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New Century Real Estate Investment Trust
開元產業投資信託基金

(a Hong Kong collective investment scheme authorized under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
(Stock Code: 1275)

Managed by

NEW CENTURY ASSET MANAGEMENT LIMITED

ANNOUNCEMENT

**MODIFIED AND EXTENDED WAIVER IN RESPECT OF
CERTAIN CONTINUING CONNECTED PARTY TRANSACTIONS
AND
EXTRAORDINARY GENERAL MEETING AND
CLOSURE OF REGISTER OF UNITHOLDERS**

**Independent Financial Adviser to the Independent Board Committee, the Independent
Unitholders and the Trustee**

Ample Capital Limited

AmCap
Ample Capital Limited
豐盛融資有限公司

As disclosed in the Offering Circular, at the time of authorization of New Century REIT under section 104 of the SFO in 2013, the SFC granted a number of waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions of New Century REIT, including, among others, the Existing Waiver in relation to certain lease agreements entered into between Huge Harvest Group and Zhejiang New Century Hotel and Xiaoshan Hotel Company, respectively.

The Existing Waiver only covers lease agreements entered into between Zhejiang New Century Hotel and Xiaoshan Hotel Company (as the case may be, as lessor) and certain members of Huge Harvest Group (as lessee) in respect of the relevant areas of New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang. The Existing Waiver is valid for the period from the Listing Date until 31 December 2015.

The REIT Manager proposes to seek Independent Unitholders' approval, by way of an Ordinary Resolution at the EGM, for (i) the modification and extension of the Existing Waiver so that the scope of the waiver will be expanded from two existing hotels (i.e. New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang) to all Hotel Properties and, accordingly, the Modified and Extended Waiver will cover all Relevant Lease Transactions which may from time to time be entered into between New Century REIT Group on the one hand and the Huge Harvest Group on the other hand in relation to all Hotel Properties (including both the existing Initial Hotel Properties and other hotels properties acquired by New Century REIT from time to time) for the three-year period ending 31 December 2016 and (ii) the modification and revision of annual caps for the years ending 31 December 2014 and 2015, respectively, and the setting of new annual cap for the year ending 31 December 2016.

Details of the Modified and Extended Waiver and the Modified and Extended Annual Caps are set out in the Circular which is to be despatched together with the notice of and the form of proxy form for the EGM to the Unitholders on or before 30 June 2014. The EGM will be held at 3:00 p.m. (or as soon thereafter as the extraordinary general meeting of the proposed acquisition of Songjiang Hotel convened at the same place and on the same date at 2:30 p.m. shall have been concluded or adjourned) on 16 July 2014 at Unit 29A, 29/F, Admiralty Centre I, 18 Harcourt Road, Admiralty, Hong Kong. The Register of Unitholders will be closed on 16 July 2014 to determine which Unitholders will qualify to attend and vote at the EGM, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer documents must be lodged with the Unit Registrar of New Century REIT, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on 15 July 2014.

I. MODIFIED AND EXTENDED WAIVER IN RESPECT OF THE RELEVANT CONNECTED PARTY TRANSACTIONS

Background

As disclosed in the Offering Circular, at the time of authorization of New Century REIT under section 104 of the SFO in 2013, the SFC granted a number of waivers from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of certain connected party transactions of New Century REIT, including, among others, the Existing Waiver in relation to certain lease agreements entered into between Huge Harvest Group and Zhejiang New Century Hotel and Xiaoshan Hotel Company, respectively.

Reference is also made to the announcement dated 25 June 2014 and the Acquisition Circular in relation to, among other things, (a) the major acquisition and connected party transaction to acquire Songjiang Hotel and (b) the Car Park Lease Agreement, and the continuing connected party transactions contemplated thereunder.

The Existing Waiver only covers lease agreements entered into between Zhejiang New Century Hotel and Xiaoshan Hotel Company (as the case may be, as lessor) and certain members of Huge Harvest Group (as lessee) in respect of the relevant areas of New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang. The Existing Waiver is valid for the period from the Listing Date until 31 December 2015.

The Modified and Extended Waiver

In order to maximize the Unitholders' return of interest and as part of the asset management activities, the REIT Manager may acquire additional hotel properties when the appropriate opportunities arise to enhance the value of the portfolio of New Century REIT. As disclosed in the announcement dated 25 June 2014 and the Acquisition Circular, the REIT Manager proposes to acquire the Songjiang Hotel, a 5-star hotel of a total gross floor area of approximate 71,027 sq.m. located in the core area of Songjiang District in Shanghai. In addition to the Master Lease and Hotel Management Agreement and the five separate hotel lease and management agreements thereunder, New Century REIT Group may also enter into other short term lease agreements for hotel areas of all Hotel Properties (including both the existing Initial Hotel Properties and other hotels properties acquired by New Century REIT from time to time) with its connected persons, including members of the Huge Harvest Group.

