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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 : 17)

 **New World China Land Limited**
新世界中國地產有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 917)

CONNECTED TRANSACTION

ACQUISITION OF INTEREST IN HUNAN SUCCESS NEW CENTURY INVESTMENT COMPANY LIMITED

Acquisition of interest in Hunan Success

The respective boards of directors of NWD and NWC announced that on 4 February 2009, Silver World, an indirect wholly-owned subsidiary of NWC, entered into the Acquisition Agreement with Hainan Zhonghong whereby Silver World agreed to acquire an additional 5% equity interest in Hunan Success, an existing 90%-owned subsidiary of Silver World, from Hainan Zhonghong for a consideration of RMB94,000,000 (equivalent to approximately HK\$106,818,182). Upon completion of the Acquisition, Hunan Success will be owned by Silver World and Hainan Zhonghong as to 95% and 5%, respectively.

Connected transaction for NWC

Hainan Zhonghong is a connected person of NWC by virtue of its being a substantial shareholder of certain subsidiaries of NWC. Accordingly, the entering into of the Acquisition Agreement constitutes a connected transaction for NWC under the Listing Rules. As the applicable ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition Agreement are more than 0.1% but less than 2.5%, the transaction contemplated under the Acquisition Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

Connected transaction for NWD

As at the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWC, the entering into of the Acquisition Agreement by Silver World also constitutes a connected transaction for NWD under the Listing Rules. As the consideration ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition Agreement is more than 0.1% but less than 2.5%, the transaction contemplated under the Acquisition Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

ACQUISITION AGREEMENT DATED 4 FEBRUARY 2009

Parties:

- (1) Hainan Zhonghong, as vendor
- (2) Silver World, an indirect wholly-owned subsidiary of NWC, as purchaser
- (3) Hunan Success

The Acquisition

Pursuant to the Acquisition Agreement, Silver World has agreed to acquire and Hainan Zhonghong has agreed to dispose of 5% equity interest in Hunan Success.

Completion

Completion will take place upon the issue of an approval certificate by the relevant regulatory authority in the PRC in respect of the Acquisition.

Hunan Success

Hunan Success is a company established under the laws of the PRC with paid-up registered capital of RMB336,000,000 (equivalent to approximately HK\$381,818,182). At the date of the Acquisition Agreement, Hunan Success was owned by Silver World and Hainan Zhonghong as to 90% and 10%, respectively. Upon completion of the Acquisition, Hunan Success will be owned by Silver World and Hainan Zhonghong as to 95% and 5%, respectively.

Hunan Success is principally engaged in the development of the Property and a land improvement project on the Land. The Property comprises a residential/commercial composite development to be completed in 4 phases with a total gross floor area of approximately 1,111,600 sq.m., of which approximately 1,006,000 sq.m. is designated for residential use. Portion of Phase 1 of the Property was completed in June 2008 and the remaining portion of Phase 1 with gross floor area of approximately 191,360 sq.m. is currently under construction and scheduled to be completed in June 2009.

The audited net asset value attributable to 5% equity interest in Hunan Success as at 31 December 2008 was HK\$71,849,621. The audited net loss before and after taxation and extraordinary item of Hunan Success for the year ended 30 June 2007 was HK\$4,741,702. The audited net profit before and after taxation and extraordinary item of Hunan Success for the year ended 30 June 2008 was HK\$49,793,319 and HK\$29,488,779, respectively. The audited accounts of Hunan Success have been prepared in accordance with the accounting principles generally accepted in Hong Kong.

Consideration and payment

The consideration payable by Silver World to Hainan Zhonghong for the Acquisition was RMB94,000,000 (equivalent to approximately HK\$106,818,182). The consideration is payable in cash within 3 months after completion of the Acquisition Agreement.

The consideration was determined by reference to the unaudited net asset value of Hunan Success as at 30 September 2008, being HK\$1,443,501,131, and the revaluation surplus (after income tax and land appreciation tax) arising from the revaluation carried out by an independent valuer of the Property and the contractual interest in the primary land development of the Land, being RMB501,288,098 (equivalent to approximately HK\$569,645,566) and RMB198,579,545 (equivalent to approximately HK\$225,658,574), respectively as at 31 October 2008. The consideration payable by Silver World under the Acquisition Agreement will be financed by the internal resources of NWC.

The original purchase cost of the 5% equity interest in Hunan Success to Hainan Zhonghong is RMB36,234,000 (equivalent to approximately HK\$41,175,000).

INFORMATION RELATING TO NWD AND NWC

The core businesses of NWD and its subsidiaries include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology. NWC and its subsidiaries are principally engaged in property development, property related investment as well as rental and hotel operation in the PRC.

