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

**(Stock Code: 0917)**

## **CONTINUING CONNECTED TRANSACTION**

On 30th June 2005, the Company entered into two Tenancy Agreements with NWT for lease of premises.

By virtue of the fact that NWT is a wholly-owned subsidiary of NWD, the controlling shareholder of the Company, the entering into of the Tenancy Agreements constitutes a continuing connected transaction for the Company under the Listing Rules.

Given that the transaction amounts under the Tenancy Agreements fall within the de minimis threshold prescribed in Rule 14A.34 of the Listing Rules, the entering into of the Tenancy Agreements is exempt from independent shareholders' approval but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

The board of directors of New World China Land Limited (the "Company") announces that the following tenancy agreements (together, the "Tenancy Agreements") have been entered into:

### **TENANCY AGREEMENT DATED 30TH JUNE 2005**

Landlord:	New World Tower Company Limited ("NWT"), a property investment company and a wholly owned subsidiary of New World Development Company Limited ("NWD")
Tenant:	the Company
Premises:	9/F., New World Tower 1, 18 Queen's Road Central, Hong Kong with gross floor area of 9,375 square feet
Term:	two years commencing from 1st July 2005 to 30th June 2007 (both days inclusive)
Rental:	HK\$253,125 per month, exclusive of government rates, payable in cash monthly in advance
Management fees and air-conditioning charges:	HK\$32,813 per month (subject to adjustment by NWT)

## **TENANCY AGREEMENT DATED 30TH JUNE 2005**

Landlord:	NWT
Tenant:	the Company
Premises:	a portion of 33/F., New World Tower 1, 18 Queen's Road Central, Hong Kong with gross floor area of 1,296 square feet
Term:	two years commencing from 1st July 2005 to 30th June 2007 (both days inclusive)
Rental:	HK\$34,992 per month, exclusive of government rates, payable in cash monthly in advance
Management fees and air-conditioning charges:	HK\$4,536 per month (subject to adjustment by NWT)

### **THE CAP AMOUNTS**

The aggregate rental, management fees and air-conditioning charges payable under the Tenancy Agreements are subject to an annual cap of HK\$4,200,000, taking into account of the possible adjustment on the management fees and air-conditioning charges.

### **REASONS FOR THE TRANSACTION**

The Company is principally engaged in the property development and property related investment in the People's Republic of China. The purpose of the transaction is to renew the existing leases for the premises being occupied by the Company and its subsidiaries as head offices in Hong Kong. The existing leases which lasted for three years with annual rental of HK\$4,783,536, expired on 30th June 2005.

The terms of the Tenancy Agreements are negotiated on an arm's length basis between NWT and the Company and are on normal commercial terms. The rental of the premises has been arrived at with reference to the prevailing market rate of the similar leases in the same building. The directors of the Company (including the independent non-executive directors) consider that the terms of the Tenancy Agreements are fair and reasonable, being not less favourable than terms available from independent third parties and are in the interest of the shareholders of the Company as a whole.

### **CONNECTION BETWEEN THE PARTIES**

NWD is the controlling shareholder of the Company, which together with its subsidiaries, is holding approximately 72% of the issued shares of the Company. By virtue of the fact that NWT is a wholly-owned subsidiary of NWD, the entering into of the Tenancy Agreements constitutes a continuing connected transaction for the Company under the Listing Rules. Given that the transaction amounts under the Tenancy Agreements fall within the de minimis threshold prescribed in Rule 14A.34 of the Listing Rules, the entering into of the Tenancy Agreements is exempt from independent shareholders' approval but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, 30th June 2005

*As at the date hereof, the board of directors of the Company comprises (1) Dr. Cheng Kar-shun, Henry, Messrs. Doo Wai-hoi, William, Cheng Kar-shing, Peter, Leung Chi-kin, Stewart, Chow Kwai-cheung, Chow Yu-chun, Alexander, Fong Shing-kwong, Michael as executive directors; (2) Mr. Fu Sze-shing as non-executive director; and (3) Messrs. Cheng Wai-chee, Christopher, Tien Pei-chun, James and Lee Luen-wai, John as independent non-executive directors.*

*Please also refer to the published version of this announcement in the (**The Standard**)*