In respect of the Initial Hotel Properties with a total gross floor area of 321,090 sq.m., hotel areas of approximately 296,894 sq.m. (representing 92.5% of the total gross floor area of the Initial Hotel Properties) are leased to New Century Hotel Management under the Master Lease and Hotel Management Agreement and the remaining hotel areas of approximately 24,196 sq.m. (representing 7.5% of the total gross floor area of the Initial Hotel Properties) are currently leased to independent third parties and connected parties (being members of the Huge Harvest Group) under other short term leases. During the period from 10 July 2013 (being the listing date of New Century REIT) to 31 December 2013, New Century REIT received an aggregate net rental income of RMB110,749,000 under the Master Lease and Hotel Management Agreement (representing approximately 87.3% of the total revenue) and RMB16,093,000 under other leases (among which RMB13,216,000 were received from independent third parties and RMB2,877,000 from members of the Huge Harvest Group, each representing approximately 10.4% and 2.3% of the total revenue, respectively). As at the date hereof, approximately 19,074

sq.m. of the hotel areas of the Initial Hotel Properties (representing 5.9% of the total gross floor area) are leased to independent third parties and approximately 5,122 sq.m. of the hotel areas (representing 1.6% of the total gross floor area) are leased to members of the Huge Harvest Group. The hotel areas that are leased to independent third parties are mainly for retail use (including shops and restaurants) and the hotel areas leased to members of the Huge Harvest Group are mainly for office use.

For the period from 10 July 2013 (being the listing date of New Century REIT) to 31 December 2013, the aggregate rental income under all existing lease agreements of hotel areas of the Initial Hotel Properties with independent third parties was approximately RMB13,216,000, with an annualized rental income of RMB27,564,000. It is expected that, among such independent third party leases, the lease agreements of an aggregate floor area of approximately 17,200 sq.m. may expire or be terminated during the period between 2014 to 2016. It is also expected that New Century REIT Group may lease these hotel areas to Huge Harvest Group at arm's length and on normal commercial terms upon the expiration or early termination of the existing leases with such independent third parties.

As disclosed in the Acquisition Circular, on 25 June 2014, New Century REIT entered into the New Hotel Lease Agreement and the Car Park Lease Agreement with members of the Huge Harvest Group in respect of Songjiang Hotel. For the purpose of the Modified and Extended Waiver and the Modified and Extended Annual Caps, the Relevant Lease Transactions do not include the New Hotel Lease Agreement and the Car Park Lease Agreement. A separate waiver from strict compliance with the disclosure and Unitholders' approval requirements under Chapter 8 of the REIT Code in respect of the New Hotel Lease Agreement and the Car Park Lease Agreement will be sought from the Independent Unitholders, details of which are set out in the Acquisition Circular. Should the acquisition of Songjiang Hotel be duly approved and completed, an aggregate of 2,942 sq.m. of the hotel areas will be also leased to independent third parties with the annual rent fixed at approximately RMB 4.4 million. These hotel premises of Songjiang Hotel may, upon expiry or termination of the underlying leases, be leased to Huge Harvest Group. The Modified and Extended Waiver has taken into account these potential leases with members of the Huge Harvest Group.

The REIT Manager expects that there will also be a rental increase of approximately 2% per annum for certain existing Relevant Lease Transactions and future Relevant Lease Transactions for the three-year period ending 31 December 2016 due to potential change in market conditions. Due to the combined effect of rental adjustment and potential additional lease transactions, the REIT Manager expects the aggregate value of the underlying transactions on an annual basis would exceed the annual caps of the Existing Waiver.

In view of the foregoing, the REIT Manager proposes to seek Independent Unitholders' approval, by way of an Ordinary Resolution at the EGM, for (i) the modification and extension of the Existing Waiver so that the scope of the waiver will be expanded from two existing hotels (i.e. New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang) to all Hotel Properties and, accordingly, the Modified and Extended Waiver will cover all Relevant Lease Transactions which may from time to time be entered into between New Century REIT Group on the one hand and the Huge Harvest Group on the other hand in relation to all Hotel Properties (including both the existing Initial Hotel Properties and other hotels properties acquired by New Century REIT from time to time) for the three-year period ending 31 December 2016 and (ii) the modification and revision of annual caps for the years ending 31 December 2014 and 2015, respectively, and the setting of new annual cap for the year ending 31 December 2016.

