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*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 917)**

**(1) CONNECTED TRANSACTION :  
PRE-OPENING TECHNICAL CONSULTANCY CONTRACT**

**(2) CONTINUING CONNECTED TRANSACTIONS :  
HOTEL MANAGEMENT SERVICES CONTRACT**

**Pre-opening Technical Consultancy Contract**

On 2nd June 2008, NWHM (Macau), an indirect 70.5% owned subsidiary of the Company, entered into the Consultancy Contract with AOT Development in relation to the provision of pre-opening technical consultancy services by NWHM (Macau) to AOT Development for the development and construction of the Hotel commencing from the date of the Consultancy Contract and expiring on the opening date of the Hotel or 31st December 2008, whichever is the earlier, at a total contract sum of HK\$2,500,000.

By virtue of the fact that AOT Development is an associate of a connected person of the Company by reasons described in the content below, the transaction contemplated under the Consultancy Contract constitutes a connected transaction of the Company under Rule 14A.14 of the Listing Rules.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Consultancy Contract is more than 0.1% but less than 2.5%, the transaction contemplated under the Consultancy Contract is only subject to reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

**Hotel Management Services Contract**

On the same day, NWHM (Macau) entered into the Management Contract with AOT Development and AOT Management for provision of hotel management services by NWHM (Macau) to the Hotel at a monthly fee of HK\$500,000 for an initial term of ten

Full Operating Years commencing from the opening date of the Hotel.

By virtue of the fact that AOT Development and AOT Management are associates of a connected person of the Company by reasons described in the content below and the ongoing nature of the services, the transactions contemplated under the Management Contract constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the annual management fees receivable under the Management Contract is more than 0.1% but less than 2.5% during the contract period, the entering into the Management Contract is therefore only subject to reporting and announcement requirement and is exempt from independent shareholders' approval requirement. Appropriate disclosure of the Management Contract will be made in the future published annual reports and accounts of the Company in accordance with Rules 14A.37 and 14A.38 of the Listing Rules.

## **THE CONSULTANCY CONTRACT**

The principal terms of the Consultancy Contract are as follows:-

Date of the Consultancy

Contract : 2nd June 2008

Parties

: (a) AOT Development; and  
(b) NWHM (Macau)

Scope of services rendered : the provision of pre-opening technical consultancy services by NWHM (Macau) in relation to the development and construction of the Hotel. The consultancy services can be broadly divided into two categories, namely (a) examining and advising on the building plan and interior design of the Hotel, layouts of guest rooms, front desk and gymnasium, design concept of public space and operation of catering facilities; and (b) co-ordination of the professional consultancy services being provided to the Hotel in such areas as electrical engineering, interior design, decoration, installation of lighting, fixing of kitchens, laundry, gardening and car parking system

The Hotel is expected to provide approximately 300 guest rooms together with other hotel facilities such as banqueting, conferencing, entertainment and catering upon completion of the construction.

Term : commencing from the date of the Consultancy Contract and expiring on the opening date of the Hotel or 31st December 2008, whichever is the earlier

Consultancy fee : HK\$2,500,000 payable in the following manner:

- (i) HK\$2,000,000 within two weeks upon signing of the Consultancy Contract; and
- (ii) HK\$500,000 on 31st December 2008 or one month before the opening date of the Hotel, whichever is the earlier

Extension of term : the term of the Consultancy Contract can be extended at a monthly fee of HK\$78,000 payable on the first day of each month

Based on the present time schedule for the construction of the Hotel, the Directors anticipate that the Consultancy Contract will be completed before 31st December 2008 when the Hotel is opened for business.

## **THE MANAGEMENT CONTRACT**

Date of the Management Contract : 2nd June 2008

Parties : (a) AOT Development;  
(b) AOT Management; and  
(c) NWHM (Macau)

Scope of services rendered : the provision of management services by NWHM (Macau) to the Hotel. The management services can be broadly divided into five categories, namely (a) formulation of business strategy, operational plans, pricing policy and setting guidelines on the operating standard of the Hotel; (b) assistance in the preparation of budgets, overseeing the financial accounting and treasury management function; (c) overseeing the decoration, maintenance of facilities and assistance in the procurement of furniture, equipments, groceries and other supplies; (d) supervision of hotel personnel, advising on recruitment and remuneration policies and provision of staff training; (e) monitoring the advertising, marketing and promotional activities of the Hotel and attending to the leasing matters

