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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

**CONNECTED TRANSACTION
AND
DISCLOSEABLE TRANSACTION**

ACQUISITION AND DISPOSAL

Sale and Purchase Agreement

The respective board of directors of NWD and NWCL announced that on 30 April 2009, NWCP, a wholly-owned subsidiary of NWCL, entered into the Sale and Purchase Agreement with Guilherme Holdings whereby NWCP conditionally agreed (i) to acquire a 52.5% equity interest in Trio from Guilherme Holdings for a consideration of HK\$523,308,026; and (ii) to dispose of a 50% equity interest in Juyi to Guilherme Holdings for a consideration of HK\$953,169,139. Subject to completion of all conditions precedent relating to the Acquisition and Disposal, Trio will become a wholly-owned subsidiary of NWCP; and NWD and NWCL will cease to have any interest in Juyi.

Connected Transactions and Discloseable Transaction

Mr. Doo is an executive director of NWCL and therefore a connected person of NWCL. As at the date of this announcement, Guilherme Holdings is wholly-owned by Mr. Doo, and is therefore an associate of Mr. Doo and a connected person of NWCL under the Listing Rules. The Sale and Purchase Transactions therefore constitute connected transactions for NWCL. The Sale and Purchase Transactions are aggregated with the transactions under the sale and purchase agreement dated 3 December 2008 (details of which are set out in the announcement and circular of NWD and NWCL dated 3 December 2008 and 15 December 2008, respectively) for the purpose of Rules 14A.25 and 14A.26 of the Listing Rules. As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions for NWCL exceeds 2.5%, the Sale and Purchase Transactions are subject to the reporting and announcement requirements and independent shareholders' approval of NWCL under the Listing Rules. In addition, based on the applicable percentage ratios, the Sale and Purchase Transactions also constitute a discloseable transaction of NWCL under Rule 14.08 of the Listing Rules.

As at the date of this announcement, NWD held an approximately 70% attributable interest in the issued share capital of NWCL. As such, the Sale and Purchase Transactions also constitute connected transactions for NWD under the Listing Rules. As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions for NWD exceeds

2.5%, the Sale and Purchase Transactions are subject to the reporting and announcement requirements and the independent shareholders' approval of NWD under the Listing Rules.

Despatch of Circular

A circular containing details of the Sale and Purchase Agreement, a letter from the independent board committee of NWD and a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of NWD together with a notice convening the EGM will be despatched to the shareholders of NWD as soon as practicable.

A circular containing details of the Sale and Purchase Agreement, a letter from the independent board committee of NWCL and a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of NWCL together with a notice convening the EGM will be despatched to the shareholders of NWCL as soon as practicable.

THE SALE AND PURCHASE AGREEMENT

On 30 April 2009, NWCP and Guilherme Holdings entered into the Sale and Purchase Agreement relating to the Sale and Purchase Transactions. Details of the Sale and Purchase Agreement are set out as follows:-

Date : 30 April 2009
Parties : NWCP and Guilherme Holdings

The Acquisition

NWCP has conditionally agreed to purchase and Guilherme Holdings has conditionally agreed to dispose of a 52.5% equity interest in Trio for a consideration of HK\$523,308,026. Trio will become a wholly-owned subsidiary of NWCP upon completion of the Acquisition.

The Disposal

NWCP has conditionally agreed to dispose of and Guilherme Holdings has conditionally agreed to purchase a 50% equity interest in Juyi for a consideration of HK\$953,169,139. NWD and NWCL will cease to have any interest in Juyi upon completion of the Disposal.

Consideration

The consideration payable by NWCP for the Acquisition will be set-off against the consideration receivable by NWCP for the Disposal and the net consideration of HK\$429,861,113 will be payable by Guilherme Holdings to NWCP in the following manner:-

- (i) 10% of the net consideration, being HK\$42,986,111, is payable by Guilherme Holdings to NWCP forthwith upon the signing of the Sale and Purchase Agreement; and
- (ii) the remaining balance of the net consideration, being HK\$386,875,002, is payable by Guilherme Holdings to NWCP on or before 31 December 2009.