Historical transaction amounts

The aggregate transaction amounts paid to the New Century REIT Group by the Huge Harvest Group in respect of the Relevant Lease Transactions for New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang for the relevant periods are approximately as follows, together with the annual caps of the Relevant Lease Transactions under the Existing Waiver for the relevant period:

	For the period from the Listing Date to 31 December 2013 (in RMB)	For the relevant period in 2014 as indicated below (in RMB)	For the financial year ending 31 December 2015 (in RMB)
Aggregate transaction amounts	2,877,000	2,400,000 (for the five months ended 31 May 2014)	N/A
Annual caps of the Relevant Lease Transactions under the Existing Waiver	5,700,000	5,710,000 (for the financial year ending 31 December 2014)	5,730,000

Modified and Extended Annual Caps

The REIT Manager proposes that the aggregate annual value payable to New Century REIT Group by the Huge Harvest Group in respect of the Relevant Lease Transactions for all Hotel Properties for each of the three financial years ending 31 December 2016 are not to exceed the respective annual cap amounts as follows:

	Financial year ending 31 December 2014 (in RMB)	Financial year ending 31 December 2015 (in RMB)	Financial year ending 31 December 2016 (in RMB)
Annual caps under the Modified and Extended Waiver (if the acquisition of Songjiang Hotel has not been approved or completed)	13 million	24 million	30 million

or

Annual caps under the Modified and Extended Waiver (if the acquisition of Songjiang Hotel has been duly approved and completed and taking into account potential Relevant lease Transactions for Songjiang Hotel*)	13 million	28 million	35 million
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* *The Modified and Extended Waiver and the Modified and Extended Annual Caps do not take into account the New Hotel Lease Agreement and the Car Park Lease Agreement. Details of the New Hotel Lease Agreement and the Car Park Lease Agreement are set out in the Acquisition Circular and a separate waiver for the New Hotel Lease Agreement and the Car Park Lease Agreement will be sought from the Independent Unitholders.*

Basis of Modified and Extended Annual Caps

The above Modified and Extended Annual Caps for the Relevant Lease Transactions between New Century REIT Group and the Huge Harvest Group comprise the rental income, receivable from the Huge Harvest Group.

As disclosed in the Offering Circular, the annual caps for the Relevant Lease Transactions for the financial years ending 31 December 2014 and 2015 in respect of the relevant areas of New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang granted by the SFC were RMB5.71 million and RMB5.73 million respectively. Such annual caps represent the estimated rental income based on the then annual rent determined with reference to the then prevailing agreed rent at arm's length and on normal commercial terms.

Based on arm's length discussion and taking into account the current market conditions, the REIT Manager and the Huge Harvest Group intend to adjust the rental under certain existing Relevant Lease Agreements to a higher rental standard representing approximately 2% increase to the original rental standard. In addition, certain areas of the Hotel Properties currently leased to independent third parties of New Century REIT may be leased to members of Huge Harvest Group on normal commercial terms should such opportunities arise upon expiry or termination of the relevant lease agreements. As such, the Modified and Extended Annual Caps are determined after careful consideration with general reference to the historical transaction amounts and based on the anticipated aggregate value of such transactions during the relevant financial years taking into account the higher rental standard in view of the change in market conditions and possible new leasing in the Hotel Properties which New Century REIT Group may enter into with the Huge Harvest Group during the three financial years ending 31 December 2016. A buffer ranging from 15% to 20% is also taken into account in determining the annual caps.

A more detailed analysis of the basis of the Modified and Extended Annual Caps by the Independent Financial Adviser is also set out below:

(a) the existing leases

The Modified and Extended Annual Cap amounts contributed by the current Relevant Lease Transactions for New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang are based on the aggregate amount of the rents received or to be received in each of the three financial years ending 31 December 2016 according to the respective underlying lease agreements. After taking into consideration of the potential change in market conditions, there is a proposed increment rate of around 2% per annum.

(b) expiring leases with independent third parties

The New Century REIT Group may rent certain hotel areas of the five Initial Hotel Properties (which are currently leased to independent third parties) to Huge Harvest Group at arm's length and normal commercial terms, with reference to the then prevailing market rents or, if there is no such market rents available, the last rentals paid by the independent third parties pursuant to the underlying lease agreements upon expiry or termination of respective lease agreements.

The annual cap amounts are based on the annual value of the last rentals paid pursuant to the underlying lease agreements with the independent third parties and an annual increment rate of around 2% is applied after taking into account the potential change in market conditions. The Independent Financial Adviser considers 2% annual increment rate is fair and reasonable given the unforeseeable market fluctuation.

(c) expiring leases for Songjiang Hotel

If the Acquisition of Songjiang Hotel is duly approved and completed, an aggregate of 2,942 sq.m. of the hotel areas will be also leased to independent third parties with the annual rent fixed at approximately RMB 4.4 million. These hotel premises of Songjiang Hotel may, upon expiry or termination of the underlying leases, be leased to Huge Harvest Group based on the then prevailing market rents or, if there is no such market rents available, the last rentals paid by the independent third parties pursuant to the underlying lease agreements.

The annual cap amounts are based on the annual value of the last rentals paid pursuant to the expiring lease agreements for Songjiang Hotel and an annual increment rate of around 2% is applied after taking into account the potential change in market conditions. The Independent Financial Adviser considers 2% annual increment rate is fair and reasonable given the unforeseeable market fluctuation.

(d) the buffer

A buffer ranging from 15% to 20% has been taken into account in determining the Modified and Extended Annual Caps. Taking into account contingencies such as unforeseeable market fluctuations, the Independent Financial Adviser considers such buffer to be fair and reasonable.

