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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**

### **ACQUISITION OF INTEREST IN JINAN NEW WORLD SUNSHINE DEVELOPMENT LTD.**

#### **Acquisition of interest in Jinan Sunshine**

The respective boards of directors of NWD and NWC announced that on 20th November 2007, Sunny Trend, an indirect wholly-owned subsidiary of NWC, entered into the Acquisition Agreement with Jinan Property whereby Sunny Trend agreed to acquire the remaining 27% equity interest in Jinan Sunshine, an existing 73%-owned subsidiary of Sunny Trend, from Jinan Property for a consideration of RMB51,000,000 (equivalent to approximately HK\$51,535,974). After the Acquisition, Jinan Sunshine will become an indirect wholly-owned subsidiary of NWC.

#### **Connected transaction for NWC**

Jinan Property is a connected person of NWC by virtue of its interest in Jinan Sunshine. Accordingly, the entering into of the Acquisition Agreement constitutes a connected transaction for NWC under the Listing Rules. As the asset ratio and the consideration ratio 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 Sunny Trend also constitutes a connected transaction for NWD under the Listing Rules. As the asset 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 20TH NOVEMBER 2007**

### **Parties:**

Vendor: Jinan Property

Purchaser: Sunny Trend, an indirect wholly-owned subsidiary of NWC

### **The Acquisition**

Pursuant to the Acquisition Agreement, Sunny Trend has agreed to acquire 27% equity interest in Jinan Sunshine which Jinan Property has agreed to dispose of.

The Acquisition Agreement is conditional upon the representation and warranties of Jinan Property and Jinan Sunshine contained in the Acquisition Agreement remains true and accurate.

### **Completion**

Completion will take place when the Acquisition has obtained approval from the relevant regulatory authorities and Jinan Sunshine has obtained a new business licence evidencing the registration of Jinan Sunshine as a wholly foreign owned enterprise and full settlement of the consideration for the Acquisition by Sunny Trend.

### **Jinan Sunshine**

Jinan Sunshine is a sino-foreign equity joint venture company established under the laws of the PRC with paid-up registered capital of US\$24,590,000 (equivalent to approximately HK\$191,802,000). At the date of the Acquisition Agreement, Jinan Sunshine was owned by Sunny Trend and Jinan Property as to 73% and 27%, respectively. Upon completion of the Acquisition, Jinan Sunshine will become an indirect wholly-owned subsidiary of NWC.

The principal business of Jinan Sunshine is the development of Jinan Sunshine Garden located at the northwest corner of Jing Qi Road, Wei Shi Er Road, Jinan City, the PRC (中國濟南市經七路緯十二路西北角). The property has a total gross floor area of approximately 448,500 square metres and has been approved for residential and commercial development. At present, phase 1 of Jinan Sunshine Garden with total gross floor area of 109,537 square metres has been completed and almost sold out. Phase 2 of Jinan Sunshine Garden with total gross floor area of 158,901 square metres is now under construction, of which permission for pre-sale was obtained in respect of 87,642 square metres in September 2007.

The audited consolidated net asset value attributable to 27% equity interest in Jinan Sunshine as at 30th June 2007 was HK\$59,499,673. The audited consolidated net loss (both before and after taxation and extraordinary items) of Jinan Sunshine for the years ended 30th June 2006 and 30th June 2007 was HK\$16,133,786 and HK\$25,260,702, respectively. The audited consolidated accounts of Jinan Sunshine have been prepared in accordance with the accounting principles generally accepted in Hong Kong.

## **Consideration and payment**

The consideration payable by Sunny Trend to Jinan Property for the Acquisition was RMB51,000,000 (equivalent to approximately HK\$51,535,974). The consideration is payable within 7 working days after Jinan Sunshine has received a new business licence from the government authority.

The consideration was determined after arm's length negotiation between the parties by reference to the net asset value of Jinan Sunshine as at 30th June 2007. The consideration payable by Sunny Trend under the Acquisition Agreement will be financed by the internal resources of NWC.

## **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 JINAN PROPERTY**

Jinan Property is a state-owned investment holding company incorporated in the PRC.

## **REASONS FOR THE TRANSACTION**

In view of the booming residential property market in Jinan, the sales of residential units of Jinan Sunshine Garden are expected to generate stable income in the near future. The directors (including the independent non-executive directors) of NWD and NWC consider that the Acquisition will provide a good opportunity to acquire the entire control in Jinan Sunshine and hence its holding of Jinan Sunshine Garden to capitalize on the growing market demand for high quality residential properties in Jinan.

The terms of the Acquisition Agreement are arrived at after arm's length negotiation between the parties. 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 NWD and NWC.

## **CONNECTED TRANSACTION FOR NWC**

Jinan Property is a connected person of NWC by virtue of its interest in Jinan Sunshine. Accordingly, the entering into of the Acquisition Agreement constitutes a connected transaction for NWC under the Listing Rules. As the asset ratio and the consideration ratio 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 Sunny Trend also constitutes a connected transaction for NWD under the Listing Rules. As asset 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.

There is no other similar transaction which should be aggregated with the Acquisition Agreement pursuant to Rule 14A.25 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:

“Acquisition”	acquisition by Sunny Trend of 27% equity interest in Jinan Sunshine from Jinan Property
“Acquisition Agreement”	an agreement dated 20th November 2007 entered into between Sunny Trend and Jinan Property relating to the Acquisition
“Jinan Property”	濟南陽光置業有限公司 (Jinan Sunshine Property Co., Ltd.*), a company incorporated in the PRC, being the beneficial and registered owner of 27% interest in Jinan Sunshine as at the date of the Acquisition Agreement
“Jinan Sunshine”	濟南新世界陽光發展有限公司 (Jinan New World Sunshine Development Ltd.)
“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, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Sunny Trend”	Sunny Trend Development Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of NWC

“PRC” the People’s Republic of China

“%” per cent.

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

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

Hong Kong, 20th November 2007

*As at the date of this announcement, the board of NWD comprises (a) six executive directors, namely Dato’ Dr. Cheng Yutung, 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) five non-executive directors, namely Lord Sandberg, Michael, Mr. Cheng Yue-pui, 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 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 the purpose of this announcement, the translation of RMB into HK\$ and USD to HK\$ is based on the approximate exchange rates of RMB0.9896=HK\$1.00 and US\$1.00=HK\$7.80.*

\* *The unofficial English transliteration or translation is for identification purposes only.*