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**新世界發展有限公司**

**New World Development Company Limited**

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**CONTINUING CONNECTED TRANSACTIONS  
THE SERVICES GROUP MASTER SERVICES AGREEMENT  
AND  
THE CTFE MASTER SERVICES AGREEMENT**

On 11 April 2014, Mr. Doo and the Company entered into the Services Group Master Services Agreement in relation to the Services Group Transactions.

On 11 April 2014, CTFE and the Company entered into the CTFE Master Services Agreement in relation to the CTFE Transactions.

As at the date of this announcement, Mr. Doo is the Vice-chairman and a non-executive director of the Company, and a director of certain subsidiaries of the Company, and hence Mr. Doo and the Services Group (being his associates) are connected persons of the Company. The Services Group Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CTFE is a substantial shareholder of the Company and therefore a connected person of the Company. The CTFE Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Services Group Transactions is/are more than 5% and each of the Services Group Annual Caps exceeds HK\$10,000,000, the Services Group Master Services Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the CTFE Transactions are less than 5% and each of the CTFE Annual Caps exceeds HK\$1,000,000, the CTFE Master Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for the Company.

The Company will convene the EGM for the purpose of seeking approval from the Independent Shareholders on the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps. The Independent Board Committee has been established to consider the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps, and to advise the Independent Shareholders as to whether the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps are in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular of the Company containing, amongst others, further information on (i) the terms of the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, is expected to be despatched to the Shareholders on or before 5 May 2014.

## **INTRODUCTION**

On 11 April 2014, Mr. Doo and the Company entered into the Services Group Master Services Agreement in relation to the Services Group Transactions.

On 11 April 2014, CTFE and the Company entered into the CTFE Master Services Agreement in relation to the CTFE Transactions.

The principal terms of the Services Group Master Services Agreement and the CTFE Master Services Agreement are set out below.

## **THE SERVICES GROUP MASTER SERVICES AGREEMENT**

### **Background**

Members of the Services Group had in the past entered into, and is expected from time to time to enter into, certain services agreements with members of the Group in respect of the provision of the Services Group Services in accordance with the Former Services Group Master Services Agreement and certain of the services agreements have not expired as at the date of the Services Group Master Services Agreement. The Services Group and the Group wish to continue the services agreements and may from time to time enter into new services agreements in respect of the Services Group Transactions. The Former Services Group Master Services Agreement will expire on 30 June 2014. Accordingly, Mr. Doo and the Company agree to enter into the Services Group Master Services Agreement.

**Date**

11 April 2014

**Parties**

- (1) Mr. Doo; and
- (2) the Company

**Conditionality**

The Services Group Master Services Agreement is conditional upon the approval by the Independent Shareholders of the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps at the EGM.

**General terms for the Services Group Transactions**

The relevant members of the Services Group may from time to time enter into Definitive Services Group Agreement(s) with the relevant members of the Group in relation to any Services Group Transaction upon, and subject to, the terms and conditions in compliance with the Services Group Master Services Agreement as may be agreed between the relevant members of the Services Group and the relevant members of the Group. All existing agreements between relevant members of the Services Group and relevant members of the Group in respect of the Services Group Transactions (to the extent which covers the Services Group Transactions after the Services Group Effective Date) will be treated as Definitive Services Group Agreements made pursuant to the Services Group Master Services Agreement as from the Services Group Effective Date.

With effect from the Services Group Effective Date, the Services Group Transactions shall be conducted:

- (a) in the usual and ordinary course of business of the Services Group and the Company, as the case may be;
- (b) on normal commercial terms and based on the then prevailing market rates; and
- (c) in compliance with all applicable provisions of the Listing Rules (including the Services Group Annual Caps), the applicable laws, the Services Group Master Services Agreement and the relevant Definitive Services Group Agreement.