- Term : an initial term of ten Full Operating Years commencing from the opening date of the Hotel which is renewable for ten years each time upon its expiry provided that NWMH (Macau) should give prior notice on or before 31 December on the ninth Full Operating Year, and in case of renewal during the extended term, on or before 1st January in the final year of the extended term (note)
- Management fees : HK\$500,000 per month commencing from the opening date of the Hotel, payable within 30 days after end of each month
- Expenses : expenses incurred by NWHM (Macau) will be reimbursed on actual basis within 30 days upon presentation of the relevant invoices

Note:

As required by Rule 14A.35 of the Listing Rules, the period for non-exempt continuing connected transactions must not exceed 3 years, except in special circumstances which are limited to cases where the nature of the transaction requires the contract to be of a duration longer than 3 years. To comply with the Listing Rules, the Board has appointed CIMB-GK as the independent financial advisor to advise them in relation to the term (or duration) of the Management Contract. CIMB-GK noted that different hotel management operators have different requirements and standards for hotels under their management and hotel owners are normally required to decorate their hotels to fit the requirements of the hotel management operators. As frequent changes of hotel management operator may lead to expensive redecorations and temporary closure of the hotel and may also result in confusion of hotel identity, hotel management contracts are normally of long duration. In addition, CIMB-GK has confirmed that it is of normal business practice for the Management Contract to be of such duration and having renewal option with regard to the following principal factors and reasons:

- (i) the transaction contemplated under the Management Contract falls within the core business of the Group;
- (ii) the Management Contract will provide a stable source of income to the Group given that NWHM (Macau) will be entitled to a monthly management fee;
- (iii) the term of the Management Contract is within the duration range of five to twenty years, and renewal options range from further period of five to fifteen years, of the five other hotel management contracts entered into by the Group with five hotels of the Group or the NWD Group located in the PRC;
- (iv) as disclosed in the prospectus of Regal Real Estate Investment Trust (“Regal REIT”) (Stock Code: 1881), a company listed on the Stock Exchange, dated 19th March 2007, Regal REIT owned an investment portfolio of 5 hotel properties in Hong

Kong at the time of its listing, all of which are managed by a subsidiary of Regal Hotels International Holdings Limited (Stock Code: 78), a company listed on the Stock Exchange, pursuant to a hotel management agreement, for a term of twenty years from the date of the listing of Regal REIT;

- (v) as noted from the announcement of Kerry Properties Limited (“Kerry”) (Stock Code: 683), a company listed on the Stock Exchange, dated 30th May 2006, The Kerry Centre Hotel, Beijing, is managed by Shangri-La Asia Limited, an associate of Kerry, under a hotel management services contract with a term of twenty years and a renewal option for a further period of ten years; and
- (vi) based on the information provided by the Company, NWD and CTF own a number of hotels which are currently managed by international hotel management operators and the terms of these hotel management contracts range from five to thirty years with renewal options range from further periods of five to not less than ten years.

The Board will comply with the then requirements under the Listing Rules in the event that the Management Contract is renewed and will make further announcement in this regard at that time.

#### **THE CAP AMOUNT**

Based on the monthly contract sum stipulated under the Management Contract, the Directors expect that the maximum aggregate amounts receivable by NWHM (Macau) under the Management Contract on annual basis will not exceed HK\$6,000,000 during the initial term of the contract period, which covers ten Full Operating Years commencing from the opening date of the Hotel (scheduled to be in mid December 2008).

In the event that the actual contract sum received by NWHM (Macau) exceeds the cap amounts, the Company will fully comply with the Listing Rules and make further announcement as and when appropriate in accordance with the Listing Rules.

#### **INFORMATION RELATING TO NWHM (MACAU), AOT DEVELOPMENT AND AOT MANAGEMENT**

NWHM (Macau) is a limited company incorporated under the laws of Macau and is principally engaged in the provision of hotel management services. It is directly and indirectly owned as to 100% by New World Hotel Management (BVI) Limited which in turn is owned as to 70.5% by the Group and 29.5% by Mr. William Junior Doo.

AOT Development is a company established under the laws of Macau and is principally engaged in hotel business in Macau.

AOT Management is a company established under the laws of Macau and is principally engaged in the operation of the Hotel. It is a 96% owned subsidiary of AOT Development.

## **REASONS FOR ENTERING INTO THE CONTRACTS**

The Group is principally engaged in the property development, property related investment as well as rental and hotel operation in the PRC. NWHM (Macau) is an operating vehicle of the Group providing hotel management and consultancy services in Macau. The Contracts are entered into in the ordinary course of business of NWHM (Macau) and will enhance the hotel portfolio being managed by the Group. The Management Contract will also generate a stable source of income to the Group.

