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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 0917)

CONTINUING CONNECTED TRANSACTION
HOTEL MANAGEMENT SERVICES CONTRACT

On 10th January 2008, NWHM, an indirect 65%-owned subsidiary of the Company, entered into a Contract with Beijing Jing-Guang in relation to the provision of hotel management services by NWHM to the Hotel owned by Beijing Jing-Guang.

By virtue of the fact that Beijing Jing-Guang is 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 Contract constitute continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

The Contract has an initial term of 20 Full Operating Years commencing from 10th January 2008 and expiring on 31st December 2028. It was estimated that the payment of management fees by Beijing Jing-Guang to NWHM in each of the three financial years ending 30th June 2010 will be more than 0.1% but less than 2.5% of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules and the Contract is therefore 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.

THE CONTRACT

The principal terms of the Contract are as follows:

- Date of the Contract : 10th January 2008
- Parties : (a) Beijing Jing-Guang; and
(b) NWHM

Scope of services rendered : the provision of management services by NWHM to the Hotel owned by Beijing Jing-Guang. 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 and 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 20 Full Operating Years commencing from 10th January 2008 and expiring on 31st December 2028 which is renewable for 10 years each time upon its expiry provided that NWHM should give prior notice on or before 31st December 2027, and in case of renewal during the extended term, on or before 1st January in the final year of the extended term (note)

Basic management fees : 2% of the Total Revenue of the Hotel. The fee is payable in cash within 30 days after end of each month

Incentive management fees : (i) 5% of the Net Operating Profit of the Hotel from 10th January 2008 up to 31st December 2012;
(ii) 6% of the Net Operating Profit of the Hotel for the next five years up to 31st December 2017; and
(iii) 7% of the Net Operating Profit of the Hotel from 1st January 2018

The fee is payable in cash within 30 days after end of each month.

Expenses : expenses incurred by NWHM 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 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 Contract to be of

such duration and renewal option having considered the following principal factors and reasons:

- (i) the transaction contemplated under the Contract falls within the core business of the Group;
- (ii) the Contract will provide a stable source of income to the Group given that NWHM will be entitled to basic management fee equivalent to a fixed percentage of the Total Revenue of the Hotel and incentive management fee calculated with reference to the Net Operating Profit of the Hotel;
- (iii) the term of the 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 four other hotel management contracts entered into by the Group with four hotels of the 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
- (vii) based on the information provided by the Company, NWD and CTF owns a number of hotels which are currently managed by international hotel management operators and the term of these hotel management contracts range from five to thirty years with renewal options range from further period 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 Contract is renewed and will make further announcement in this regard at that time.

THE CAP AMOUNT

The Directors expect that the total management fees receivable under the Contract in each of the three financial years ending 30th June 2010 will not exceed RMB10,000,000 (equivalent to approximately HK\$10,638,298) based on the contracted rates of management fees and the following projections which represent the best estimates of the Directors on the revenues and profit of the Hotel during the term of the Contract: (1) rooms revenue of about RMB53,500,000 in the year 2008 which is estimated with reference to a total of 446 rooms in the Hotel, an average daily rate of RMB438 and an average occupancy rate of about 70% to 75%; (2) other revenues of the Hotel generating from rental of shops area, restaurant operations and other sources totaling about 42% of the Total Revenue which are estimated with reference to the historical records of the Hotel; (3) a gross operating profit margin of about 30%; and (4) an increase in the Total Revenue at an annual rate of 10% in the year 2009 and 5% in the years afterwards.

The Directors will make further announcement on the maximum annual management fees receivable under the Contract after 30th June 2010.

INFORMATION RELATING TO NWHM AND BEIJING JING-GUANG

NWHM is a limited company incorporated under the laws of Hong Kong and is principally engaged in the provision of hotel management services. It is a wholly-owned subsidiary of New World Hotel Management (BVI) Limited which in turn is owned as to 65% by the Group, 29.5% by a director of NWHM and 5.5% by Mr. William Junior Doo.

Beijing Jing-Guang is a sino-foreign co-operative joint venture enterprise established under the laws of the PRC and is principally engaged in the holding of hotel, office and apartment portion of the Hotel.

REASONS FOR ENTERING INTO THE CONTRACT

The Group is principally engaged in the property development, property related investment as well as rental and hotel operation in the PRC. NWHM is an operating vehicle of the Group providing hotel management services. The Contract is entered into in the ordinary course of business of NWHM and will provide a stable source of income to the Group.

The terms of the Contract, including the scale of fees, are determined after arm's length negotiation between NWHM and Beijing Jing-Guang by reference to the current market levels of management fees of other hotels in Beijing.

The Board, including the independent non-executive directors, is of the view that the terms of the Contract 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 Contract is fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONNECTED RELATIONSHIP WITH BEIJING JING-GUANG

At the date of the announcement, NWD held approximately 70% attributable interests in the issued share capital of the Company. Beijing Jing-Guang is a 60%-owned subsidiary of Hong Kong Jing Guang Development Limited which in turn is an indirect 82%-owned subsidiary of a company indirectly owned by NWD and CTF as to 64% and 36%, respectively. NWD is owned as to approximately 36.6% by CTF. As such, Beijing Jing-Guang is regarded as an associate of NWD and CTF, being connected persons of the Company within the meaning of the Listing Rules. The hotel management services to be provided to Beijing Jing-Guang under the Contract will be carried out on an ongoing basis, therefore, the transactions contemplated under the Contract constitute continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules.

It was estimated that the payment of management fees by Beijing Jing-Guang to NWHM pursuant to the Contract in each of the three financial years ending 30th June 2010 will be more than 0.1% but less than 2.5% of the applicable percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules and the Contract is therefore 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:

“Beijing Jing-Guang”	Beijing Jing-Guang Centre Co. Ltd. (北京京廣中心有限公司), a subsidiary of NWD
“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
“Contract”	a contract dated 10th January 2008 entered into between Beijing Jing-Guang and NWHM relating to the provision of hotel management services by NWHM to the Hotel owned by Beijing Jing-Guang
“CTF”	Chow Tai Fook Enterprises Limited
“Directors”	directors of the Company
“Full Operating Year”	full calendar year exclusive of the years when the Contract commences or expires which are less than a full calendar year
“Gross Operating Profit”	Total Revenue less cost of operation such as cost relating to restaurant operations, hotel supplies, utilities and salaries but without deduction of depreciation, property tax, insurance, interest expenses and other expenses not recognized as cost of operation in accordance with the Uniform System of Accounts for Lodging Industry
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hotel”	Jing Guang New World Hotel (京廣新世界酒店), a 5-Star hotel located in Hu Jia Lou, Chao Yang Qu, Beijing, the PRC (中國北京市朝陽區呼家樓)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. William Junior Doo”	Mr. William Junior Guilherme Doo, a director of NWS Holdings Limited (stock code : 0659), a 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

“Net Operating Profit”	Gross Operating Profit less basic management fees which is 2% of the Total Revenue and reserve for capital items which is 3% of the Total Revenue
“NWD”	New World Development Company Limited (stock code : 0017), 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
“NWHM”	New World Hotel Management Company Limited, a 65%-owned subsidiary of the Group
“PRC”	The People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Total Revenue”	an aggregate of rooms revenue and income received from restaurant operations, leases of shops area, sales of retail items, rendering of ancillary services and other income recognized by the local tax authority for taxation purposes
“%”	per cent.

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

Hong Kong, 10th January 2008

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB0.94=HK\$1.00.

At the date of this announcement, the Board 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.