II. WAIVER CONDITIONS

The REIT Manager has applied to the SFC for the Modified and Extended Waiver in relation to the Relevant Lease Transactions between the New Century REIT Group and the Huge Harvest Group on the following waiver terms and conditions which are similar to the conditions for the Existing Waiver:

(i) Due approval by Independent Unitholders

Due approval by the Independent Unitholders and adoption of the Ordinary Resolution to approve the Modified and Extended Waiver and the Modified and Extended Annual Caps thereunder in the EGM Notice, without any material amendment thereto.

(ii) Extension or modification

The Modified and Extended Waiver is for a period up to 31 December 2016. The Modified and Extended Waiver may be extended beyond 31 December 2016, and/or the terms and conditions of the Modified and Extended Waiver may be modified from time to time, provided that:

- (a) the approval of Independent Unitholders (being Unitholders other than those who have a material interest in the relevant transaction within the meaning under paragraph 8.11 of the REIT Code) is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposed extension and/or modification (as the case may be) is made by way of an announcement by the REIT Manager of such proposal, and a circular and notice are issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) any extension of the period of the Modified and Extended Waiver is made, on each occasion of such extension, for a period which shall expire not later than the third full financial year-end date of New Century REIT after the date on which the approval in (a) above becomes effective.

For the avoidance of doubt, any material change to the transactions covered by the Modified and Extended Waiver (including without limitation the scope or nature of the transactions) provided by the REIT Manager in the waiver application dated 27 June 2014 based on which the waiver is sought and granted must be approved by the Independent Unitholders as referred to in (a) above and details of the proposed changes shall be disclosed in the manner as referred to in (b) above.

(iii) Annual Cap Amounts

The aggregate annual value of the Relevant Lease Transactions for all Hotel Properties shall not exceed the following annual cap amounts:

	Financial year ending 31 December 2014 (in RMB)	Financial year ending 31 December 2015 (in RMB)	Financial year ending 31 December 2016 (in RMB)
Annual caps under the Modified and Extended Waiver (if the acquisition of Songjiang Hotel has not been approved or completed)	13 million	24 million	30 million

or

Annual caps under the Modified and Extended Waiver (if the acquisition of Songjiang Hotel has been duly approved and completed and taking into account potential Relevant Lease Transactions for Songjiang Hotel*)	13 million	28 million	35 million
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* *The Modified and Extended Waiver and the Modified and Extended Annual Caps do not take into account the New Hotel Lease Agreement and the Car Park Lease Agreement. Details of the New Hotel Lease Agreement and the Car Park Lease Agreement are set out in the Acquisition Circular and a separate waiver for the New Hotel Lease Agreement and the Car Park Lease Agreement will be sought from the Independent Unitholders.*

(iv) Chapter 10 of the REIT Code

The REIT Manager shall ensure compliance with any applicable disclosure requirements under Chapter 10 of the REIT Code. The REIT Manager shall inform Unitholders by way of an announcement as soon as practicable of any information which is necessary to enable Unitholders to appraise the position of New Century REIT, including, without limitation, if there is any breach of terms of any documents covered by this waiver.

(v) Auditor's review procedures

The REIT Manager shall engage and agree with the auditors of New Century REIT to perform certain review procedures on all the Relevant Lease Transactions in respect of each financial year. The auditors will then report to the REIT Manager on the factual findings based on the work performed by them (and a copy of such report will be provided to the SFC) confirming whether all such Relevant Lease Transactions:

- (a) have received the approval of the board of directors of the REIT Manager (including the Independent Non-executive Directors);
- (b) have been entered into in accordance with the terms of the agreements and the REIT Manager's internal procedures governing the transactions; and
- (c) the total value in respect of which has not exceeded the respective annual caps.

(vi) Review by the Independent Non-executive Directors

The Independent Non-executive Directors of the REIT Manager shall review the Relevant Lease Transactions annually and confirm in New Century REIT's annual report for the relevant financial period that such transactions have been entered into:

- (a) in the ordinary and usual course of business of New Century REIT;
- (b) on normal commercial terms (to the extent that there are comparable transactions) or, where there are insufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to New Century REIT than terms available to or from (as appropriate) independent third parties; and
- (c) in accordance with the relevant agreements and the REIT Manager's internal procedures governing them (if any) on terms that are fair and reasonable and in the interests of the Unitholders as a whole.

(vii) Access to books and records

The REIT Manager shall allow and shall procure the counterparty to the relevant connected party transaction to allow, the auditors of New Century REIT sufficient access to their respective records for the purpose of reporting on the transactions.

(viii) Notification to the SFC

The REIT Manager shall promptly notify the SFC and publish an announcement if it knows or has reason to believe that the auditors and/or the Independent Non-executive Directors will not be able to confirm the matters set out in paragraphs (v) and (vi) above.

