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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)

 **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: 0917)

CONNECTED TRANSACTION

INCREASE IN REGISTERED CAPITAL OF HUNAN SUCCESS NEW CENTURY INVESTMENT COMPANY LIMITED

The respective boards of directors of NWD and NWC announced that Silver World, an indirect wholly-owned subsidiary of NWC, entered into the JV Contract with Hainan Zhonghong which provided for the increase in the registered capital of Hunan Success, a company in which Silver World and Hainan Zhonghong have 90% and 10% beneficial interest, respectively.

Owing to the fact that Hainan Zhonghong is a substantial shareholder of certain subsidiaries of NWC and hence is a connected person of NWC within the meaning of the Listing Rules, the entering into the JV Contract therefore constitutes a connected transaction of NWC under the Listing Rules. At the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWC, the entering into the JV Contract by Silver World also constitutes a connected transaction of NWD.

As the applicable percentage ratio (as defined under Rule 14A.10 of the Listing Rules) in respect of the capital contribution to be made by Silver World to Hunan Success is more than 0.1% but less than 2.5% for each of NWD and NWC, the transaction 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 so far as each of NWD and NWC is concerned. Relevant details of the transaction will also be included in the next published annual report and accounts of NWD and NWC in accordance with Rule 14A.45 of the Listing Rules.

The respective boards of directors of NWD and NWC announced that on 1st April 2008, Silver World, an indirect wholly-owned subsidiary of NWC, entered into the JV Contract with Hainan Zhonghong which provided for the increase in the registered capital of Hunan Success, a company in which Silver World and Hainan Zhonghong have 90% and 10% beneficial interest, respectively.

THE JV CONTRACT

Date :

1st April 2008

Parties :

- (1) Silver World, an indirect wholly-owned subsidiary of NWC; and
- (2) Hainan Zhonghong

Principal terms :

Pursuant to the JV Contract, the registered capital of Hunan Success will be increased from RMB250,000,000 (equivalent to approximately HK\$277,777,778) to RMB680,000,000 (equivalent to approximately HK\$755,555,556). Silver World and Hainan Zhonghong will contribute RMB387,000,000 (equivalent to approximately HK\$430,000,000) and RMB43,000,000 (equivalent to approximately HK\$47,777,778), respectively to the additional registered capital of Hunan Success, in proportion to their respective beneficial interest in Hunan Success.

The increase in registered capital of Hunan Success is subject to the approval from relevant government authority and if such approval is obtained, the additional registered capital will be paid up as to 20% within three months after the issue of a business licence to Hunan Success reflecting the increase in the registered capital and the balance will be paid up within one year. It will normally take about two months for the issue of business licence after an application has been made for an increase in registered capital.

Upon completion of the capital increase, the registered capital of Hunan Success will be increased to the amount of RMB680,000,000 (equivalent to approximately HK\$755,555,556), of which Silver World will be interested in RMB612,000,000 (equivalent to approximately HK\$680,000,000) or 90% and Hainan Zhonghong will be interested in RMB68,000,000 (equivalent to HK\$75,555,556) or 10%. Hunan Success will continue to be accounted for as a subsidiary of NWD and NWC.

The amount to be paid up in cash by Silver World pursuant to the JV contract will be financed by the internal resources of NWC.

REASONS FOR THE TRANSACTION

The additional capital of Hunan Success will be utilized to finance the development costs of a new land improvement project undertaken by Hunan Success which involves the demolition of existing structures, settlement of and compensation for inhabitants, construction of road and basic infrastructure in respect of the Land.

The directors of NWD and NWC (including their respective independent non-executive directors) believe that it is in the interest of NWD and NWC to fund the additional capital requirement of Hunan Success by entering into the JV Contract which are on normal commercial terms, fair and reasonable and in the interests of the respective shareholders of NWD and NWC as a whole.

INFORMATION RELATING TO NWD, NWC AND SILVER WORLD

The core businesses of NWD include property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology.

NWC is principally engaged in property development, property related investment as well as rental and hotel operation in the PRC.

The sole business of Silver World is the holding of 90% equity interest in Hunan Success.

INFORMATION RELATING TO HAINAN ZHONGHONG

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

CONNECTED PERSON

Hainan Zhonghong is a connected person of NWC by virtue of its holding of 10% interest in Hunan Success, 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, and 20% interest in 長沙香湘海房地產開發有限公司 (Changsha Xiangxianghai Housing Development Co., Ltd.*), an indirect 80% owned subsidiary of NWC. Accordingly, the entering into the JV Contract constitutes a connected transaction of NWC pursuant to the Listing Rules. At the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWC, the entering into the JV Contract by Silver World also constitutes a connected transaction of NWD.

As the applicable percentage ratio (as defined under Rule 14A.10 of the Listing Rules) in respect of the capital contribution to be made by Silver World to Hunan Success is more than 0.1% but less than 2.5% for each of NWD and NWC, the transaction is only subject to the reporting and announcement requirements under Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from the independent shareholders' approval requirement so far as each of NWD and NWC is concerned. Relevant details of the transaction will also be included in the next published annual report and accounts of NWD and NWC in accordance with Rule 14A.45 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

“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
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JV Contract”	the new joint venture contract dated 1st April 2008 in respect of Hunan Success to be entered into between Silver World and Hainan Zhonghong
“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 Road, Changsha City, Hunan Province, the PRC with a total site area of approximately 1,200 mu (equivalent to approximately 799,997 square metres) available for development upon completion of the land improvement project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“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
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Silver World”	Silver World H. K. Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of NWC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, 1st April 2008

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 Lord Sandberg, Michael, Mr. Cheng Kar-shing, Peter, Mr. Chow Kwai-cheung and Mr. Liang Cheung-biu, Thomas; 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 RMB0.90 = HK\$1.00.