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CONTINUING CONNECTED TRANSACTIONS

Existing Master Services Agreement

The Company had been engaging members of the NWD Group to provide certain ongoing services to members of the Group under the NWD Master Agreement. The Existing Operational Services originally provided by NWD Group to the Group under the NWD Master Agreement are expected to be provided by the Services Group with effect from the completion of the Disposal. In order to streamline and regulate the continuing connected transactions between the Group and the Services Group, the Company entered into the Existing Master Services Agreement on 16 May 2011 with Mr. Doo in relation to the provision of the Existing Operational Services by the relevant members of the Services Group to the relevant members of the Group in accordance with the Existing Services Agreements which will be subsisting, but not yet completed, on the date of completion of the Disposal.

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 Existing Master Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Caps under the Existing Master Services Agreement is more than 0.1% but less than 5%, the Existing Master Services Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholder's approval under Chapter 14A of the Listing Rules.

BACKGROUND

The Company had been engaging members of the NWD Group to provide certain ongoing services to members of the Group under the NWD Master Agreement. The Existing Operational Services originally provided by NWD Group to the Group under the NWD

Master Agreement are expected to be provided by the Services Group with effect from the completion of the Disposal. In order to streamline and regulate the continuing connected transactions between the Group and the Services Group, the Company entered into the Existing Master Services Agreement on 16 May 2011 with Mr. Doo in relation to the provision of the Existing Operational Services by the relevant members of the Services Group to the relevant members of the Group in accordance with the Existing Services Agreements which will be subsisting, but not yet completed, on the date of completion of the Disposal.

EXISTING MASTER SERVICES AGREEMENT

On 16 May 2011, the Company entered into the Existing Master Services Agreement with Mr. Doo under the following principal terms and conditions:

Parties: (1) the Company
(2) Mr. Doo

Condition precedent: The Existing Master Services Agreement is conditional upon the completion of the Disposal.

Duration: Subject to the satisfaction of the condition precedent mentioned above, the Existing Master Services Agreement shall come into force immediately upon the completion of the Disposal and shall be for a term of three years from the date of such completion.

Nature of transactions: Provision of the Existing Operational Services by members of the Services Group to members of the Group.

Provision of the Existing Operational Services

The Existing Operational Services include the contracting services being provided to members of the Group under the Existing Services Agreement, details of which are as follows:

Contracting services means the provision of construction, engineering and related services by the relevant members of the Services Group to members of the Group, 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.

Other Material Terms:

- 1) Mr. Doo agrees to, and to procure members of the Services Group to, provide the Existing Operational Services to members of the Group in accordance with the terms of the Existing Master Services Agreement and the particular terms and conditions of the relevant Existing Services Agreement.
- 2) The parties agree that the appointment of the relevant members of the Services Group by the Group to provide the Existing Operational Services under the Existing Master Services Agreement and the Existing Services Agreements is on a non-exclusive basis and shall be subject to the relevant laws, rules and regulations.
- 3) Mr. Doo confirms and undertakes that the fee payable in respect of each of the Existing Operational Services under the Existing Services Agreement provided by any member of the Services Group during the term of Existing Master Services Agreement shall be determined by the parties thereto in accordance with the terms of the relevant Existing Services Agreements in the ordinary course of business and shall be negotiated on arm's length basis and on normal commercial terms or at prices and terms no less favourable to the Company than terms available from independent third parties of the Group.

HISTORICAL AGGREGATE TRANSACTION VALUES

Assuming completion of the Disposal, the aggregate transaction values in respect of the provision of Existing Operational Services 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 the Existing 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 provision of the Existing Operational Services contemplated under the Existing Master Services Agreement will be as follows:

**Annual Cap for each of the financial
years ending 30 June**

	2012	2013	2014
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Provision of the Existing Operational Services to members of the Group by members of the Services Group	155	95	46

The above-mentioned projected figures are determined basing on the service fee and the outstanding contract sum payable by the Group under the Existing Services Agreement during the term of the Existing Master Services Agreement.

The Directors (including the independent non-executive Directors) consider 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 EXISTING MASTER SERVICES AGREEMENT

In anticipation of the change of ownership of certain companies providing the Existing Operational Services to the Group following the Disposal, it is necessary to enter into the Existing Master Services Agreement with Mr. Doo to streamline and regulate the continuing connected transactions between the Services Group and the Group arising from the Existing Services Agreements which will be subsisting, but not yet completed, on the date of completion of the Disposal.

The Existing Master Services Agreement will be able to cover the provision of Existing Operational Services pursuant to the Existing Services Agreements entered into between members of the Group and the Services Group and provides a single basis on which the Company will comply with the reporting and announcement requirements in compliance with the Listing Rules. The above-mentioned Existing Services Agreements were agreed on arm's length basis, on normal commercial terms and comparable with terms available to or from independent third parties.

The Directors (including the independent non-executive Directors) consider that the terms of the Existing 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 Existing 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.

APPROVAL BY THE BOARD

None of the Directors of the Board, except Mr. Doo, has a material interest in the Existing Master Services Agreement. Mr. Doo did not attend and vote at the Board meeting convened for the purpose of considering the Existing Master Services Agreement. Moreover, Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter who present at the Board meeting approving the Existing Master Services Agreement, have voluntarily abstained from voting on the relevant Board resolution.

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 Existing Master Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under the Listing Rules.

As each of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Annual Caps under the Existing Master Services Agreement is more than 0.1% but less than 5%, the Existing Master Services Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholder's approval under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Annual Caps” the annual cap amounts in respect of the continuing connected transactions under the Existing Master Services Agreement for each of the financial years ending 30 June 2012, 2013 and 2014, the particulars of which are set out in the section headed “MAXIMUM AGGREGATE ANNUAL VALUES” in this announcement

“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
“Director(s)”	the director(s) of the Company
“Disposal”	management buyout of certain subsidiaries of NWS, details of which were set out in the joint announcement of NWD and NWS dated 11 June 2010 and in their circulars dated 2 July 2010
“Existing Master Services Agreement”	an agreement entered into between the Company and Mr. Doo dated 16 May 2011 in relation to the provision of the Existing Operational Services to the Group by members of the Services Group under the Existing Services Agreements
“Existing Operational Services”	contracting services being provided under the Existing Services Agreement, details of the Existing Operational Services are set out in the paragraph headed “Provision of the Existing Operational Services” in this announcement
“Existing Services Agreements”	the individual agreements in respect of the provision of any of the Existing Operational Services entered into between a member of the Services Group and a member of the Group pursuant to the NWD Master Agreement and which will be subsisting on the date of completion of the Disposal
“Group”	the Company and/or 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
“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

“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 Master Agreement”	the agreement entered into between NWD and the Company on 30 April 2010 (as amended by a supplemental agreement dated 13 May 2011) in respect of the provision of certain ongoing services by the NWD Group to the Group which was approved by the independent Shareholders at an extraordinary general meeting of the Company duly held on 3 June 2010, details of which were set out in the announcements of the Company dated 30 April 2010 and 13 May 2011 and in a circular dated 18 May 2010
“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
“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 as from time to time may be specified in Takeovers Code as being the level for triggering a mandatory general 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
“Share(s)”	the ordinary share(s) in the issued share capital of the Company with a par value of HK\$0.10 each
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	any entity which falls within the definition of “subsidiary” under the Listing Rules or the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Commission as amended from time to time
“%”	per cent

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

Hong Kong, 16 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.