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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 TRANSACTIONS ACQUISITION OF INTERESTS IN SHENZHEN TOPPING REAL ESTATE DEVELOPMENT CO., LTD. AND SHENZHEN TOP ONE REAL ESTATE DEVELOPMENT CO., LTD.

The board of directors of the Company announced that on 10th October 2007, NWCI, a wholly-owned subsidiary of the Company, entered into agreements with Shenzhen Weipeng whereby NWCI agreed to acquire from Shenzhen Weipeng 10% equity interest in Shenzhen Topping and 10% equity interest in Shenzhen Top One for a cash consideration of RMB12,520,000 (equivalent to approximately HK\$12,687,475) and RMB6,480,000 (equivalent to approximately HK\$6,566,680), respectively.

At the date of the Agreements, Shenzhen Weipeng is a connected person of the Company by virtue of its holding of 10% interest in both Shenzhen Topping and Shenzhen Top One which are non wholly-owned subsidiaries of the Group. Accordingly, the acquisitions constitute connected transactions for the Company under the Listing Rules.

As the assets ratio and revenue ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Topping Agreement and the Top One Agreement in aggregate are more than 0.1% but less than 2.5%, the transactions contemplated under the Agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from independent shareholders' approval requirement under the Listing Rules.

AGREEMENT DATED 10TH OCTOBER 2007 RELATING TO THE ACQUISITION OF THE TOPPING INTEREST

Parties:

Vendor: Shenzhen Weipeng

Purchaser: NWCI, a wholly-owned company of the Company

The acquisition

Pursuant to the Topping Agreement, NWCI has agreed to acquire and Shenzhen Weipeng has agreed to dispose of the Topping Interest, representing 10% equity interest in Shenzhen Topping.

Shenzhen Topping

Shenzhen Topping is a co-operative joint venture company established in the PRC with fully paid-up registered capital of HK\$182,000,000 and was owned by Express Fortune and Shenzhen Weipeng as to 90% and 10%, respectively at the date of the Topping Agreement. After completion of the Topping Agreement, Shenzhen Topping will become a wholly-owned subsidiary of the Group.

Shenzhen Topping is principally engaged in the development of Shenzhen New World Yi Shan Garden located inside the Wutong Shan National Park in Yantian District of Shenzhen, the PRC, with a total site area of approximately 89,350 square metres, presently zoned with a maximum permitted plot ratio of 1.7. All residential apartments and villas in Phase I and Phase II of Shenzhen New World Yi Shan Garden are almost sold out. Planning is now underway for the construction of Phase III with gross floor area of approximately 98,630 square metres.

The unaudited net asset value of Shenzhen Topping as at 31st December 2006 was RMB595,479,342. The unaudited net profit (both before and after taxation and extraordinary items) of Shenzhen Topping for the financial year ended 30th June 2006 was RMB3,503,878. The unaudited net loss (both before and after taxation and extraordinary items) of Shenzhen Topping for the financial year ended 30th June 2005 was RMB24,324,622. The unaudited management accounts of Shenzhen Topping have been prepared in accordance with the accounting principles generally accepted in Hong Kong.

Consideration and payment

The consideration payable by NWCI pursuant to the Topping Agreement was RMB12,520,000 (equivalent to approximately HK\$12,687,475) and will be payable as to 50% in cash within 10 working days after signing and notarization of the Topping Agreement and the remaining 50% will be payable within 15 working days after completion of the transfer of the legal title of the Topping Interest to NWCI.

The consideration was determined by reference to the net asset value of Shenzhen Topping with an agreed level of discount. It was after arm's length negotiation between the parties that the consideration was determined with a discount of approximately 79% to the attributable unaudited net asset value of the Topping Interest as at 31st December 2006. A relatively big discount was given due to the desire of Shenzhen Weipeng to withdraw from the joint venture.

The consideration payable pursuant to the Topping Agreement will be funded by internal resources of NWCI.

Completion of the Topping Agreement

The Topping Agreement will be completed upon completion of the registration procedures to effect the transfer of the Topping Interest to NWCI.

AGREEMENT DATED 10TH OCTOBER 2007 RELATING TO THE ACQUISITION OF THE TOP ONE INTEREST

Parties:

Vendor: Shenzhen Weipeng

Purchaser: NWCI

The acquisition

Pursuant to the Top One Agreement, NWCI has agreed to acquire and Shenzhen Weipeng has agreed to dispose of the Top One Interest, representing 10% equity interest in Shenzhen Top One.

Shenzhen Top One

Shenzhen Top One is a co-operative joint venture company incorporated in the PRC with fully-paid up registered capital of HK\$60,000,000 and was owned by Art Pak and Shenzhen Weipeng as to 90% and 10%, respectively at the date of the Top One Agreement. After completion of the Top One Agreement, Shenzhen Top One will become a wholly-owned subsidiary of the Group.

The principal asset of Shenzhen Top One includes the holding of land use rights in respect of a vacant site located in Lot No. T403-0267, Xilihu Resort, Nanshan District, Shenzhen, the PRC with a total site area of approximately 57,605 square metres which has been approved for residential development.

