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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)

**VOLUNTARY ANNOUNCEMENT IN RELATION TO
PROPOSED ADOPTION OF RESTRICTED SHARE INCENTIVE SCHEME
BY FUTURE LAND HOLDINGS
AND
CONNECTED TRANSACTION IN RELATION TO
GRANT TO CONNECTED PERSONS**

The Company hereby voluntarily announces that on 18 August 2016, the board of directors of Future Land Holdings, a subsidiary of the Company and a company established in the PRC whose shares are listed on the Shanghai Stock Exchange, conditionally adopted the Scheme.

The number of the Restricted Shares which will be issued under the Scheme is 42,000,000 A Shares, representing approximately 1.891% of the total number of A Shares in issue if all Restricted Shares are issued and unlocked as at the date of this announcement. The number of the Restricted Shares which will be issued under the First Tranche Grant is 38,500,000 A Shares, representing approximately 1.734% of the total number of A Shares in issue if the Restricted Shares under the First Tranche Grant are issued and unlocked as at the date of this announcement.

Mr. Liu Yuanman is a Director, Mr. Liang Zhicheng is a Director in the last 12 months and a director of Future Land Holdings and Mr. Chen Deli is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli constitutes a non-exempt connected transaction of the Company, which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be held by the Company among other things, to approve the proposed Grant to the Connected Persons.

The Company will also establish an independent Board committee to advise the independent Shareholders in respect of the proposed Grant to the Connected Persons. The Company will appoint an independent financial adviser to advise the independent Board committee and the independent Shareholders in respect of the proposed Grant to the Connected Persons.

A circular containing, among other things, (i) terms of the Scheme and the First Tranche Grant; (ii) a letter from the independent financial adviser to the independent Board committee and the independent Shareholders containing its advice on the approval of the proposed Grant to the Connected Persons; (iii) the recommendation of the independent Board committee regarding the approval of the proposed Grant to the Connected Persons; and (iv) a notice convening the EGM, will be dispatched to the Shareholders on or before 24 October 2016.

The Company hereby voluntarily announces that on 18 August 2016, the board of directors of Future Land Holdings, a subsidiary of the Company and a company established in the PRC whose shares are listed on the Shanghai Stock Exchange, conditionally adopted the Scheme and approved the proposal in respect of the Grant.

CONDITIONS TO THE SCHEME BECOMING EFFECTIVE

The Scheme shall become effective upon approval of the Scheme by the shareholders of Future Land Holdings at its general meeting.

SUMMARY OF THE SCHEME

A summary of the major terms of the Scheme is set out below.

1. Purpose of the Scheme

The Scheme is to further optimize the corporate governance structure, establish and improve the incentive and discipline mechanism of Future Land Holdings, unleash motivation of directors, senior management and key employees, align the interests of the shareholders of Future Land Holdings and corporate interests with personal interests of the operators for building a common vision of long-term development of Future Land Holdings.

2. Participants

The Restricted Shares will be granted under the Scheme as incentives to selected Participants. The Restricted Shares are A Shares. Participants who are granted with the Restricted Shares will be entitled to acquire the Restricted Shares at a pre-determined price on the Grant Day and sell the Restricted Shares after unlocking during the unlocking period of the relevant Restricted Shares, subject to the fulfilment of the relevant conditions and the terms of the Scheme. The Restricted Shares issued and registered shall rank pari passu in all respects with the existing issued and paid-up A Shares including the voting, dividend, transfer and other rights attached to the A Shares in issue. During the lock-up period, the Restricted Shares granted to the Participants under the Scheme shall be locked up, and shall not be transferred or used for debt repayment. If a Participant is a director or a member of the senior management of Future Land Holdings, the number of A Shares to be disposed of by them each year shall not exceed 25% of the total number of A Shares of Future Land Holdings held by them during their terms of office, and no A Shares of Future Land Holdings held by them shall be disposed of within 6 months following the end of their employment.

(1) Basis for determining the Participants

The Participants are subject to and determined in accordance with the PRC Company Law, the Securities Law, the Incentive Measures, the relevant provisions of the articles of association of Future Land Holdings, the Listing Rules and other applicable laws, regulations and regulatory documents.