The consideration for the Acquisition is subject to adjustment for any changes in the attributable net asset value of Trio during the period from 1 April 2009 to the date of Completion. In any event, the consideration will not fall below HK\$520,308,026, and without any upward adjustment, taking into account the effect of the projected operating expenses of Trio to be incurred during the abovementioned period.

The consideration for the Disposal is also subject to adjustment for any changes in the attributable net asset value of Juyi as at the date of Completion, in particular the change caused by the expected contribution to the registered capital of Juyi as announced by NWD and NWCL on 23 April 2009. In any event, the consideration for the Disposal will not fall below HK\$953,169,139 and will not exceed HK\$1,175,169,139.

The parties to the Sale and Purchase Agreement shall determine the attributable net asset value of each of Juyi and Trio as at the date of Completion within 30 business days from the date of Completion. Any increase in the net consideration for the Sale and Purchase Transactions is payable by Guilherme Holdings to NWCP by way of cash.

The consideration for Acquisition and the Disposal was determined after arm's length negotiation between the parties with reference to the unaudited net assets value of Trio and Juyi as at 31 March 2009, being HK\$463,707,223 and HK\$781,839,284, respectively and revaluation surplus arising from the properties owned by Juyi and Trio together with tax thereon.

Financial Effect of the Disposal on NWCL Group

As a result of the Disposal, it is estimated that NWCL Group will record an unaudited gain of approximately HK\$562,200,000, being the differences between the consideration for the Disposal and the unaudited net assets value of Juyi as at 31 March 2009. NWCL intends to use the net proceeds from the Disposal as general working capital of NWCL Group.

Conditions of the Sale and Purchase Agreement

Conditions precedent

Completion of the Acquisition and Disposal under the Sale and Purchase Agreement is subject to and conditional upon the fulfillment of the following conditions precedent on or before 30 November 2009:

- (1) NWCP and Guilherme Holdings having performed all of the covenants and agreements required to be performed by each of them under the Sale and Purchase Agreement on or prior to Completion;
- (2) the agreements relating to the Acquisition and Disposal in accordance with the relevant laws and regulations of the PRC having been executed and completed to the satisfaction of NWCP and Guilherme Holdings;
- (3) during the period from the date of the Sale and Purchase Agreement to the date of Completion, there not having occurred any material adverse effect on, or there not being in existence on the date of Completion any material adverse change in the financial position, operating performance and all other material aspects of Juyi and Trio;

- (4) all approvals and consents of third parties and the authorities (including the Stock Exchange and if so required, lenders) which are necessary for the entering into and the implementation of the Sale and Purchase Agreement and all transactions contemplated under the Sale and Purchase Agreement having been obtained; and
- (5) the approval of the Sale and Purchase Agreement and the transactions contemplated under the Sale and Purchase Agreement by the independent shareholders of NWCL and NWD, at the EGM of each of NWCL and NWD having been obtained in accordance with the requirements of the Listing Rules.

NWCP and Guilherme Holdings may in its absolute discretion at any time waive in writing any of the conditions set out above (or any part thereof) and such waiver may be made subject to such terms and conditions as determined by NWCP and/or Guilherme Holdings provided that NWCP and/or Guilherme Holdings shall not be entitled to exercise such right of waiver in respect of items (4) and (5) above if as a result of such waiver NWCL and/or NWD would be in breach of the Listing Rules or any other rules or regulations.

Completion

Completion is to take place within ten business days after fulfillment of all conditions (or such later date as shall be agreed in writing between the parties to the Sale and Purchase Agreement).

INFORMATION OF JUJI AND TRIO

The following financial information in respect of Juyi and Trio is extracted from the audited financial statements of Juyi and Trio, respectively, which was prepared in accordance with the accounting principles generally accepted in Hong Kong.

Juyi

For the year ended 30 June

	Attributable portion of the disposal of 50% of the equity interest		Attributable portion of the disposal of 50% of the equity interest	
	2008	2007	2007	2007
	HK\$	HK\$	HK\$	HK\$
Loss before/after taxation and extraordinary items	43,905,887	21,952,944	1,716,466	858,233

The unaudited net asset value of Juyi as at 31 December 2008 was HK\$786,185,920. The property of Juyi was valued by an independent valuer and as at 31 March 2009, such property was valued at RMB5,207,000,000.