The consideration for each Definitive Services Group Agreement will be determined in the following manners:

- (a) in respect of the Rental Services: a quote which is based on other market comparative quote(s) or from independent third parties in the market for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) will be provided by the lessor at the request of the lessee; the lessee may either accept the quote and proceed with the lease or reject the quote and decline to proceed further;
- (b) in respect of the Services Group Contracting Services:
  - where a member of the Services Group is nominated as contractor designated by ultimate employer (which may or may not be a member of the Group), consideration to such member of the Services Group will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer;
  - where the Group has the right to select contractor(s), consideration to such contractor(s) will be ascertained under the supervision of an in-house qualified professional quantity surveyor. The Group will obtain quotations from its list of pre-approved contractors (which is subject to periodic review and update by its management to ensure the contractors' quality standards). If the price and terms offered by the Services Group are equal to or better than those offered by the independent service providers, the Group may probably award the contract to the Services Group; and
  - for projects which involves consideration of a substantial amount, the member(s) of the Services Group will participate in a tender from all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount in accordance with the Group's internal tender procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) set out in the bid invitation;
- (c) in respect of the Property Management Services: the consideration will be fixed at cost plus a prevailing market rate which will be determined by conducting research on the market comparables by the parties from time to time. The cost element will include all direct costs incurred such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis; and
- (d) in respect of the other Services Group Services: the consideration will be fixed at an amount representing an increment of a prevailing market rate compared to the relevant immediately expired Definitive Services Group Agreement. Such prevailing market rate will be determined by conducting research on the market comparables by the parties from time to time.

## **Duration**

The Services Group Master Services Agreement shall commence on the Services Group Effective Date, and shall continue up to and including 30 June 2017, unless terminated earlier in accordance with the Services Group Master Services Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the Services Group Master Services Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the Services Group Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the Services Group Master Services Agreement.

## **Historical figures and the Services Group Annual Caps**

The aggregate transaction amounts payable by the Services Group to the Group, and vice versa, under the Former Services Group Master Services Agreement for the two years ended 30 June 2013 and the six months ended 31 December 2013 were approximately HK\$454.2 million, HK\$674.1 million and HK\$693.7 million, respectively.

The Services Group Annual Caps for each of the three years ending 30 June 2017 are HK\$2,805.1 million, HK\$4,284.4 million and HK\$3,576.6 million, respectively.

Each of the Services Group Annual Caps have been determined by reference to:

- (a) the historical annual or annualised amounts in respect of the Services Group Services provided by the Group to the Services Group, and vice versa, during the past financial years; and
- (b) the projected annual or annualised amounts in respect of the Services Group Services to be provided by the Group to the Services Group, and vice versa, in the three years ending 30 June 2017.

The above-mentioned projected figures are determined based on the relevant historical figures, taking into account the business growth of the Services Group and the Group, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the Services Group and/or the Group.

## **Reasons for and benefits of entering into the Services Group Master Services Agreement**

The transactions contemplated under the Services Group Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Services Group and the Group. The Services Group Master Services Agreement is intended to streamline the continuing connected transactions between members of the Services Group and members of the Group. It provides

a single basis on which the Company will comply with the reporting, announcement and independent shareholders' approval requirements in compliance with the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the agreements in respect of the provision of the Services Group Services.

The Directors (excluding the independent non-executive directors of the Company who will provide their views after considering the opinion of the independent financial adviser) consider that the terms of the Services Group Master Services Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole and that the Services Group Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **THE CTFE MASTER SERVICES AGREEMENT**

### **Background**

Members of the CTFE Group had in the past entered into, and is expected from time to time to enter into, certain services agreements with members of the Group in relation to the provision of the CTFE Services in accordance with the Former CTFE Master Services Agreement and certain of the services agreements have not expired as at the date of the CTFE Master Services Agreement. The CTFE Group and the Group wish to continue the services agreements and may from time to time enter into new services agreements in respect of the CTFE Transactions. The Former CTFE Master Services Agreement will expire on 30 June 2014. Accordingly, CTFE and the Company agree to enter into the CTFE Master Services Agreement.

### **Date**

11 April 2014

### **Parties**

- (1) CTFE; and
- (2) the Company

### **General terms for the CTFE Transactions**

The relevant members of the CTFE Group may from time to time enter into Definitive CTFE Agreement(s) with the relevant members of the Group in respect of any CTFE Transaction upon, and subject to, the terms and conditions in compliance with the CTFE Master Services Agreement as may be agreed between the relevant members of the CTFE Group and the relevant members of the Group. All existing agreements between relevant members of the CTFE Group and relevant members of the Group in respect of the CTFE Transactions (to the extent which covers the CTFE Transactions after the CTFE Effective Date) will be treated as Definitive CTFE Agreements made pursuant to the CTFE Master Services Agreement as from the CTFE Effective Date.

With effect from the CTFE Effective Date, the CTFE Transactions shall be conducted:

- (a) in the usual and ordinary course of business of CTFE and the Company, as the case may be;
- (b) on normal commercial terms and based on the then prevailing market rates; and
- (c) in compliance with all applicable provisions of the Listing Rules (including the CTFE Annual Caps), the applicable laws, the CTFE Master Services Agreement and the relevant Definitive CTFE Agreement.

