新城发展
FUTURE HOLDINGS

Future Land Development Holdings Limited

新城發展控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1030)

FURTHER ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTION
PROPERTY SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement (the "**Announcement**") of Future Land Development Holdings Limited (the "**Company**") dated July 29, 2016 in relation to the Property Services Framework Agreement. Unless otherwise defined, all capitalized terms used herein shall have the same meanings as those in the Announcement. The Company would like to further provide the following information in relation to the Property Services Framework Agreement.

Tender Process and Pricing Policy for Pre-Sale Management Service

Future Land Holdings selects pre-sale management service provider through standard and systematic tender process in compliance with the applicable laws and regulations from time to time and in particular the Tentative Measures on Tender for Pre-Sale Management Service* (前期物業管理招標投標管理暫行辦法) issued by the Ministry of Housing and Urban-Rural Development of the PRC. During the course of Future Land Holdings' invitations to tender, review of tenders and tender selection, the participation of Future Land Property Services shall not in any way affect Future Land Holdings' tender procedures, contract terms and selection principles and Future Land Property Services shall be treated in the same way as independent third parties.

The price to be submitted by Future Land Property Services in the tender will be based on the type of the development projects, the guidance price of such service for similar type of development projects issued by the local government, the operational costs (including labour costs, material costs and administrative costs) and the anticipated increase in such costs. A higher price will be submitted for high-end residential development projects. Once the tender of Future Land Property Services is accepted, the service fees for pre-sale management service will be charged according to such price submitted in the tender.

Pricing Policy for Sale Offices Management Service, Property Inspection Service and Property Consultancy Service

The service fees shall be determined principally by arm's length commercial negotiations according to the principles of fairness and reasonableness by taking into account factors including locations of the development projects, the operational costs (including labour costs, material costs and administrative costs, if applicable) with reference to the fees for similar services and similar type of development projects in the market from time to time (if available). The service fees shall not be higher than the standard fees approved by the state pricing regulatory authorities (if available) in any event and the service fees for property consultancy service shall not exceed three months' property management fees of the relevant development project.

Internal Control Measures

In order to ensure that the terms of the residential property management services provided by Future Land Property Services are not less favourable than those available from third parties independent of the Company and its connected persons (as defined in the Listing Rules) ("**Independent Third Parties**"), the Group has adopted the following measures:

1. The management of Future Land Holdings will supervise the residential property management services provided by Future Land Property Services to ensure that the pricing of the residential property management services under the Property Services Framework Agreement shall not be higher than those charged by Independent Third Parties for similar services.

2. The team in charge of residential property management of Future Land Holdings will conduct research on the service fees of relevant comparable services provided by at least 3 property management companies in the market based on the type of development projects and the scope of services quarterly for ascertaining that the range of the service fees of the residential property management services provided by Future Land Property Services is mark to market.

3. The Company's auditors will conduct an annual review on the pricing and the Annual Cap under the Property Services Framework Agreement.

4. The management of the Company will conduct an annual review of the implementation and enforcement of the Property Services Framework Agreement.

By order of the Board
Future Land Development Holdings Limited
WANG Zhenhua
Chairman

PRC, August 5, 2016

As at the date of this announcement, the Directors are Mr. Wang Zhenhua, Mr. Lv Xiaoping, Mr. Lu Zhongming, Mr. Liu Yuanman and Mr. Chan Wai Kin as executive Directors, Mr. Wang Xiaosong as non-executive Director, and Mr. Chen Huakang, Mr. Zhu Zengjin and Mr. Zhong Wei as independent non-executive Directors.