(2) *Scope of Participants*

The proposed Participants of the Scheme include directors, senior management, middle management and key employees of Future Land Holdings, totaling 59 individuals, and do not include the Future Land Holdings' independent directors, supervisors, shareholders holding 5% or more of the shares of Future Land Holdings individually or jointly or de facto controllers and their spouses, parents and children.

3. Operation of the Scheme

(1) *Right to purchase the Restricted Shares*

Participants who are granted with the right to purchase the Restricted Shares will be entitled to acquire the Restricted Shares at a pre-determined price and sell the Restricted Shares during the unlock period of the relevant Restricted Shares, subject to the fulfillment of the relevant conditions and the terms of the Scheme. Future Land Holdings will, within 60 days from the date of fulfillment of the conditions, grant the Restricted Shares to the Participants in accordance with applicable rules on a date determined by Future Land Holdings. No amount is payable on application or acceptance of the right to purchase the Restricted Shares by the grantees of the Restricted Shares.

(2) *Number of the Restricted Shares*

The number of the Restricted Shares which will be issued under the Scheme is 42,000,000 A Shares, representing approximately 1.891% of the total number of A Shares in issue if all Restricted Shares are issued and unlocked as at the date of this announcement. The number of the Restricted Shares which will be issued under the First Tranche Grant is 38,500,000 A Shares, representing approximately 1.734% of the total number of A Shares in issue if all Restricted Shares are issued and unlocked as at the date of this announcement. The number of the Reserved Restricted Shares is 3,500,000 A Shares, representing approximately 0.158% of the total number of A Shares in issue if all Restricted Shares are issued and unlocked as at the date of this announcement.

The number of Restricted Shares acquired by any of the Participants through the Scheme does not exceed 1% of the Future Land Holdings' total share capital of the same class. The total number of the underlying shares in relation to all share option incentive schemes of the Future Land Holdings in force shall not exceed 10% of the Future Land Holdings' total share capital at the time of submission of relevant proposal to the general meeting.

4. Validity Period and unlocking period

The Validity Period of the Scheme shall be for no longer than 48 months, starting from the day on which the Restricted Shares are granted until the day on which all the Restricted Shares are unlocked or repurchased and cancelled.

The Scheme shall be effective after approval by the shareholders of Future Land Holdings of the Scheme by commencing from the date of approval of the Scheme by the shareholders of Future Land Holdings. The lock-up period of the Restricted Shares is 12 months from the date of Grant, during which period the Restricted Shares shall not be transferred or used for debt repayment. The 12 months lock-up period may provide incentives to the Participants to remain employed with Future Land Holdings during such period and thereby enable Future Land Holdings to benefit from the continued service of such Participants, thus providing long-term rewards and retention incentives to the Participants and attract and retain human resources that are valuable to the growth and development of Future Land Holdings as a whole.

The First Tranche Grant will be unlocked in three batches as follows:

Unlocking Arrangement	Unlocking Period	Proportion for Unlocking to the Number of the Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the first Grant Day and ending on the last trading day within 24 months from the Grant Day	40%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the first Grant Day and ending on the last trading day within 36 months from the Grant Day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the first Grant Day and ending on the last trading day within 48 months from the Grant Day	30%

The Reserved Restricted Shares, if granted in the year 2016, will be unlocked in three batches as follows:

Unlocking Arrangement	Unlocking Period	Proportion for Unlocking to the Number of the Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 24 months from the Grant Day	40%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 36 months from the Grant Day	30%
Third unlocking	Commencing from the first trading day upon the expiry of 36 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 48 months from the Grant Day	30%

The Reserved Restricted Shares, if granted in the year 2017, will be unlocked in two batches as follows:

Unlocking Arrangement	Unlocking Period	Proportion for Unlocking to the Number of the Restricted Shares
First unlocking	Commencing from the first trading day upon the expiry of 12 months from the Grant Day of the reserved portion of the Restricted Shares and ending on the last trading day within 24 months from the Grant Day	50%
Second unlocking	Commencing from the first trading day upon the expiry of 24 months from the Grant Day of the reserved part of the Restricted Shares and ending on the last trading day within 36 months from the Grant Day	50%

On the unlocking date, Future Land Holdings shall make arrangements for the Participants who have fulfilled the unlocking conditions for unlocking, and repurchase and cancel the Restricted Shares held by the Participants who have not fulfilled the unlocking conditions.