(ix) Subsequent increases in annual caps with Independent Unitholders' approval

If necessary, for example, where there are further asset acquisitions by New Century REIT thereby increasing the scale of its operations generally, or where there are changes in market or operating conditions, the REIT Manager may, from time to time in the future, seek to increase one or more of the annual cap amounts set out in the above, provided that:

- (a) the approval of Independent Unitholders is obtained by way of an Ordinary Resolution passed in a general meeting of Unitholders;
- (b) disclosure of details of the proposal to increase the cap amounts shall be made by way of an announcement by the REIT Manager of such proposal, and a circular and notice shall be issued to Unitholders in accordance with Chapter 10 of the REIT Code; and
- (c) the requirement referred to in paragraphs (ii) to (viii) above shall continue to apply to the relevant transactions, save that the increased annual cap amounts shall apply.

(x) Paragraph 8.14 of the REIT Code

The REIT Manager shall comply with all requirements under paragraph 8.14 of the REIT Code where there is any material change to the terms of the Relevant Lease Transactions or where there is any subsequent change to the REIT Code which may impose stricter requirements in respect of disclosure and/or Unitholders' approval. Details of the Relevant Lease Transactions will be disclosed in New Century REIT's semi-annual and annual reports for the relevant financial year as required under paragraph 8.14 of the REIT Code.

III. IMPLICATIONS UNDER THE REIT CODE AND APPROVAL REQUIRED

Huge Harvest is a Significant Holder of New Century REIT and is therefore a connected person of New Century REIT. Members of Huge Harvest Group are also connected persons of New Century REIT. The Relevant Lease Transactions under the Modified and Extended Waiver constitute connected party transactions under paragraph 8.5 of the REIT Code. Pursuant to paragraph 8.9 of the REIT Code, although the annual cap amount of rent receivable by New Century REIT for the Relevant Lease Transactions for all hotel properties under the Modified and Extended Waiver represent less than 5% of the latest net asset value of New Century REIT, as Huge Harvest Group and New Century REIT entered into the Master Lease and Hotel Management Agreement within the preceding 12 months, the cumulative value of all transactions between New Century REIT and Huge Harvest Group during the preceding 12 months (after taking into account the Master Lease and Hotel Management Agreement) should be referred to in determining whether Unitholders' approval is required for the Relevant Lease Transactions. As the cumulative value of all transactions between New Century REIT and Huge Harvest Group during the preceding 12 months (which have been covered under the Existing Waiver) exceeds 5% of the latest net asset value of New Century REIT, the Relevant Lease Transactions contemplated under the Modified and Extended Waiver (including the proposed annual caps relating thereto) are subject to the prior approval of the Independent Unitholders by way of an Ordinary Resolution passed in a general meeting pursuant to paragraph 8.11 of the REIT Code.

As such and pursuant to the Existing Waiver, the REIT Manager proposes to seek Independent Unitholders' approval by way of an Ordinary Resolution at the EGM to approve the Modified and Extended Waiver (including the Modified and Extended Annual Caps).

Under paragraph 3.4 of Schedule 1 to the Trust Deed, a resolution put to the meeting of Unitholders shall be decided on a poll and the result of the poll shall be deemed to be the resolution of the meeting. Accordingly, the proposed Ordinary Resolution in relation to the Modified and Extended Waiver will be decided on a poll at the EGM and the result of the poll shall be deemed to be the resolution of the meeting.

IV. VOTING RESTRICTIONS

Paragraph 8.11 of the REIT Code requires that where a Unitholder has a material interest in the transaction tabled for approval, and that interest is different from that of all other Unitholders, such Unitholder shall abstain from voting at the general meeting.

Under paragraph 3.2 of Schedule 1 to the Trust Deed, where a Unitholder has a material interest in the transaction tabled for approval at a meeting of Unitholders, and that interest is different from the interests of other Unitholders, such Unitholder shall be prohibited from voting his/her/ its Units at, or being counted in the quorum for, such meeting.

Pursuant to the REIT Code and the Trust Deed, by virtue of Huge Harvest's material interest or deemed material interest in the Modified and Extended Waiver and the transactions thereunder, Huge Harvest shall abstain from voting its Units at, or being counted in the quorum for, the EGM. Huge Harvest has agreed that it will abstain, and will procure that its Associates will abstain, from voting at the EGM on the Ordinary Resolution to approve the Modified and Extended Waiver and the Modified and Extended Annual Caps, except pursuant to a proxy given by Independent Unitholders where a specific direction as to voting is given.

So far as the REIT Manager is aware, as at the date hereof, Huge Harvest was interested or deemed to be interested in 319,388,000 Units, representing 41.17% of the Units in issue.

As at the date hereof, to the best of the REIT Manager's knowledge, information and belief after having made all reasonable enquiries, the REIT Manager is of the view that, save as disclosed above, no other Unitholder is required to abstain from voting in respect of the Ordinary Resolution.

V. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

Ample Capital Limited has been appointed as the Independent Financial Adviser by the REIT Manager to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the Modified and Extended Waiver (including the Modified and Extended Annual Caps).