Juyi has a registered and paid-up capital of RMB765,000,000. The principal activity of Juyi is the development of Shanghai Hong Kong New World Garden located in Luwan District, Shanghai, the PRC. As at the date of this announcement, Juyi was beneficially owned by NWCP and Guilherme

Holdings as to 50% and 50%, respectively. After Completion, NWD and NWCL will cease to have any interest in Juyi.

Trio

	For the year ended 30 June			
	Attributable portion of the acquisition of 52.5% of the equity		Attributable portion of the acquisition of 52.5% of the equity	
	2008	interest	2007	interest
	HK\$	HK\$	HK\$	HK\$
Loss before/after taxation and extraordinary items	8,500,625	4,462,828	1,892,713	993,674

The unaudited net asset value of Trio as at 31 December 2008 was HK\$465,396,236. The property of Trio was valued by an independent valuer and as at 31 March 2009, such property was valued at RMB1,452,000,000.

The original purchase cost of such interest to Guilherme Holdings is HK\$327,181,146.

Trio has a registered and paid-up capital of US\$81,000,000. The principal activity of Trio is the development of Shanghai Zhongshan Square located in Hongqiao Development Zone, Shanghai. As at the date of this announcement, Trio was beneficially owned by NWCP and Guilherme Holdings as to 47.5% and 52.5%, respectively. After Completion, Trio will be wholly-owned by NWCP.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The respective boards of directors of NWD and NWCL consider that the implementation of the Sale and Purchase Agreement will enable NWCP to obtain the entire control over Shanghai Zhongshan Square and its development through the Acquisition. The development of Shanghai Zhongshan Square, a commercial/residential composite development with total gross floor area of 113,220 square metres, is expected to be completed in December 2009. The respective boards of directors of NWD and NWCL consider that the aforesaid project will provide returns to NWD and NWCL in the near future.

The respective boards of directors of NWD and NWCL are of the view that the Disposal will enable the group of NWCL to realize one of its long term investments at an opportune time considering that the development of Shanghai Hong Kong New World Garden undertaken by Juyi is entering into a development phase which will require large capital outlay. The Disposal will enhance the working capital position of NWCL by providing cash returns to NWCL whilst releasing NWCL of future obligation to provide additional funding to the aforesaid project.

The respective boards of directors of NWD and NWCL are of the view that the Sale and Purchase Transactions also provide both groups with indirect opportunity to further streamline the group structure of respective projects with elimination of connected party relationship of Mr. Doo in the projects and which will enhance the corporate image of NWCL.

The terms of the Sale and Purchase Agreement have been determined through arm's length negotiations between the parties and reflect normal commercial terms. The directors (excluding the independent non-executive directors whose views will be contained in the circular after considering the advice from the independent financial adviser) of each of NWD and NWCL consider that the terms of the Sale and Purchase Agreement, are fair and reasonable and in the interests of NWD and NWCL, respectively, and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

Connected Transactions and discloseable transaction

Mr. Doo is an executive director of NWCL and therefore a connected person of NWCL. As at the date of this announcement, Guilherme Holdings is wholly-owned by Mr. Doo, and is therefore an associate of Mr. Doo and a connected person of NWCL under the Listing Rules. The Sale and Purchase Transactions therefore constitute connected transactions for NWCL. The Sale and Purchase Transactions are aggregated with the transactions under the sale and purchase agreement dated 3 December 2008 (details of which are set out in the announcement and circular of NWD and NWCL dated 3 December 2008 and 15 December 2008, respectively) for the purposes of Rules 14A.25 and 14A.26 of the Listing Rules. As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions for NWCL exceeds 2.5%, the Sale and Purchase Transactions are subject to the reporting and announcement requirements and independent shareholders' approval of NWCL under the Listing Rules. In addition, based on the applicable percentage ratios, the Sale and Purchase Transactions also constitute a discloseable transaction of NWCL under Rule 14.08 of the Listing Rules.

Mr. Doo, his associates and any shareholder who has a material interest in the Sale and Purchase Agreement will abstain from voting on the resolution to approve the Sale and Purchase Agreement at the EGM of NWCL and such resolution will be taken by poll pursuant to the Listing Rules.

