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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)

Proposed issue of RMB denominated USD settled Zero Coupon Guaranteed Convertible Bonds due 2012 Convertible into Shares of New World China Land Limited and Resumption of Trading

The Board is pleased to announce that, on 4 May 2007, the Company and New World BVI entered into the Subscription Agreement with Deutsche Bank, pursuant to which Deutsche Bank agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds with an initial aggregate principal amount of RMB2.5 billion. In addition, New World BVI has granted to Deutsche Bank an option to require New World BVI to issue all or any of the Optional Bonds up to a further principal amount of RMB300 million, exercisable in whole or in part, on one or more occasions, at any time up to and including the thirtieth day following the Closing Date.

Based on an initial Conversion Price of HK\$8.044 and assuming full conversion of the Bonds at the initial Conversion Price with a fixed exchange rate of HK\$1 = RMB0.9848, the Bonds will be convertible into 353,458,084 Shares (being the aggregate of 315,587,575 Shares to be converted from the Firm Bonds and 37,870,509 Shares from the Optional Bonds) (subject to adjustment), representing approximately 9.23% of the issued share capital of the Company as at the date of this announcement and approximately 8.45% of the enlarged issued share capital of the Company. The Shares to be issued upon conversion of the Bonds will rank pari passu in all respects with the Shares then in issue on the relevant conversion date.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds by way of selectively marketed securities and the Shares to be issued upon conversion of the Bonds. Such approval (once granted) shall, however, not be taken as an indication of the merits of New World BVI, the Company or the Bonds.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the Section headed "Subscription Agreement" below for further information.

As the Subscription Agreement may or may not complete, potential investors are advised to exercise caution when dealing in the Shares.

The Bonds have not been offered or sold and will not be offered or sold in Hong Kong to the public within the meaning of the Companies Ordinance.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Shares to be issued upon conversion of the Bonds will be offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The net proceeds from the issue of the Firm Bonds are estimated to be approximately US\$320 million after deduction of expenses (including but not limited to legal fees and underwriting commission). If the option to require New World BVI to issue all of the Optional Bonds is exercised, the net proceeds from the issue of the Firm Bonds and the Optional Bonds are estimated to be approximately US\$358 million after deduction of expenses (including but not limited to legal fees and underwriting commission). The Company currently intends to use all of the net proceeds of the Bonds to finance the development costs of a property project in Beijing and for general working capital.

At the request of the Company, trading in the Shares was suspended at the request of the Company with effect from 9:30 a.m. on Friday, 4 May 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 7 May 2007.

SUBSCRIPTION AGREEMENT

Date: 4 May 2007
Parties: New World BVI (as issuer)
Deutsche Bank
The Company (as guarantor)

Subject to the fulfillment of the conditions set out below under the section headed “Conditions Precedent of the Subscription Agreement”, Deutsche Bank has agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds with an initial aggregate principal amount of RMB2.5 billion. In addition, New World BVI has granted to Deutsche Bank an option to require New World BVI to issue all or any of the Optional Bonds up to a further principal amount of RMB300 million, exercisable in whole or in part, on one or more occasions, at any time up to and including the thirtieth day following the Closing Date. Accordingly, the maximum aggregate principal amount of Bonds that may be issued is RMB2.8 billion.

The Bonds will be issued at 100% of the principal amount. The net price to New World BVI after deduction of expenses (including but not limited to legal fees and underwriting commission to be charged by Deutsche Bank) will be approximately 98.4% of the principal amount.

Based on an initial Conversion Price of HK\$8.044 and assuming full conversion of the Bonds at the initial Conversion Price with a fixed exchange rate of HK\$1 = RMB0.9848, the Bonds will be convertible into 353,458,084 Shares (being the aggregate of 315,587,575 Shares to be converted from the Firm Bonds and 37,870,509 Shares from the Optional Bonds) (subject to adjustment), representing approximately 9.23% of the issued share capital of the Company as at the date of this announcement and approximately 8.45% of the enlarged issued share capital of the Company. The Shares to be issued upon conversion of the Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds will be offered and sold outside the United States in reliance upon Regulation S of the Securities Act. None of the Bonds will be offered or sold in Hong Kong to the public (within the meaning of the Companies Ordinance) nor will they be placed to any connected persons (as defined in the Listing Rules) of the Company.