The consideration for each Definitive CTFE Agreement will be determined in the following following manners:

- (a) in respect of the General and Rental Services: a quote which is based on other market comparative quote(s) or from independent third parties in the market for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) will be provided by the lessor at the request of the lessee; the lessee may either accept the quote and proceed with the lease or reject the quote and decline to proceed further;
- (b) in respect of the CTFE Contracting Services:
  - where the member(s) of the Group participate(s) in a tender from all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount in accordance with the employer's internal tender procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) set out in the bid invitation;
  - where the engagement is through direct appointment by member(s) of the CTFE Group/the Group, the consideration will be on a cost-plus basis agreed with member(s) of the CTFE Group/the Group, which is in line with the basis for engagements by independent third parties for projects of similar nature and size;
- (c) in respect of the Property Management and Consultancy Services: the consideration will be fixed at cost plus a prevailing market rate which will be determined by conducting research on the market comparables by the parties from time to time. The cost element will include all direct costs incurred such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis;
- (d) in respect of the Hotel Management and Consultancy Services: major fee arrangements, including the management fees, central marketing fees and technical services fees, are proposed by the hotel management services provider(s), which will then be negotiated with the hotel owner(s) and documented in the relevant Definitive CTFE Agreement; the hotel management services provider(s) will conduct research on industry practices on a regular basis to ensure that the terms offered are comparable to prevailing market prices; and

- (e) in respect of the other CTFE Services: the consideration will be fixed at an amount representing an increment of a prevailing market rate compared to the relevant immediately expired Definitive CTFE Agreement. Such prevailing market rate will be determined by conducting research on the market comparables by the parties from time to time.

### **Duration**

The CTFE Master Services Agreement shall commence on the CTFE Effective Date, and shall continue up to and including 30 June 2017, unless terminated earlier in accordance with the CTFE Master Services Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the CTFE Master Services Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the CTFE Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the CTFE Master Services Agreement.

### **Historical figures and the CTFE Annual Caps**

The aggregate transaction amounts payable by the CTFE Group to the Group, and vice versa, under the Former CTFE Master Services Agreement for the two years ended 30 June 2013 and the six months ended 31 December 2013 were approximately HK\$189.7 million, HK\$345.7 million and HK\$217.8 million, respectively.

The CTFE Annual Caps for each of the three years ending 30 June 2017 are HK\$1,108.3 million, HK\$1,628.6 million and HK\$2,086.2 million, respectively.

Each of the CTFE Annual Caps have been determined by reference to:

- (a) the historical annual or annualised amounts in respect of the CTFE Services provided by the Group to the CTFE Group, and vice versa, during the past financial years; and
- (b) the projected annual or annualised amounts in respect of the CTFE Services to be provided by the Group to the CTFE Group, and vice versa, in the three years ending 30 June 2017.

The above-mentioned projected figures are determined basing on the relevant historical figures, taking into account the business growth of the CTFE Group and Group, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumptions that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the CTFE Group and/or the Group; and the service industries in which the Group operates will have steady growth.



## **Reasons for and benefits of entering into the CTFE Master Services Agreement**

The transactions contemplated under the CTFE Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the CTFE Group and the Group. The CTFE Master Services Agreement is intended to streamline the continuing connected transactions between members of the CTFE Group and members of the Group. It provides a single basis on which the Company will comply with the requirements under the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the agreements in respect of the provision of the CTFE Services.

The Directors consider that the terms of the CTFE Master Services Agreement have been negotiated on an arm's length basis and on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole and that the CTFE Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION ON MR. DOO, THE SERVICES GROUP, CTFE AND THE GROUP**

Mr. Doo is the Vice-chairman and a non-executive director of the Company, and a director of certain subsidiaries of the Company and the beneficial owner of several corporate substantial shareholders 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, the uncle of Mr. Cheng Chi-Kong, Adrian, Mr. Cheng Chi-Heng and Ms. Cheng Chi-Man, Sonia and a controlling shareholder of the Services Group.

To the best knowledge of the Directors, 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 investment and management, cleaning, and electrical and mechanical engineering.

To the best knowledge of the Directors, CTFE is principally engaged in investment holding.