As at the date of this announcement, NWD held an approximately 70% attributable interest in the issued share capital of NWCL. As such, the Sale and Purchase Transactions also constitute connected transactions for NWD under the Listing Rules. As one or more of the relevant percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregated transactions for NWD exceeds 2.5%, the Sale and Purchase Transactions are subject to the reporting and announcement requirements and the independent shareholders' approval of NWD under the Listing Rules.

Mr. Doo, his associates and any shareholder who has a material interest in the Sale and Purchase Agreement will abstain from voting on the resolution to approve the Sale and Purchase Agreement at the EGM of NWD and such resolution will be taken by poll pursuant to the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An independent board committee of NWD has been appointed to advise the independent shareholders of NWD on the terms of the Sale and Purchase Agreement. CIMB – GK Securities (HK) Limited has been appointed as the independent financial adviser to advise the independent board committee of NWD and the independent shareholders of NWD on the terms of the Sale and Purchase Agreement.

An independent board committee of NWCL has been appointed to advise the independent shareholders of NWCL on the terms of the Sale and Purchase Agreement. CIMB – GK Securities (HK) Limited has

been appointed as the independent financial adviser to advise the independent board committee of NWCL and the independent shareholders of NWCL on the terms of the Sale and Purchase Agreement.

DESPATCH OF CIRCULAR

A circular containing details of the Sale and Purchase Agreement, a letter from the independent board committee of NWD and a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of NWD together with a notice convening the EGM will be despatched to the shareholders of NWD as soon as practicable.

A circular containing details of the Sale and Purchase Agreement, a letter from the independent board committee of NWCL and a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of NWCL together with a notice convening the EGM will be despatched to the shareholders of NWCL as soon as practicable.

GENERAL

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

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

The principal business activity of Guilherme Holdings is investment holding.

DEFINITIONS

“Acquisition”	the acquisition of a 52.5% equity interest in Trio by NWCP from Guilherme Holdings under the Sale and Purchase Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Completion”	completion of the Sale and Purchase Agreement in accordance with the provisions thereof
“connected person”	has the meaning ascribed to it under the Listing Rules
“Disposal”	the disposal of a 50% equity interest in Juyi by NWCP to Guilherme Holdings under the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of NWD and/or NWCL to be convened for the purposes of considering and, if thought fit, approving the Sale and Purchase Agreement
“Guilherme Holdings”	Guilherme Holdings (Hong Kong) Limited, a company incorporated in Hong Kong which is wholly-owned by Mr. Doo

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Juyi”	上海局一房地產發展有限公司 (Shanghai Juyi Real Estate Development Co., Ltd.), a company incorporated in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Doo”	Mr. Doo Wai-hoi, William, an executive director of NWCL, the director of certain subsidiaries of NWD and NWCL and is the beneficial owner of several corporate substantial shareholders of certain subsidiaries of NWD and NWCL. Mr. Doo is the son-in-law of Dato’ Dr. Cheng Yutung (director of NWD), the brother-in-law of Dr. Cheng Kar-shun, Henry and Mr. Cheng Kar-shing, Peter (directors of NWD and NWCL), and the uncle of Mr. Cheng Chikong, Adrian (director of NWD and NWCL)
“NWCL”	New World China Land Limited, a company whose shares are listed on the main board of the Stock Exchange (Stock Code: 917)
“NWCL Group”	NWCL and/or its subsidiaries from time to time
“NWCP”	New World China Property Limited, a company incorporated in Hong Kong and currently wholly owned by NWCL
“NWD”	New World Development Company Limited, a company whose shares are listed on the main board of the Stock Exchange (Stock Code: 17)
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 30 April 2009 entered into between NWCP and Guilherme Holdings in respect of the Sale and Purchase Transactions

“Sale and Purchase Transactions”	the Acquisition and Disposal under the Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto in the Listing Rules
“Trio”	上海三聯物業發展有限公司 (Shanghai Trio Property Development Co., Ltd.), a company incorporated in the PRC
“%”	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, 30 April 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 NWCL 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.

This announcement is published on the websites of NWD (www.nwd.com.hk), NWCL (www.nwcl.com.hk) and the Stock Exchange (www.hkexnews.hk).