The Bonds will be offered and sold to not less than six persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S of the US Securities Act.

The subscribers are not connected persons (as defined in the Listing Rules) of the Company.

New World BVI's obligations under the Subscription Agreement shall be guaranteed by the Company under the Subscription Agreement.

Lock-up Undertaking

Each of New World BVI and the Company has, among other things, undertaken with Deutsche Bank that neither New World BVI nor the Company nor any of its subsidiaries or affiliates over which they exercise management or voting control, nor any person acting on its or their behalf of any of them will, for a period from the date of the Subscription Agreement up to 90 days after the Closing Date (and, if any Optional Bonds are issued, after the last Option Closing Date), without the prior written consent of Deutsche Bank (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal), any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares (whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise) save for Shares issued (i) pursuant to the conversion provisions of the Bonds; or (ii) pursuant to obligation in existence at the date of the Subscription Agreement, which have been disclosed to Deutsche Bank.

New World Development, the controlling shareholder of the Company, will execute a lock-up agreement whereby it undertakes that neither it nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf will sell any Shares or enter into other transactions with a similar effect for a period from the date of the Subscription Agreement up to 90 days after the Closing Date (or if any Optional Bonds are issued, after the last Option Closing Date).

Conditions Precedent of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, among other things:

- (i) Deutsche Bank having been satisfied with the results of its due diligence investigations on the Group, its jointly controlled entities and associates for the purposes of the preparation of an information memorandum in relation to the issue of the Bonds and the information memorandum having been prepared in form and content satisfactory to Deutsche Bank;
- (ii) the execution and delivery (on or prior to the Closing Date) of a trust deed and a paying and conversion agency agreement in connection with the issue of the Bonds in a form reasonably satisfactory to Deutsche Bank;
- (iii) the Stock Exchange having agreed to list the Bonds and the new Shares upon conversion of the Bonds;
- (iv) the delivery to Deutsche Bank upon Publication Date and on Closing Date and the Option Closing Date (if any) of auditors' comfort letters, each in a form reasonably satisfactory to Deutsche Bank; and
- (v) the delivery to Deutsche Bank on or prior to the Closing Date of legal opinions from English, PRC, British Virgin Islands and Cayman Islands counsels, each in a form satisfactory to Deutsche Bank.

Deutsche Bank may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part of the conditions precedent (other than (ii) and (iii) above).

If any of the conditions precedent are not satisfied or waived by Deutsche Bank on or prior to the Closing Date or the Option Closing Date (if any), as the case may be, the Subscription Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Subscription Agreement except otherwise provided therein.

If the Company fails to obtain the listing approval of the Bonds and the new Shares upon conversion of the Bonds from the Stock Exchange by the Closing Date, the Company has the obligation under the Subscription Agreement to use its best endeavours to obtain such listing on an alternative stock exchange. The failure to obtain the listing of the Bonds and/or the Shares will not constitute a breach of the Subscription Agreement by the Company or New World BVI provided that it has acted as required under the Subscription Agreement.

In the event that the Company shall fail to obtain such listing approval from the Stock Exchange, the Company will publish an announcement to inform the public accordingly.

Termination

Deutsche Bank may, by notice to New World BVI given at any time prior to payment of the net subscription monies for the Bonds to New World BVI, terminate the Subscription Agreement in any of the following circumstances:

- (i) if there shall have come to the notice of Deutsche Bank any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement or any failure by New World BVI or the Company to perform any of its undertakings or agreements in the Subscription Agreement; or
- (ii) if any of the conditions precedent specified in the Subscription Agreement have not been satisfied or waived by Deutsche Bank; or
- (iii) if there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls which would, in Deutsche Bank's view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (iv) if there shall have occurred a general moratorium on commercial banking activities in the PRC, or the United Kingdom or the United States, or Hong Kong by any PRC, United Kingdom, New York State, United States Federal or Hong Kong authorities which would in Deutsche Bank's view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (v) if there shall have occurred an outbreak or escalation of hostilities or act of terrorism which would in Deutsche Bank's view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (vi) if on or after the date of the Subscription Agreement, there shall have occurred either of the following:
 - (i) a suspension or material limitation of trading in securities generally on the Shanghai Stock Exchange, the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc or the Stock Exchange; or
 - (ii) a suspension in trading in the Company's securities on the Stock Exchange, which would in Deutsche Bank's view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Subject to the foregoing, completion of the subscription and issue of the Firm Bonds shall take place on the Closing Date.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarized as follows:

