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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

TENANCY AGREEMENT

On 2 February 2010, the Company entered into a tenancy agreement with NWT whereby the Company agreed to lease the Property from NWT for a term commencing from 1 July 2009 and ending on 6 February 2012 (both dates inclusive).

As NWT is a wholly-owned subsidiary of NWD, the controlling shareholder of the Company, it is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Tenancy Agreement constitutes continuing connected transactions for the Company under Chapter 14A the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the maximum aggregate transaction amounts under the Tenancy Agreement and the Existing Tenancy Agreements with NWT on an annual basis fall within the threshold prescribed in Rule 14A.34 of the Listing Rules, the entering into of the Tenancy Agreement is exempt from independent shareholders' approval requirement but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

TENANCY AGREEMENT

The principal terms of the Teancy Agreement are as follows:-

Date : 2 February 2010

Landlord : NWT

Tenant : the Company

Property :	Portion of 33/F., New World Tower 1, 18 Queen's Road Central, Hong Kong with a gross floor area of 964 square feet
Term :	the period commencing from 1 July 2009 and ending on 6 February 2012 (both dates inclusive)
Rental :	HK\$42,416 per month, exclusive of management fees and air-conditioning charges and government rates, payable in cash in advance on the 1st day of each calendar month
Management fees and air-conditioning charges :	HK\$4,338 per month (subject to adjustment by NWT or the management company of the Property), payable in cash in advance on the 1st day of each calendar month

THE CAPPED AMOUNT FOR THE TENANCY AGREEMENT

Based on the monthly rental, management fees and air-conditioning charges payable under the Tenancy Agreement, as well as the possible adjustment to be made by NWT or the management company of the Property in the levels of management fees and air-conditioning charges payable, the maximum annual aggregate amounts payable by the Company under the Tenancy Agreement are estimated not to exceed HK\$600,000 for each of the financial years ending 30 June 2010 and 30 June 2011 and are estimated not to exceed HK\$350,000 for the financial year ending 30 June 2012.

Historical figures

The Company had leased a portion of 33/F., New World Tower 1, 18 Queen's Road Central, Hong Kong from NWT with gross floor area of 1,296 square feet for two years from 1 July 2005 to 30 June 2007 at a monthly rental of HK\$34,992 together with monthly management fees and air-conditioning charges of HK\$4,536 (subject to adjustment by NWT) and renewed such lease for further two years up to 30 June 2009 at a monthly rental of HK\$51,840 together with monthly management fees and air-conditioning charges of HK\$5,832 (subject to adjustment by NWT). This lease was terminated on 31 December 2007 prior to its expiration as agreed between the Company and NWT. Details of the lease were announced by the Company on 30 June 2005 and 29 June 2007. The amounts paid under the previous leases of the said property were HK\$474,000, HK\$490,000 and HK\$346,000 for the financial years ended 30 June 2006, 30 June 2007 and 30 June 2008, respectively.

The capped amounts for the Existing Tenancy Agreements

In addition to the Tenancy Agreement, the Group had entered into the Existing Tenancy Agreements with NWT for the leases of the following office premises as announced by the Company on 16 October 2007, 20 January 2009 and 29 June 2009:-

- (i) portion of 34/F., New World Tower 1, 18 Queen's Road Central, Hong Kong ("First Property") with a gross floor area of 4,937 square feet for three years commencing from 1 October 2007 to 30 September 2010. The leased area had been subsequently reduced to 4,509 square feet with effect from 2 April 2009 pursuant to a letter agreement between NWT and the Company dated 7 July 2009;
- (ii) portion of 36/F., New World Tower 1, 18 Queen's Road Central, Hong Kong ("Second Property") with a gross floor area of 5,884 square feet for two years five months and five days commencing from 1 January 2009 to 5 June 2011; and
- (iii) 9/F., New World Tower 1, 18 Queen's Road Central, Hong Kong ("Third Property") with a gross floor area of 13,900 square feet for three years commencing from 1 July 2009 to 30 June 2012.

The annual capped amount for the lease of the First Property is HK\$3,200,000 for each of the financial years ending 30 June 2010 and 30 June 2011 and that for the lease of the Second Property is HK\$5,000,000 for each of the financial years ending 30 June 2010 and 30 June 2011. The annual capped amount for the lease of the Third Property is HK\$9,000,000 for each of the three financial years ending 30 June 2012.

REASONS FOR THE TRANSACTION

The purpose of entering into the Tenancy Agreement is to obtain the lease of the Property for office use by the Group.

The terms of the Tenancy Agreement are negotiated on an arm's length basis between NWT and the Company and are on normal commercial terms. The rental of the Property has been arrived at by reference to the prevailing market rate of the similar leases in the same building. The Board (including the independent non-executive directors) considers that the Tenancy Agreement is entered into in the ordinary and usual course of business of the Company, on normal commercial terms which are fair and reasonable and in the interest of the Company and its shareholders as a whole.

INFORMATION RELATING TO THE COMPANY AND NWT

The Company is principally engaged in the property development, property related investment as well as rental and hotel operation in the People's Republic of China.

NWT is a private company wholly-owned by NWD and is principally engaged in property investment in Hong Kong.

CONNECTED RELATIONSHIP BETWEEN THE PARTIES

As NWT is a wholly-owned subsidiary of NWD, the controlling shareholder of the Company, it is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Tenancy Agreement constitutes continuing connected transactions for the Company under Chapter 14A the Listing Rules.

Given that one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the maximum annual aggregate amounts payable under the Tenancy Agreement and the Existing Tenancy Agreements are HK\$17,800,000, HK\$17,800,000 and HK\$9,350,000 for the financial years ending 30 June 2010, 30 June 2011 and 30 June 2012, respectively, which fall within the threshold prescribed in Rule 14A.34 of the Listing Rules, the entering into of the Tenancy Agreement is exempt from independent shareholders' approval requirement but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

“Board”	the board of directors of the Company
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Existing Tenancy Agreements”	the tenancy agreements dated 16 October 2007, 20 January 2009 and 29 June 2009 entered into between the Company or its wholly-owned subsidiary as tenant and NWT as landlord in respect of leases of the office premises at 34/F., 36/F. and 9/F., New World Tower 1, 18 Queen's Road Central, Hong Kong
“Group”	the Company and its subsidiaries

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“NWT”	New World Tower Company Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of NWD
“Property”	Portion of 33/F., New World Tower 1, 18 Queen’s Road Central, Hong Kong with gross floor area of 964 square feet
“Tenancy Agreement”	the agreement dated 2 February 2010 entered into between the Company as tenant and NWT as landlord for the lease of the Property on the terms therein

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

Hong Kong, 2 February 2010

At the date of this announcement, the Board comprises (a) eight 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. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda; (b) three non-executive directors, namely Mr. Doo Wai-hoi, William, Mr. Leung Chi-kin, Stewart and Mr. Chow Kwai-cheung; and (c) three independent non-executive directors, namely Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.

The announcement is published on the websites of the Company (www.nwcl.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).