The unaudited net asset value of Shenzhen Top One as at 31st December 2006 was RMB134,956,198. The unaudited net loss before and after taxation of Shenzhen Top One for the financial years ended 30th June 2006 and 30th June 2005 was RMB1,065,785 and RMB1,422,531, respectively. The unaudited management accounts of Shenzhen Top One have been prepared in accordance with the accounting principles generally accepted in Hong Kong.

Consideration and payment

The consideration payable by NWCI pursuant to the Top One Agreement was RMB6,480,000 (equivalent to approximately HK\$6,566,680) and will be payable as to 50% in cash within 10 working days after signing and notarization of the Top One Agreement and the remaining 50% will be payable within 15 working days after completion of the transfer of the legal title of the Top One Interest to NWCI.

The consideration was determined by reference to the net asset value of Shenzhen Top One with an agreed level of discount. It was after arm's length negotiation between the parties that the consideration was determined with a discount of approximately 52% to the attributable unaudited net asset value of the Top One Interest as at 31st December 2006. A relatively big discount was given due to the desire of Shenzhen Weipeng to withdraw from the joint venture.

The consideration payable pursuant to the Top One Agreement will be funded by internal resources of NWCI.

Completion of the Top One Agreement

The Top One Agreement will be completed upon completion of the registration procedures to effect the transfer of the Top One Interest to NWCI.

REASONS FOR THE TRANSACTIONS

The board of directors of the Company considers that the acquisitions will be beneficial to the Company given the opportunity to acquire the minority interests in Shenzhen Topping and Shenzhen Top One, thereby enabling the Group to obtain the entire control in the management and operation of the property projects at Shenzhen Yi Shan Garden and Shenzhen Xilihu Resort.

The terms of the Topping Agreement and the Top One Agreement are arrived at after arm's length negotiation between NWCI and Shenzhen Weipeng. The directors (including the independent non-executive directors) of the Company consider that the Agreements are on normal commercial terms and are fair and reasonable so far as the Company and its shareholders are concerned and the Agreements are in the interest of the Company.

INFORMATION RELATING TO THE COMPANY AND NWCI

The Company is principally engaged in property development and property related investment in the PRC.

NWCI is a wholly-owned subsidiary of the Company incorporated in the PRC and is principally engaged in the investment in the PRC property projects and the provision of marketing and consultancy services in the area of property development in the PRC.

INFORMATION RELATING TO SHENZHEN WEIPENG

Shenzhen Weipeng is principally engaged in property development in the PRC.

CONNECTED TRANSACTIONS

As at the date of the Agreements, Shenzhen Weipeng is a connected person of the Company by virtue of its holding of 10% interest in both Shenzhen Topping and Shenzhen Top One, which are non wholly-owned subsidiaries of the Group. Accordingly, the acquisitions constitute connected transactions for the Company under the Listing Rules.

As the assets ratio and revenue ratio calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Topping Agreement and the Top One Agreement in aggregate are more than 0.1% but less than 2.5%, the transactions contemplated under the Agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from independent shareholders' approval requirement under the Listing Rules.

There is no other similar transaction which should be aggregated with the Topping Agreement and the Top One 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:

“Agreements”	the Topping Agreement and the Top One Agreement
“Art Pak”	Art Pak Investment Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Company”	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
“Express Fortune”	Express Fortune Property Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“NWCI”	New World China Land Investments Company Limited 新世界（中國）地產投資有限公司, a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Shenzhen Topping”	Shenzhen Topping Real Estate Development Co., Ltd. 深圳拓勁房地產開發有限公司, a company owned as to 90% and 10% by Express Fortune and Shenzhen Weipeng, respectively at the date of the Topping Agreement
“Shenzhen Top One”	Shenzhen Top One Real Estate Development Co., Ltd. 深圳拓萬房地產開發有限公司, a company owned as to 90% and 10% by Art Pak and Shenzhen Weipeng, respectively at the date of the Top One Agreement
“Shenzhen Weipeng”	Shenzhen Weipeng Enterprise Co., Ltd.* (深圳瑋鵬實業有限公司)

“Topping Interest”	the 10% equity interest in Shenzhen Topping
“Topping Agreement”	an agreement dated 10th October 2007 entered into between NWCI as purchaser and Shenzhen Weipeng as vendor relating to the sale and purchase of the Topping Interest
“Top One Agreement”	an agreement dated 10th October 2007 entered into between NWCI as purchaser and Shenzhen Weipeng as vendor relating to the sale and purchase of the Top One Interest
“Top One Interest”	the 10% equity interest in Shenzhen Top One
“%”	per cent.

By order of the Board
Ngan Man-ying, Lynda
Company Secretary

Hong Kong, 10th October 2007

At the date of this announcement, the board of directors of the Company 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.

* the unofficial English transliteration or translation are for identification purpose only.

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB0.9868 = HK\$1.00.