- Issuer : New World BVI
- Guarantor : The Company
- Principal amount of the Bonds : The aggregate principal amount of the Firm Bonds will be RMB2.5 billion. In addition, New World BVI has granted to Deutsche Bank an option to require New World BVI to issue all or any of the Optional Bonds up to a further principal amount of RMB300 million, exercisable in whole or in part, on one or more occasions, at any time up to and including the thirtieth day following the Closing Date. Accordingly, the maximum aggregate principal amount of Bonds that may be issued is RMB2.8 billion.
- Issue price : 100% of the principal amount of the Bond
- Interest : Save for the default interest at the rate of 5% per annum, the Bonds do not bear interest.
- Conversion period : Bondholder(s) may exercise conversion rights at any time on or after 15 days after the Closing Date up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on 15 days prior to maturity in 2012 on the fifth anniversary of the Closing Date or if such Bond has been called for redemption by New World BVI before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption thereof.
- Conversion Price : The initial Conversion Price will be HK\$8.044 per Share, representing (i) a premium of approximately 40.0% over the volume weighted average price of HK\$5.7459 per Share on 3 May 2007, which is the last Trading Day before the Subscription Agreement was signed (i.e. the day preceding the date the terms of the Subscription Agreement were agreed between the Company, New World BVI and Deutsche Bank); (ii) a premium of approximately 36.1% over the closing price of HK\$5.91 per Share as quoted on the Stock Exchange on 3 May 2007, (iii) a premium of approximately 42.7% over the average of the closing price of the Shares as quoted on the Stock Exchange for the 5 Trading Days up to and including 3 May 2007 of HK\$5.636 and (iv) a premium of approximately 46.4% over the average of the closing price of the Shares as quoted on the Stock Exchange for the 10 Trading Days up to and including 3 May 2007 of HK\$5.493 respectively.
- The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events including consolidation, subdivision or reclassification of shares, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares, rights issues of other securities, and issues at less than current market price.
- Ranking of Shares : The Shares to be issued upon conversion of the Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.
- Maturity : Unless previously redeemed, converted or purchased and cancelled as provided in the terms and condition of the Bonds, New World BVI will redeem each Bond at US dollar equivalent of its RMB principal amount multiplied by 103.81% in 2012 on the fifth anniversary of the Closing Date.

- Redemption at option of New World BVI : On giving not less than 30 nor more than 60 days' notice to the Bondholders, the trustee and the principal payment agent (which notice will be irrevocable), New World BVI may at any time after 11 June 2010 and prior to the Maturity Date redeem all and not some only of the Bonds at the US dollar equivalent of their Early Redemption Amount on the relevant date fixed for redemption provided that no such redemption may be made unless (i) the closing price of the Shares (as derived from the daily quotations sheet of the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange), translated into RMB at the prevailing rate applicable to the relevant Trading Day, for each of 30 consecutive Trading Days, the last of such 30-Trading Day period falls within five Trading Days prior to the date upon which notice of such redemption is given was at least 130% of the Early Redemption Amount divided by the conversion ratio, or (ii) at least 90% in principal amount of the Bonds has already been converted, redeemed or purchased and cancelled.
- Redemption for taxation reasons : The Bonds may be redeemed at the option of New World BVI in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) in accordance with terms and conditions of the Bonds at the US dollar equivalent of their Early Redemption Amount, if (i) New World BVI satisfies the trustee immediately prior to the giving of such notice that New World BVI or the Guarantor, as the case may be, has or will become obliged to pay additional tax amounts as referred to in terms and condition of the Bonds as a result of any change in, or amendment to, the laws or regulations of the Cayman Islands or Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the Subscription Agreement, and (ii) such obligation cannot be avoided by New World BVI or the Guarantor, as the case may be, taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which New World BVI or the Guarantor, as the case may be, would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due.
- Redemption for delisting or change of control : Following the occurrence of the following events:
- (i) when the Shares cease to be listed or admitted to trading on the Stock Exchange; or
 - (ii) when there is a change of control in the Company,
- the Bondholder(s) will have the right to require New World BVI to redeem all or some of the Bonds at the US dollar equivalent of their Early Redemption Amount on the 14th day after the expiry of the later of 60 days following (a) any of the above two events or, if later, (b) the date upon which notice thereof is given to the Bondholders by New World BVI.
- Redemption at option of the Bondholder(s) : New World BVI will, at the option of the Bondholder redeem all or some only of such Bonds on 11 June 2010 at the US dollar equivalent of its RMB principal amount multiplied by 102.27%.