5. Grant price and basis of determination

The price of the First Tranche Grant shall be RMB6.9 per A Share, which is the higher of the followings:

- (i) 50% of the closing price of the A Shares quoted on the Shanghai Stock Exchange on the last trading day immediately preceding the date of the announcement on the Scheme made by Future Land Holdings; and
- (ii) 50% of the average of the closing prices of the A Shares quoted on the Shanghai Stock Exchange for the last 20 trading days immediately preceding the date of the announcement on the Scheme made by Future Land Holdings.

The price of the Reserved Restricted Shares shall be the higher of the followings:

- (i) 50% of the closing price of the A Shares quoted on the Shanghai Stock Exchange on the last trading day immediately preceding the date of the announcement on the Scheme made by Future Land Holdings; and
- (ii) 50% of the average of the closing prices of the A Shares quoted on the Shanghai Stock Exchange for the last 20, 60 or 120 trading days immediately preceding the date of the announcement on the Scheme made by Future Land Holdings.

6. Adjustments

In the event of any capitalisation issue, bonus issue or sub-division or consolidation of share capital in Future Land Holdings, allotment of A Shares to existing shareholders of Future Land Holdings, new issue of A Shares and declaration of dividend of Future Land Holdings subsequent to the date conditionally approving the Scheme by Future Land Holdings on 18 August 2016, the number of the Restricted Shares and grant price shall be adjusted in accordance with the terms of the Scheme.

7. Conditions for unlocking the Restricted Shares

The Restricted Shares shall only be unlocked by the Participants upon achieving the following performance targets as set out in the Scheme. These include achieving certain grading by the Participant in his/her performance appraisal under the appraisal methods of Future Land Holdings and other financial performance target by Future Land Holdings.

- (i) Achieving the following performance target by the relevant Participant:

The actual number of Restricted Shares that may be unlocked by the Participant in the current year is linked with the Participant's performance appraisal results for the previous year. The actual proportion is determined based on the personal performance appraisal results of the Participant as follows:

Personal Annual Appraisal Results	A (Distinction) or B (Merit)	C (Pass)	D (Fail)
Personal Unlocking Proportion	100%	80%	0

- (ii) Achieving the following performance targets by Future Land Holdings:

Future Land Holdings will conduct performance appraisals under the Scheme on a yearly basis in the three accounting years during the unlocking periods for the Restricted Shares under the First Tranche Grant and the Reserved Restricted Shares for which granting is completed in 2016, and reaching the performance appraisal targets shall be the unlocking conditions for the Participant.

The specific targets for the performance appraisal of each year are listed as follows:

Unlocking Period	Performance Appraisal Target of Future Land Holdings
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB2.5 billion in 2016
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Third unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

Future Land Holdings will conduct performance appraisals under the Scheme on a yearly basis in the two accounting years during the unlocking periods for the Reserved Restricted Shares for which granting is completed in 2017, and reaching the performance appraisal targets shall be the unlocking conditions for the Participant. The specific targets for the performance appraisal of each year are listed as follows:

Unlocking Period	Performance Appraisal Target of Future Land Holdings
First unlocking	Net profit attributable to shareholders of the parent company reaching RMB3.5 billion in 2017
Second unlocking	Net profit attributable to shareholders of the parent company reaching RMB5.0 billion in 2018

Where any of the requirements above cannot be met, the Restricted Shares which the Participant has failed to unlock in the current year will be repurchased and cancelled by Future Land Holdings.