The Independent Financial Adviser confirms that, it is of the view (i) the connected party transactions under the Modified and Extended Waiver subsisting as at the date hereof (including any Relevant Lease Transaction to be assumed by New Century REIT as a result of the acquisition of the Songjiang Hotel) are conducted in the ordinary and usual course of business of New Century REIT and the terms of which are at arm's length and on normal commercial terms and are fair and reasonable and in the interests of New Century REIT and the Independent Unitholders as a whole; and (ii) the Modified and Extended Waiver and the Modified and Extended Annual Caps thereunder (including the basis of the Modified and Extended Annual Caps) are fair and reasonable so far as New Century REIT and the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole.

Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the "Letter from the Independent Financial Adviser" in the Circular.

VI. OPINION OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been established by the Board to advise the Independent Unitholders on the Modified and Extended Waiver (including the Modified and Extended Annual Caps). Your attention is drawn to the "Letter from the Independent Board Committee"

set out in the Circular, which contains the Independent Board Committee's recommendation to the Independent Unitholders. Having taken into account the opinion of and the principal factors and reasons considered by the Independent Financial Adviser, the Independent Board Committee considers that (i) the connected party transactions under the Modified and Extended Waiver subsisting as at the date hereof (including any Relevant Lease Transaction to be assumed by New Century REIT as a result of the acquisition of the Songjiang Hotel) are conducted in the ordinary and usual course of business of New Century REIT and the terms of which are at arm's length and on normal commercial terms and are fair and reasonable and in the interests of New Century REIT and the Independent Unitholders as a whole; and (ii) the Modified and Extended Waiver and the Modified and Extended Annual Caps (including the basis of the Modified and Extended Annual Caps) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interests of New Century REIT and the Independent Unitholders as a whole.

VII. RECOMMENDATIONS

The Board

Having regard to the reasons for, terms of, and factors and other information taken into consideration in relation to, the Modified and Extended Waiver and the Modified and Extended Annual Caps, the Directors (including the Independent non-executive Directors) considers that:

- (a) the Modified and Extended Waivers and the Modified and Extended Annual Caps (and the basis of the Modified and Extended Annual Caps) are fair and reasonable so far as the Independent Unitholders are concerned, and are in the interest of New Century REIT and the Independent Unitholders as a whole;
- (b) for those Relevant Lease Transactions which were subsisting as at the date hereof (including any Relevant Lease Transaction to be assumed by New Century REIT as a result of the acquisition of the Songjiang Hotel), each such transaction has been entered into: (i) in the ordinary and usual course of business of New Century REIT; and (ii) at arm's length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interest of New Century REIT and the Independent Unitholders as a whole; and
- (c) for those Relevant Lease Transactions which will be entered into after the date hereof, each such transaction will be (i) in the ordinary and usual course of business of New Century REIT; and (ii) at arm's length and on normal commercial terms and are fair and reasonable so far as the Independent Unitholders are concerned and in the interests of New Century REIT and the Independent Unitholders as a whole.

The Board therefore recommends that the Independent Unitholders to vote at the EGM in favour of the Ordinary Resolutions to approve the Modified and Extended Waivers (including the Extended Annual Caps thereunder).

Trustee

The Independent Financial Adviser has been appointed by the REIT Manager to advise the Independent Board Committee, the Independent Unitholders and the Trustee on the Modified and Extended Waiver (including the Modified and Extended Annual Caps). Details of the Independent Financial Adviser's opinion, together with the principal factors taken into consideration, and assumptions and qualifications in arriving at such opinion, are set out in the "Letter from the Independent Financial Adviser" in the Circular. Further, the Independent Board Committee has been appointed to advise the Independent Unitholders on the Modified and Extended Waiver (including the Modified and Extended Annual Caps) and its advice is set out in the "Letter from the Independent Board Committee" in the Circular.

Based on and in sole reliance upon: (1) the opinion of the Board in this letter and the information and assurances provided by the REIT Manager; (2) the Letter from the Independent Financial Adviser; and (3) the Letter from the Independent Board Committee, the Trustee, having taken into account its duties set out in the Trust Deed and the REIT Code, is of the view that the Modified and Extended Waiver and the Modified and Extended Annual Caps are fair and reasonable so far as the independent Unitholders are concerned and in the interests of New Century REIT and the independent Unitholders as a whole.

This view is being furnished for the sole purpose of complying with paragraph 10.10(o) of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Modified and Extended Waiver and the Modified and Extended Annual Caps.

The Trustee has not made any assessment of the merits or impact of the Modified and Extended Waiver and the Modified and Extended Annual Caps, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, Unitholders who are in any doubt as to the merits or impact of the Modified and Extended Waiver and the Modified and Extended Annual Caps should seek their own financial or other professional advice.

VIII. OTHERS

The Register of Unitholders will be closed on 16 July 2014 to determine which Unitholders will qualify to attend and vote at the EGM, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the EGM, all Unit certificates accompanied by the duly completed transfer documents must be lodged with the Unit Registrar of New Century REIT, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by 4:30 p.m. on 15 July 2014.