A put notice, once delivered, shall be irrevocable and may not be withdrawn without New World BVI's consent. Bondholders must give a notice of redemption together with the certificate evidencing the Bonds to be redeemed not earlier than 60 days and not later than 30 days prior to 11 June 2010.

- Voting rights : Before conversion of the Bonds, Bondholders will not have any right to attend or vote in any meeting of the Company by virtue of their being Bondholders.
- Listing : An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds and the Shares to be issued upon conversion of the Bonds.
- Guarantee : The Company has guaranteed the due payment of all sums expressed to be payable by New World BVI under a trust deed entered into in connection with the Bonds and the Bonds has been unconditionally and irrevocably guaranteed by the Guarantor.
- Form and denomination : The Bonds are issued in registered form in denominations of RMB100,000 without coupons attached.
- Transferability : The Bonds are freely transferable.
- Status : The Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the Bonds) unsecured obligations of New World BVI and shall at all times rank *pari passu* and without any preference or priority among themselves.
- US Dollar Settlement : All amounts due under, and all claims arising out of or pursuant to, the Bonds, the Guarantee and/or the trust deed entered into in connection with the Bonds from or against New World BVI and/or the Company shall be payable and settled in US dollars only.

EFFECT ON THE SHARE CAPITAL

The following table summarises the shareholding structure of the Company as at the date of this announcement and as a result of conversion of the Bonds (assuming the total number of Shares in issue remain unchanged from the date hereof):

Name of Shareholder	As at date of this announcement		Assuming the Firm Bonds are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HK\$8.044 each at a fixed exchange rate of HK\$1 = RMB0.9848		Assuming the Firm Bonds and the Optional Bonds (Note 3) are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HK\$8.044 each at a fixed exchange rate of HK\$1 = RMB0.9848	
	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of enlarged issued share capital of the Company	No. of Shares	Approximate % of enlarged issued share capital of the Company
New World Development	2,537,632,731	66.26	2,537,632,731	61.22	2,537,632,731	60.66
Other subsidiaries of New World Development (Note 1)	177,226,049	4.63	177,226,049	4.28	177,226,049	4.24
Sub-total	2,714,858,780	70.89	2,714,858,780	65.50	2,714,858,780	64.90
Directors	147,871,326	3.86	147,871,326	3.57	147,871,326	3.53
Public	966,938,926	25.25	966,938,926	23.32	966,938,926	23.12
Bondholders (Note 2)	—	—	315,587,575	7.61	353,458,084	8.45
Total	3,829,669,032	100.00	4,145,256,607	100.00	4,183,127,116	100.00

Notes:

1. These shares include 113,351,879 shares, 22,508,064 shares, 41,366,106 shares held by a 100% owned, a 59% owned and a 56% owned subsidiary of New World Development respectively.
2. Bondholders constituting public.
3. Assuming the option to require New World BVI to issue the Optional Bonds is exercised in full.

USE OF PROCEEDS

The net proceeds from the issue of the Firm Bonds are estimated to be approximately US\$320 million after deduction of expenses (including but not limited to legal fees and underwriting commission). If the option to require New World BVI to issue all of the Optional Bonds is exercised, the net proceeds from the issue of the Firm Bonds and the Optional Bonds are estimated to be approximately US\$358 million after deduction of expenses (including but not limited to legal fees and underwriting commission). The Company currently intends to use all of the net proceeds from the Bonds to finance the development costs of a property project in Beijing and for general working capital.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The conversion of the Bonds into Shares will enlarge and diversify the shareholder base of the Company whilst providing an opportunity to raise further capital for the Company to finance the development costs of a property project in Beijing and for general working capital. The Directors consider that this will strengthen the financial position of the Company and hence will be beneficial to the overall development and expansion of the Group. The Directors consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

GENERAL

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

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Bonds by way of selectively marketed securities and the Shares to be issued upon conversion of the Bonds. Such approval (once granted) shall, however, not be taken as an indication of the merits of New World BVI, the Company or the Bonds.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Shares to be issued upon conversion of the Bonds are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

None of the Bonds will be offered to the public in Hong Kong.

