement is more than 0.1% but all of them are less than 5%, the Termination Agreement is subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

BACKGROUND

On 12 April 2010, Huamei Technology as lessor and Beijing Shishang as lessee entered into the Lease Agreement in respect of the leasing of the Property. The Lease Agreement was governed by the Master Agreement. Beijing Shishang has also sub-leased the Property to various sub-lessees.

THE TERMINATION AGREEMENT

On 11 December 2015, Huamei Technology entered into the Termination Agreement with Beijing Shishang, the principal terms of which are summarised as follows:

Date : 11 December 2015

Parties : Huamei Technology as lessor and Beijing Shishang as lessee

Property : the Lower Ground level one and the Upper Ground levels one to three, Baoding Building (寶鼎大廈), No. 7 East Damochang Street, Chongwen District, Beijing, the PRC, with an aggregate gross floor area of 40,286 square metres

Date of surrender of the Property : 1 January 2016

Compensation for early termination : A total sum of RMB25,000,000 is payable by Huamei Technology to Beijing Shishang as compensation payment for the early termination of the Lease Agreement. The sum represents compensation for all losses to be incurred by Beijing Shishang, and it covers, among others, the loss on disposal of the renovation, decoration or any assets of the Property at net book value, damages and legal fees which are to be incurred in relation to the claims by the concessionaires or outsource service companies whose contracts would be discontinued, staff redundancy payment and taxes payable by Beijing Shishang as a result of the early termination (including, but not limited to, taxes incurred due to transfer or disposal of equipment and assets).

The compensation is payable by Huamei Technology within 15 working days from the date of the Termination Agreement.

Arrangement for the existing sub-leases and outsource service contracts : (1) Beijing Shishang will terminate all contracts with the concessionaires which carry on business in the Property and will be responsible for all liabilities and charges arising from the termination.

(2) For those selected sub-tenants and outsource service companies which will continue performance of their contracts with Huamei Technology, Beijing Shishang will assign its rights and novate its obligations under the respective sub-leases or contracts to Huamei Technology on the Termination Date.

(3) Beijing Shishang will be responsible for termination of the contracts with those outsource service companies which are not selected by Huamei Technology and whose contracts would not be continued on the Termination Date.

Other : With effect from the Termination Date, Huamei Technology will be entitled to all the revenue generated from the operation at the Property (including but not limited to the rental received or receivable from sub-tenants and the management fees), responsible for its management, and bear the liabilities and risk in relation to the Property which prior to the Termination Date shall be entitled or responsible by Beijing Shishang. Any fees incurred due to the disputes over the Property before the Termination Date shall be borne by Beijing Shishang. Beijing Shishang will indemnify any costs, expenses and losses suffered by Huamei Technology in relation to the settlement of such disputes.

The terms of the Termination Agreement have been agreed by the parties after arm's length negotiation and are on normal commercial terms.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TERMINATION AGREEMENT

The Termination Agreement was entered into with Beijing Shishang owing to a lack of consensus to negotiate for better rental fee payable under the Lease Agreement. The Board believes that it was in the interest of the Company to terminate the Lease Agreement and modify its mix of tenants with a view to enhance the value of the Property and facilitate the long-term business development of Huamei Technology.

The Directors (including independent non-executive Directors) consider that the terms of the Termination Agreement are fair and reasonable, on normal commercial terms and in the interest of the Company and its shareholders as a whole.

BOARD'S APPROVAL

Dr. Cheng Kar-shun, Henry, Dr. Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda are common directors of NWDS and the Company. Ms. Ngan Man-ying, Lynda holds directorships in companies controlled by NWDS. None of the Directors has a material interest in the Termination Agreement, and accordingly, none of them is required to abstain from voting on the relevant board resolutions. The Termination Agreement has been approved by way of written resolutions by all Directors.

GENERAL INFORMATION

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

The NWDS Group is principally engaged in the business of operating department stores in the PRC. Beijing Shishang is principally engaged in department store operation.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Beijing Shishang is an indirect wholly-owned subsidiary of NWDS which in turn is a subsidiary of NWD. NWD held an approximately 69.58% attributable interest in the issued share capital of the Company. As such, Beijing Shishang is an associate of the connected person of the Company under Rule 14A.13 of the Listing Rules. The transaction under the Termination Agreement therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the aggregate of the Annual Rental and the compensation payable by Huamei Technology under the Termination Agreement is more than 0.1% but all of them are less than 5%, the Termination Agreement is subject to the reporting and announcement requirements but is exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Annual Rental”	the rental of RMB5,282,640 paid or payable by Beijing Shishang to Huamei Technology under the Lease Agreement for the year ended 30 June 2015
“Beijing Shishang”	北京時尚新世界百貨有限公司 (Beijing Shishang New World Department Store Co., Ltd.), a company established in the PRC and an indirect wholly-owned subsidiary of NWDS
“Board”	the board of Directors

“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 as at the date of this announcement
“connected person”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Huamei Technology”	華美財富(北京)科技有限公司 (Huamei Wealth (Beijing) Technology Co., Ltd.), a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Lease Agreement”	the lease agreement dated 12 April 2010 entered into between Huamei Technology and Beijing Shishang in respect of the leasing of the Property for an initial term of three years which can be automatically renewed for a successive period of three years thereafter up to a maximum of fifteen years for the entire lease term
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreement”	the master services agreement dated 21 May 2012 entered into between the Company and NWD, details of which were announced by the Company on 21 May 2012 and 13 May 2015
“NWD”	New World Development Company Limited (新世界發展有限公司), 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 as at the date of this announcement
“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 a subsidiary of NWD as at the date of this announcement
“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, Macau and Taiwan
“Property”	the Lower Ground level one and the Upper Ground levels one to three, Baoding Building (寶鼎大廈), No. 7 East Damochang Street, Chongwen District, Beijing, the PRC, with an aggregate gross floor area of 40,286 square metres
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Termination Agreement”	the termination agreement dated 11 December 2015 entered into between Huamei Technology and Beijing Shishang for termination of the Lease Agreement
“Termination Date”	1 January 2016
“%”	per cent.

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

Hong Kong, 11 December 2015

As at the date of this announcement, the executive directors of the Company are Dr. Cheng Kar-shun, Henry, Mr. Cheng Kar-shing, Peter, Dr. 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 of the Company are Dr. Cheng Wai-chee, Christopher, Hon. Tien Pei-chun, James, Mr. Lee Luen-wai, John and Mr. Ip Yuk-keung, Albert.