The Circular containing, among other things: (i) a letter from the Board to the Unitholders containing details of the Modified and Extended Waiver and the Modified and Extended Annual Caps; (ii) the opinion of the Independent Financial Adviser with respect to the Modified and Extended Waiver and the Modified and Extended Annual Caps; (iii) the opinion of the

Independent Board Committee with respect to Modified and Extended Waiver and the Modified and Extended Annual Caps; (iv) the views of the Trustee in respect of the Modified and Extended Waiver and the Modified and Extended Annual Caps; and (v) a notice of the EGM; and the form of proxy for the EGM, will be despatched to the Unitholders on or about 30 June 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition Circular”	means the circular dated 30 June 2014 in relation to, among others, (a) the major acquisition and connected party transaction to acquire Songjiang Hotel and (b) the Car Park Lease Agreement, and the continuing connected party transactions contemplated thereunder
“Associate”	has the meaning as ascribed thereto in the REIT Code
“Board”	means the board of directors of the REIT Manager
“Car Park Lease Agreement”	means a lease agreement dated 25 June 2014 in respect of car park area of Songjiang Hotel between 上海松江輝維資產管理有限公司 (Shanghai Songjiang Hui Wei Asset Management Limited*) and 上海開元企業經營管理有限公司 (Shanghai New Century Enterprise Operation Management Limited*)
“Circular”	means the circular to be despatched to the Unitholders in respect of the Modified and Extended Waiver and the Modified and Extended Annual Caps
“connected person(s)”	has the same meaning ascribed thereto under Chapter 8 of the REIT Code
“Director”	means a director of the REIT Manager
“EGM”	means the extraordinary general meeting of Unitholders convened by and referred to in the EGM Notice
“EGM Notice”	means the notice included in the Circular in respect of the EGM to consider and, if thought fit, approve the Modified and Extended Waiver and the Modified and Extended Annual Caps
“EGM Record Date”	means 16 July 2014, being the date by reference to which eligibility of the Unitholders to vote at the EGM will be determined

“Existing Waiver”	means the waiver granted by the SFC to New Century REIT in June 2013 in relation to the leasing of certain areas in New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang by entities of Huge Harvest Group as lessees on the one hand and Zhejiang New Century Hotel and Xiaoshan Hotel Company (as the case may be) as lessor on the other hand
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Hotel Properties”	means the hotel properties owned by New Century REIT from time to time, currently being the Initial Hotel Properties, and include any future hotel properties acquired by New Century REIT
“Huge Harvest”	means Huge Harvest International Limited (浩豐國際有限公司), a company incorporated in the British Virgin Islands on 11 January 2008, 83.90%, 9.29% and 6.81% of its issued shares are owned by Mr. Chen Miaolin, Mr. Chen Canrong and Mr. Zhang Guanming, respectively
“Huge Harvest Group”	means Huge Harvest and its direct and indirect subsidiaries
“Independent Board Committee”	means the independent board committee of the Board (comprising Mr. Angelini Giovanni, Mr. Yu Hon To David, and Professor He Jianmin, all of whom are Independent Non-executive Directors) which has been established to advise the Independent Unitholders on the Modified and Extended Waiver and the Modified and Extended Annual Caps
“Independent Financial Adviser”	means Ample Capital Limited, which is licensed by the SFC to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
“Independent Non-executive Directors”	means the independent non-executive Directors of the REIT Manager