The Company will promptly notify the Stock Exchange upon becoming aware of any dealing in the Bonds by any connected person (as defined in the Listing Rules) of the Company.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares has been suspended at the request of the Company from 9:30 a.m. on Friday, 4 May 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Monday, 7 May 2007.

GENERAL MANDATE

At an annual general meeting of the Company held on 21 November 2006, the Company granted a general mandate to the Directors to allot and issue up to 765,579,286 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this announcement, the Company is entitled to issue up to 765,579,286 Shares pursuant to such general mandate.

FUND RAISING IN THE PAST 12 MONTHS

The Company has not carried out any fund raising activities involving issue of equity securities in the 12 months preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

- “Alternative Stock Exchange” : at any time, in the case of the Shares, if they are not at that time listed and traded on the Stock Exchange, the principal stock exchange or securities market on which the shares are then listed or quoted or dealt in
- “Board” : board of Directors
- “Bonds” : the Firm Bonds and the Optional Bonds (assuming the option to require New World BVI to issue the Optional Bonds are exercised in full)
- “Bondholder(s)” : holder(s) of the Bonds from time to time
- “Closing Date” : 11 June 2007 or such later date as New World BVI, the Company and Deutsche Bank may agree
- “Company” : New World China Land Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
- “Companies Ordinance” : the Companies Ordinance of Hong Kong (Chapter 32 of the Laws of Hong Kong)
- “Conversion Price” : the price at which Shares will be issued upon conversion which will initially be HK\$8.044 per Share with a fixed exchange rate of HK\$1.00 = RMB0.9848 and will be subject to adjustment in the manner provided in the terms and conditions of the Bonds
- “Deutsche Bank” : Deutsche Bank AG, Hong Kong Branch which is licensed by the SFC to conduct types 1, 4, 6, 7 and 9 regulated activities as defined under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
- “Directors” : directors of the Company
- “Early Redemption Amount” : in respect of each RMB100,000 principal amount of Bonds, an amount which represents for the Bondholder a gross yield of 0.75% per annum, calculated on a semi-annual basis up to (but excluding) the redemption date
- “Firm Bonds” : the US Dollar Settled Zero Coupon Guaranteed Convertible Bonds due 2012 of an aggregate principal amount of RMB2.5 billion

“Group”	: the Company and its subsidiaries
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Listing Rules”	: the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Maturity Date”	: 11 June 2012
“New World BVI”	: New World China Land Finance Limited, a company incorporated in the British Virgin Islands on 20 March 2007 and a wholly-owned subsidiary of the Company
“New World Development”	: New World Development Company Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange and the controlling shareholder of the Company
“Option Closing Date”	: a date to be specified by Deutsche Bank upon exercise of the option to require New World BVI to issue all or any of the Optional Bonds, being a date not later than 15 business days after the date of exercise of such option
“Optional Bonds”	: the additional US Dollar Settled Zero Coupon Guaranteed Convertible Bonds due 2012 of up to a principal amount of RMB300 million
“PRC”	: the People’s Republic of China
“Publication Date”	: the date of the information memorandum which is not later than three business days prior to the Closing Date or such other date as may be agreed between New World BVI and Deutsche Bank
“Regulation S”	: Regulation S under the Securities Act
“RMB”	: Renminbi, the lawful currency of the PRC
“Securities Act”	: the US Securities Act of 1933, as amended
“SFC”	: the Securities and Futures Commission
“Shares”	: means ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	: the subscription agreement between the Company, New World BVI and Deutsche Bank dated 4 May 2007
“Trading Day”	: a day when the Stock Exchange or, as the case may be an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“United States”	: the United States of America
“US\$” or “USD”	: United States dollars, the lawful currency of the United States
“%”	: per cent.

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

Hong Kong, 4 May 2007

As at the date of this announcement, the board 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. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael, Ms. Ngan Man-ying, Lynda and Mr. Cheng Chi-kong, Adrian; (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.

*“Please also refer to the published version of this announcement in **The Standard**.”*