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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)

CONNECTED TRANSACTION

The board of directors of the Company announces that its indirect wholly-owned subsidiary has today entered into a written tenancy agreement for the lease of a property to an indirect wholly-owned subsidiary of NWD. The entering into of the tenancy agreement constitutes a connected transaction of the Company under Rule 14.25(1) of the Listing Rules.

The board of directors of New World China Land Limited (the “**Company**”) announces that the following tenancy agreement has been entered into:

TENANCY AGREEMENT DATED 12TH MARCH, 2003

- Landlord : New World Anderson (Tianjin) Development Co. Ltd. 新世界安信(天津)發展有限公司, an indirect wholly-owned subsidiary of the Company
- Tenant : Tianjin Xin An New World Shopping Plaza Co. Ltd. 天津新安新世界購物廣場有限公司, an indirect wholly-owned subsidiary of New World Development Company Limited (“**NWD**”)
- Premises : the first to fourth floors of New World Xin An Shopping Centre located in Nankai District, Tianjin, the People’s Republic of China (“**Premises**”)
- Lettable area : 31,800.44 square metres
- Term : three years commencing from 1st July, 2002 to 30th June, 2005
- Rental : monthly rental of RMB1,928,570 (equivalent to HK\$1,819,413) payable by the end of each month, with rent-free period from 1st July, 2002 to 28th February, 2003. The aggregate rental payable under the Tenancy Agreement will be RMB53,999,960 (equivalent to HK\$50,943,562)
- Management fee : RMB600,000 (equivalent to HK\$566,040) per month payable by the end of each month

The Tenancy Agreement was arrived at after arm’s length negotiation which is on normal commercial terms and is in ordinary and usual course of business of the Company. The rental of the Premises was determined by reference to prevailing market rentals for the other units of New World Xin An Shopping Centre. The board of directors of the Company, including the independent non-executive directors, considers that the terms of the Tenancy Agreement are fair and reasonable and it is in the interest of the Company to enter into the Tenancy Agreement so far as its shareholders are concerned.

Application will be made by the Company to The Stock Exchange of Hong Kong Limited for a waiver in respect of the Tenancy Agreement for three years ending 30th June, 2005 from strict compliance with the requirements for disclosure by way of press notice under Rule 14.25(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). The conditions of such waiver are:–

1. the details of the transactions in each year will be disclosed in the Company’s annual report in that year as required by rules 14.25(1)(A) to (D) of the Listing Rules;
2. the independent non-executive directors of the Company shall review the transactions annually and confirm in the Company’s next following annual report that:-
 - (a) the transactions have been entered into by the Group in the ordinary course of its business;
 - (b) the transactions have been entered into on normal commercial terms and on an arm’s length basis;
 - (c) such transactions have been carried out in accordance with the terms of the Tenancy Agreement governing such transactions;
 - (d) the transactions have been entered into on terms that are fair and reasonable so far as the shareholders of the Company are concerned; and
 - (e) the value of the transactions for each of the three years will not exceed 3% of the net tangible assets value of the Group (the “**Cap**”);
3. the auditors of the Company shall review the transactions annually, and confirm to the directors of the Company (“**Directors**”) in writing, which will be provided to the Stock Exchange, that:
 - (a) the transactions have received the approval of the Directors (including the independent non-executive Directors);
 - (b) such transactions have been carried out in accordance with the terms of the Tenancy Agreement governing such transactions;
4. in the event that value of the transaction exceeds the Cap, the Company will have to comply with relevant provisions of the Listing Rules;
5. the Company’s annual report and accounts for the year in question shall contain a statement that, in the opinion of the Directors, the arrangements have been entered into in the manner as stated in paragraph 2 above; and
6. the Group and NWD will also undertake to provide the auditors of the Company with full access to their relevant records to carry out the review of the above connected transactions.

GENERAL

The Company is principally engaged in property development and property related investment in the People's Republic of China. As at the date hereof, NWD is a substantial shareholder of the Company by virtue of its holding of approximately 69.77% attributable interests in the Company's issued share capital. Accordingly, the entering into of the Tenancy Agreement constitutes a connected transaction for the Company pursuant to the Listing Rules. Details of the Tenancy Agreement will be included in the Company's next published annual report and accounts.

For your convenience, this announcement contains translation between Hong Kong Dollars and Renminbi at HK\$0.9434 = RMB1.00.

By order of the board of
New World China Land Limited
Chow Yu-chun, Alexander
Company Secretary

Hong Kong, 12th March, 2003

“Please also refer to the published version of this announcement in The Standard”