“Independent Unitholder(s)”	means Unitholder(s) other than those who have a material interest in the relevant transactions, within the meaning of paragraph 8.11 of the REIT Code
“Initial Hotel Properties”	means New Century Grand Hotel Hangzhou* (杭州開元名都大酒店), New Century Hotel Xiaoshan Zhejiang* (浙江開元蕭山賓館), New Century Resort Qiandao Lake Hangzhou* (杭州千島湖開元度假村), New Century Grand Hotel Ningbo* (寧波開元名都大酒店) and New Century Grand Hotel Changchun* (長春開元名都大酒店)
“Initial Property Companies”	means Xiaoshan Hotel Company, Chun’an Qiandao Lake New Century Spearhead Investment Limited* (淳安千島湖開元銳至投資有限公司), Ningbo New Century Spearhead Investment Limited* (寧波開元銳至投資有限公司) and Changchun New Century Spearhead Investment Limited* (長春開元銳至投資管理有限公司)
“Master Lease and Hotel Management Agreement”	means the framework agreement between Zhejiang New Century Hotel, New Century Hotel Management, New Century Tourism Group and the REIT Manager dated 14 June 2013, which sets out the general guidelines and principles for the lease and management of the Initial Hotel Properties under the separate hotel lease and management agreements for each Initial Hotel Property
“Modified and Extended Annual Caps”	means the proposed modified and extended annual caps for the Relevant Lease Transactions for the three years ending 31 December 2016 as described in this announcement
“Modified and Extended Waiver”	means the proposed modified and extended waiver for the Relevant Lease Transactions as described in this announcement
“New Century Hotel Management”	means 浙江開元酒店管理有限公司 (Zhejiang New Century Hotel Management Limited*), a company incorporated in the PRC and a member company of the Huge Harvest Group. New Century Hotel Management is the lessee and the hotel manager of the Initial Hotel Properties under the Master Lease and Hotel Management Agreement
“New Century REIT”	means New Century Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“New Century REIT Group”	means New Century REIT and other companies or entities held or controlled by New Century REIT
“New Century Tourism Group”	means 開元旅業集團有限公司 (New Century Tourism Group Limited*), a limited liability company incorporated under the laws of the PRC
“New Hotel Lease Agreement”	has the meaning as defined under the Acquisition Circular
“Offering Circular”	means the offering circular dated 24 June 2013 and as supplemented on 29 June 2013 issued in connection with the initial public offering and listing of the Units on the Main Board of The Stock Exchange of Hong Kong Limited
“Ordinary Resolution”	means a resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions contained in the Trust Deed and carried by a simple majority of the votes of those Unitholders present and entitled to vote in person or by proxy
“PRC” or “China”	means the People’s Republic of China excluding, for the purposes of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“REIT Code”	means the Code on Real Estate Investment Trusts published by the SFC as amended, supplemented or otherwise modified for the time being or, for the purpose of the Trust Deed, from time to time, including but not limited to by published practice statements or in any particular case, by specific written guidance issued or exemptions or waivers granted by the SFC
“REIT Manager”	means New Century Asset Management Limited (開元資產管理有限公司), manager of New Century REIT

“Relevant Lease Transactions”	means the lease transactions between members of the New Century REIT Group as lessors and members of the Huge Harvest Group as lessees covered by the Existing Waiver with respect to New Century Grand Hotel Hangzhou and New Century Hotel Xiaoshan Zhejiang (excluding the (i) the Master Lease and Hotel Management Agreement; and (ii) the five separate hotel lease and management agreements between Zhejiang New Century Hotel, the respective Initial Property Companies on the one hand as lessors and operating branches of New Century Hotel Management on the other hand as lessees on 14 June 2013 for the lease and management of each of the Initial Hotel Properties in accordance with the general guidelines and principles set out in the Master Lease and Hotel Management Agreement) and the Modified and Extended Waiver (if granted, with respect to all Hotel Properties) and, for the avoidance of doubt, does not include the New Hotel Lease Agreement and the Car Park Lease Agreement (as defined in the Acquisition Circular)
“RMB”	means Renminbi, the lawful currency of the PRC
“SFC”	means the Securities and Futures Commission of Hong Kong
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified and the rules thereunder
“Significant Holder”	has the meaning ascribed to it in the REIT Code
“Songjiang Hotel”	means 上海松江開元名都大酒店 (Songjiang New Century Grand Hotel Shanghai*), a hotel proposed to be acquired by New Century REIT upon approval by the Unitholders at a duly convened Unitholders’ general meeting as described in the announcement dated 25 June 2014
“Trust Deed”	means the trust deed constituting New Century REIT dated 10 June 2013, entered into between the Trustee and the REIT Manager, as amended by the Supplemental Trust Deed dated 20 June 2013 (as may be further amended and supplemented from time to time)
“Trustee”	means DB Trustees (Hong Kong) Limited, the trustee of New Century REIT
“Unit”	means a unit of New Century REIT

“Unitholders”	means any person registered as holding a Unit (other than HKSCC Nominees Limited) and any person holding Units through the Central Clearing and Settlement System
“Xiaoshan Hotel Company”	means 浙江蕭山賓館股份有限公司 (Zhejiang Xiaoshan Hotel Limited*), a joint stock company (non-listed) incorporated in the PRC on 8 September 1994, which is approximately 95.46% owned by Zhejiang New Century Hotel, and approximately 4.54% owned by 29 independent third parties
“Zhejiang New Century Hotel”	means 浙江開元酒店投資管理集團有限公司 (Zhejiang New Century Hotel Investment & Management Group Limited*), a company incorporated in the PRC on 30 November 2001

By order of the board
New Century Asset Management Limited
as manager of New Century Real Estate Investment Trust
Mr. Chen Miaolin
Chairman

Hong Kong, 30 June 2014

As at the date of this announcement, the executive Director of the REIT Manager is Mr. Cheung Yat Ming, the non-executive Directors of the REIT Manager are Mr. Chen Miaolin, Mr. Zhang Guanming, Mr. Zhang Chi, and the Independent non-executive Directors of the REIT Manager are Mr. Angelini Giovanni, Mr. Yu Hon To David and Professor He Jianmin.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

References to persons shall include corporations. Any reference in this announcement to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this announcement shall be a reference to Hong Kong time unless otherwise stated.

The English translation of company names in Chinese or another language which are marked with “” and the Chinese translation of company names in English which are marked with “*” are for identification purposes only.*