The principal businesses of the Group include property development and investments in the area of property, infrastructure, hotel operations, department store operations, services, as well as telecommunications and technology.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Doo is the Vice-chairman and a non-executive director of the Company, and a director of certain subsidiaries of the Company, and hence Mr. Doo and the Services Group (being his associates) are connected persons of the Company. The Services Group Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

CTFE is a substantial shareholder of the Company and therefore a connected person of the Company. The CTFE Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Services Group Transactions is/are more than 5% and each of the Services Group Annual Caps exceeds HK\$10,000,000, the Services Group Master Services Agreement is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

As all the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the CTFE Transactions are less than 5% and each of the CTFE Annual Caps exceeds HK\$1,000,000, the CTFE Master Services Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under the Listing Rules for the Company.

## **APPROVAL BY THE BOARD OF DIRECTORS**

### **The Services Group Master Services Agreement**

Other than Mr. Doo, none of the Directors has a material interest in the Services Group Master Services Agreement. Mr. Doo, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian and Mr. Cheng Kar-Shing, Peter who were present at the meeting of board of Directors voluntarily abstained from voting on the relevant board resolutions.

### **The CTFE Master Services Agreement**

None of the Directors has a material interest in the CTFE Master Services Agreement. However, Mr. Doo, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian and Mr. Cheng Kar-Shing, Peter who were present at the meeting of board of Directors voluntarily abstained from voting on the relevant board resolutions.

## **GENERAL**

The Company will convene the EGM for the purpose of seeking approval from the Independent Shareholders on the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps. The Independent Board Committee has been established to consider the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps, and to advise the Independent Shareholders as to whether the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps are in the interests of the Company and the Shareholders as a whole. An independent financial adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular of the Company containing, amongst others, further information on (i) the terms of the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the notice of the EGM, is expected to be despatched to the Shareholders on or before 5 May 2014.

## DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“associate”	has the meaning ascribed to it under the Listing Rules
“Cleaning and Landscaping Services”	general cleaning, vessel and vehicle cleaning, office and facility cleaning, recycling and environmental services, landscaping and plant maintenance, the supply of plants, laundry services and related services
“Company”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 17)
“connected person”	has the meaning ascribed to it under the Listing Rules
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company as at the date of this announcement
“CTFE Annual Caps”	the annual cap amounts payable by the CTFE Group to the Group, and vice versa, in respect of the CTFE Transactions for each of the three years ending 30 June 2017
“CTFE Contracting Services”	the provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, computer aided drafting services and related services
“CTFE Effective Date”	1 July 2014
“CTFE Group”	CTFE, (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and/or (b) any other company in the equity capital of which CTFE and such other companies referred to in (a) above taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Code on Takeovers and Mergers 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, and for the purpose of the CTFE Master Services Agreement, such term shall exclude members of the Group

“CTFE Master Services Agreement”	the master services agreement in relation to the CTFE Transactions entered into between CTFE and the Company on 11 April 2014
“CTFE Services”	the CTFE Contracting Services, the General and Rental Services, the Hotel Management and Consultancy Services, Project Management and Consultancy Services, and such other types of services as CTFE and the Company may agree upon from time to time in writing
“CTFE Transactions”	all existing and future transactions between members of the CTFE Group and members of the Group in respect of provision of CTFE Services
“Definitive CTFE Agreement(s)”	definitive agreement(s) which may be entered into between any member(s) of the CTFE Group and any member(s) of the Group from time to time in relation to any of the CTFE Transactions at any time during the term of the CTFE Master Services Agreement
“Definitive Services Group Agreement(s)”	definitive agreement(s) which may be entered into between any member(s) of the Services Group and any member(s) of the Group from time to time in relation to any of the Services Group Transactions at any time during the term of the Services Group Master Services Agreement
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps
“Facility Management Services”	provision of information technology services and telecommunication services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, food processing, trading and supply, merchandise sourcing, procurement and supply and related services
“Former CTFE Master Services Agreement”	the master services agreement dated 30 June 2011 entered into between CTFE and the Company, as supplemented by the supplemental agreement dated 7 May 2012, details of which were disclosed in the announcements of the Company dated 30 June 2011, 7 May 2012 and 5 December 2012, respectively