The terms of the Contracts, including the scale of fees, are determined after arm's length negotiation among the parties by reference to the current market levels of consultancy and management fees of other hotels in Macau.

The Board, including the independent non-executive Directors, is of the view that the terms of the Contracts are on normal commercial terms and the transactions contemplated therein are in the ordinary course of business of the Group. They also consider that the Contracts are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **CONNECTED RELATIONSHIP**

At the date of the announcement, CTF is holding approximately 74.78% interest in International Entertainment Corporation (stock code : 8118) which in turn is holding 40% interest in AOT Development. Accordingly, both AOT Development and its subsidiary, AOT Management, were regarded as associates of CTF which is regarded as a connected person of the Company under the Listing Rules by virtue of its holding of approximately 37.01% interest in NWD, the controlling shareholding of the Company holding approximately 70% attributable interest in the issued share capital of the Company.

## **CONNECTED TRANSACTION RELATING TO THE CONSULTANCY CONTRACT**

By reason of the connected relationship described above, the transaction contemplated under the Consultancy Contract constitutes a connected transaction of the Company under Rule 14A.14 of the Listing Rules. As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Consultancy Contract is more than 0.1% but less than 2.5%, the transaction contemplated under the Consultancy Contract is only subject to reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS RELATING TO THE MANAGEMENT CONTRACT**

As the services to be provided by NWHM (Macau) under the Management Contract will be carried out on an ongoing basis, the transactions contemplated under the Management Contract constitute continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

As one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the annual management fees receivable under the Management Contract is more than 0.1% but less than 2.5% during the contract period, the entering into the Management Contract is therefore only subject to reporting and announcement requirement and is exempt from independent shareholders' approval requirement. Appropriate disclosure of the Management Contract will be made in the future published annual reports and accounts of the Company in accordance with Rules 14A.37 and 14A.38 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:

“AOT Development”	Arc of Triumph Development Company Limited(凱旋門發展有限公司), a company incorporated in Macau
“AOT Management”	Arc of Triumph Hotel Management Company Limited (凱旋門酒店管理有限公司), a company incorporated in Macau
“Board”	the board of Directors
“CIMB-GK”	CIMB-GK Securities (HK) Limited
“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
“Consultancy Contract”	a contract dated 2nd June 2008 entered into between AOT Development and NWHM (Macau) relating to the provision of pre-opening technical consultancy services by NWHM (Macau) to the Hotel
“Contracts”	the Consultancy Contract and the Management Contract
“CTF”	Chow Tai Fook Enterprises Limited
“Directors”	directors of the Company

“Full Operating Year”	full calendar year exclusive of the years when the Management Contract commences or expires which are less than a full calendar year
“Group”	collectively, the Company and its subsidiaries
“HK”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hotel”	a hotel owned by AOT Development and tentatively named as L’Arc New World Hotel Macau (澳門凱旋門新世界酒店) being constructed and developed at Lot A2/J, Avenida 24 de Junho, Macau (澳門新口岸皇朝區城市日大馬路 A2/J 地段)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	Macau Special Administration Region of the PRC
“Management Contract”	a contract dated 2nd June 2008 entered into among AOT Development, AOT Management and NWHM (Macau) relating to the provision of management services by NWHM (Macau) to the Hotel
“Mr. William Junior Doo”	Mr. William Junior Guilherme Doo, a director of NWS Holdings Limited (stock code : 659), an approximately 56% owned subsidiary of NWD and a company listed on the Main Board of the Stock Exchange. Mr. William Junior Doo is the son of Mr. Doo Wai-hoi, William, the nephew of Dr. Cheng Kar-shun, Henry and the cousin of Mr. Cheng Chi-kong, Adrian
“NWD”	New World Development Company Limited (stock code : 17), a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange. The core businesses of NWD include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology
“NWD Group”	collectively, NWD and its subsidiaries
“NWHM (Macau)”	New World Hotel Management (Macau) Limited, an indirect 70.5%-owned subsidiary of the Group



“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 2nd June 2008

At the date of this announcement, the board of directors of the Company comprises (a) nine executive directors, namely Dr. Cheng Kar-shun, Henry, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda; (b) a non-executive director, namely Mr. Fu Sze-shing; and (c) three independent non-executive directors, namely Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.