INFORMATION RELATING TO HAINAN ZHONGHONG

Hainan Zhonghong is principally engaged in the property development and investment business in the PRC.

REASONS FOR THE TRANSACTION

The Acquisition Agreement was negotiated between the parties on arm's length basis following an offer from Hainan Zhonghong to dispose of its holding of 5% equity interest in Hunan Success. The directors (including the independent non-executive directors) of NWD and NWC consider that the Acquisition will enable the group of NWC to consolidate control over Hunan Success and avoid any interest of Hunan Success being transferred to an outsider.

The directors (including the independent non-executive directors) of NWD and NWC consider that the Acquisition Agreement is on normal commercial terms and is fair and reasonable so far as their respective companies and shareholders are concerned and the Acquisition Agreement is in the interest of the respective shareholders of NWD and NWC as a whole.

CONNECTED TRANSACTION FOR NWC

Hainan Zhonghong is a connected person of NWC by virtue of its holding of 10% interest in Hunan Success and 30% interest in 新世界中泓地產有限公司 (New World Zhonghong Property Co., Ltd.*), an indirect 70% owned subsidiary of NWC. Accordingly, the entering into of the Acquisition Agreement constitutes a connected transaction for NWC under the Listing Rules. As the applicable ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition Agreement are more than 0.1% but less than 2.5%, the transaction contemplated under the Acquisition Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

CONNECTED TRANSACTION FOR NWD

As at the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWC, the entering into of the Acquisition Agreement by Silver World also constitutes a connected transaction for NWD under the Listing Rules. As the consideration ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition Agreement is more than 0.1% but less than 2.5%, the transaction contemplated under the Acquisition Agreement is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Acquisition”	acquisition by Silver World of 5% equity interest in Hunan Success from Hainan Zhonghong
“Acquisition Agreement”	an agreement dated 4 February 2009 entered into between Silver World, Hainan Zhonghong and Hunan Success relating to the Acquisition
“Hainan Zhonghong”	海南中泓投資有限公司 (Hainan Zhonghong Investments Company Limited*), a company incorporated in the PRC with limited liability, being the beneficial and registered owner of 10% equity interest in Hunan Success as at the date of the Acquisition Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hunan Success”	湖南成功新世紀投資有限公司 (Hunan Success New Century Investment Company Limited), a company incorporated in the PRC with limited liability

“Land”	the land located to the south of Laodong East Road, to the north of Ya Tang Chong Road/Zhi Road San, to the west of Wan Jia Li Road, to the east of Dong Er Huan, Changsha City, Hunan Province, the PRC with a net site area of approximately 666,670 square metres
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NWC”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code : 917)
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited (Stock Code : 17)
“PRC”	the People’s Republic of China
“Property”	Changsha La Ville New World located in Yuhua District, Changsha City, Hunan Province, the PRC with a total gross floor area of approximately 1,111,600 sq.m. and car parking spaces of approximately 168,500 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“Silver World”	Silver World H.K. Development Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of NWC
“sq.m.”	square metres
“%”	per cent.

By order of the board of
New World Development Company Limited
Leung Chi-kin, Stewart
Company Secretary

By order of the board of
New World China Land Limited
Ngan Man-ying, Lynda
Company Secretary

Hong Kong, 4 February 2009

As at the date of this announcement, the board of directors of NWD comprises (a) six executive directors, namely, Dato' Dr. Cheng Yu-tung, Dr. Cheng Kar-shun, Henry, Dr. Sin Wai-kin, David, Mr. Liang Chong-hou, David, Mr. Leung Chi-kin, Stewart and Mr. Cheng Chi-kong, Adrian; (b) four non-executive directors, namely, Mr. Cheng Kar-shing, Peter, Mr. Chow Kwai-cheung, Mr. Liang Cheung-biu, Thomas and Ms. Ki Man-fung, Leonie; and (c) four independent non-executive directors, namely, Mr. Yeung Ping-leung, Howard, Dr. Cha Mou-sing, Payson (alternate director to Dr. Cha Mou-sing, Payson: Mr. Cha Mou-zing, Victor), Mr. Ho Hau-hay, Hamilton and Mr. Lee Luen-wai, John.

As at the date of this announcement, the board of directors of NWC comprises (a) nine executive directors, namely, Dr. Cheng Kar-shun, Henry, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shing, Peter, Mr. Cheng Chi-kong, Adrian, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael and Ms. Ngan Man-ying, Lynda; (b) a non-executive director, namely, Mr. Fu Sze-shing; and (c) three independent non-executive directors, namely, Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.

* for identification purposes only

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB0.88=HK\$1.00.

This announcement is published on the websites of NWD (www.nwd.com.hk), NWC (www.nwcl.com.hk) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).