GRANT TO CONNECTED PERSONS

Mr. Liu Yuanman is a Director, Mr. Liang Zhicheng is a Director in the last 12 months and a director of Future Land Holdings and Mr. Chen Deli is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli constitutes non-exempt connected transactions of the Company, which are subject to reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the aforesaid grant of Restricted Shares are as follows:

Number	Name	Position	Number of Restricted Shares to be granted (ten thousand shares)	Percentage to the total amount of the Grant	Percentage to the total share capital of the Future Land Holdings as at the date of this announcement
1	Liu Yuanman	Director of the Company	80	1.90%	0.036%
2	Liang Zhicheng	Director, Vice President of Future Land Holdings	150	3.57%	0.068%
3	Chen Deli	Vice President of Future Land Holdings	150	3.57%	0.068%
		Total	380	9.05%	0.171%

LISTING RULES IMPLICATION

The Scheme is a discretionary scheme of the Company and does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules.

Mr. Liu Yuanman is a Director, Mr. Liang Zhicheng is a Director in the last 12 months and a director of Future Land Holdings and Mr. Chen Deli is a director of Future Land Holdings and hence connected persons of the Company. The grant of the Restricted Shares to each of Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli constitutes a non-exempt connected transaction of the Company, which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Also, the subsequent grant of the Reserved Restricted Shares under the Scheme may involve a connected person of the Company and in such a case, will constitute a non-exempt connected transaction of the Company which is subject to reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with all the applicable requirements of the Listing Rules in due course.

GENERAL MEETING AND CIRCULAR

An EGM will be held by the Company, among other things, to approve the proposed Grant to the Connected Persons.

The Company will also establish an independent Board committee to advise the independent Shareholders in respect of the proposed Grant to the Connected Persons. The Company will appoint an independent financial adviser to advise the independent Board committee and the independent Shareholders of the Company in respect of the proposed Grant to the Connected Persons.

A circular containing, among other things, (i) terms of the Scheme and the First Tranche Grant; (ii) a letter from the independent financial adviser to the independent Board committee and the independent Shareholders containing its advice on the approval of the proposed Grant to the Connected Persons; (iii) the recommendation of the independent Board committee regarding the approval of the proposed Grant to the Connected Persons; and (iv) a notice convening the EGM, will be dispatched to the Shareholders on or before 24 October 2016.

DEFINITION

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

“A Share(s)”	share(s) of Future Land Holdings which are listed on the Shanghai Stock Exchange and traded and denominated in RMB
“Board”	the board of Directors
“Company”	Future Land Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“CSRC”	China Securities Regulatory Commission of the PRC
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the adoption of the Scheme by Future Land Holdings
“First Tranche Grant”	the grant of 38,500,000 Restricted Shares in first tranche under the Scheme
“Future Land Holdings”	Future Land Holdings Co., Ltd.* (新城控股集團股份有限公司), a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (stock code: 601155)

“Grant”	the grant of the Restricted Shares to the Participants by the board of directors of Future Land Holdings in accordance with the terms of Scheme
“Grant to the Connected Persons”	the grant of 800,000, 1,500,000 and 1,500,000 Restricted Shares of Future Land Holdings to Mr. Liu Yuanman, Mr. Liang Zhicheng and Mr. Chen Deli, respectively
“Grant Day”	the day, being a trading day for A shares, on which Restricted Shares are granted to Participants by the Future Land Holdings
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Measures”	the Administrative Measures on Share Incentives of Listed Companies (上市公司股權激勵管理辦法)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Participant(s)”	the person(s) to be granted the Restricted Shares under the Scheme
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Company Law”	the Company Law of the PRC
“Reserved Restricted Shares”	the 3,500,000 Restricted Shares to be granted under the Scheme after the First Tranche Grant
“Restricted Shares”	the 42,000,000 A Shares of Future Land Holdings to be issued for the Grant at a pre-determined price in a particular period of time and subject to certain conditions under the Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the proposed first phase of the restricted share incentive scheme of Future Land Holdings conditionally adopted by Future Land Holdings
“Securities Law”	the Securities Law of the PRC

“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Validity Period”	the period during which the Scheme remains effective
“%”	per cent

* *For identification purpose only*

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

the PRC, 30 September 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.