“Former Services Group Master Services Agreement”	the master services agreement dated 19 May 2011 entered into between Mr. Doo and the Company, details of which were disclosed in the announcements of the Company dated 19 May 2011 and 5 December 2012, respectively
“General and Rental Services”	the provision of information technology and telecommunications services, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, food processing, trading and supply, merchandise sourcing, procurement and supply, property management, property sales and letting agency services, provision of car-parking management and related services and rental of properties, spare spaces, car-parking spaces, vehicles and vessels
“Group”	the Company and 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 PRC
“Hotel Management and Consultancy Services”	the provision of management and consultancy services by the relevant members of the Group to members of the CTFE Group in respect of hotels owned by members of the CTFE Group from time to time including but not limited to hotel pre-opening consultancy services, and ongoing management, sales and marketing services such as (a) formulation of business strategy, operational plans, pricing policy and setting guidelines on the operating standard of the relevant 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; and (e) monitoring the advertising, marketing and promotional activities of the relevant hotel and attending to the leasing matters
“Independent Board Committee”	an independent committee of the board of Directors, comprising all of the independent non-executive Directors
“Independent Shareholders”	the Shareholders, other than Mr. Doo and his associates, who do not have any material interest in the Services Group Master Services Agreement and are not required to abstain from voting at the EGM to consider and approve the Services Group Master Services Agreement, the Services Group Transactions and the Services Group Annual Caps

“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 and the beneficial owner of several corporate substantial shareholders of certain subsidiaries of the Company, and a controlling shareholder of the Services Group
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Project Management and Consultancy Services”	the provision of project management and consultancy services by the relevant members of the Group to members of the CTFE Group in relation to the planning, design and construction of property projects developed or owned by members of the CTFE Group from time to time, including but not limited to (a) the provision of advices on design plans and development schedules; co-ordination with architects and consultants on the preparation of tender documents and drawings; monitoring the approval of necessary construction permits; (b) overseeing the overall construction including the construction progress and managing the daily operation of construction sites; certifying periodic payments to suppliers and contractors; preparation of cash flow projection; and (c) arranging for hand-over of the completed works complete with full technical documentation for future maintenance and operation; approving final payments to consultants; and co-ordination with consultants on the compilation of final accounts
“Property Management Services”	property management, property sales, vessel and vehicle sales and letting agency services, pre-marketing consultancy services, technical services, provision of car parking management and related services
“Rental Services”	rental of properties, spare spaces, office spaces and car parking spaces, vehicles and vessels and related services
“Security and Guarding Services”	provision of security guards, security systems installation and maintenance services, armoured transport services, supply of security products and related services

“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 may from time to time be specified in the Code on Takeovers and Mergers 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
“Services Group Annual Caps”	the annual cap amounts payable by the Services Group to the Group, and vice versa, in respect of the Services Group Transactions for each of the three years ending 30 June 2017
“Services Group Contracting Services”	provision of services as main contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management and the 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 and system design and consultancy, computer aided drafting services and related services
“Services Group Effective Date”	1 July 2014, which is conditional upon the Services Group Master Services Agreement becoming unconditional as set out in the sub-paragraph headed “Conditionality” under the paragraph headed “The Services Group Master Services Agreement” in this announcement
“Services Group Master Services Agreement”	the master services agreement in relation to the Services Group Transactions entered into between Mr. Doo and the Company on 11 April 2014
“Services Group Services”	the Services Group Contracting Services, Cleaning and Landscaping Services, Facility Management Services, Property Management Services, Security and Guarding Services, Rental Services, and such other types of services as members of the Services Group and members of the Group may agree upon from time to time in writing

“Services Group Transactions”	all existing and future transactions between members of the Services Group and members of the Group in respect of provision of Services Group Services
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules or the Companies Ordinance (Chapter 622 of the laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the board of  
**New World Development Company Limited**  
**Wong Man-Hoi**  
*Company Secretary*

Hong Kong, 11 April 2014

*As at the date of this announcement, the executive directors of the Company are Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Kong, Adrian, Mr. Chen Guanzhan, Ms. Ki Man-Fung, Leonie, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia and Mr. Au Tak-Cheong; the non-executive directors of the Company are Mr. Doo Wai-Hoi, William and Mr. Cheng Kar-Shing, Peter; and the independent non-executive directors of the Company are Mr. Yeung Ping-Leung, Howard, Mr. Cha Mou-Sing, Payson (alternate director to Mr. Cha Mou-Sing, Payson: Mr. Cha Mou-Zing, Victor), Mr. Ho Hau-Hay, Hamilton, Mr. Lee Luen-Wai, John and Mr. Liang Cheung-Biu, Thomas.*