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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)



New World China Land Limited  
新世界中國地產有限公司

(Incorporated in the Cayman Islands with limited liability)

## CONNECTED TRANSACTION

The respective board of directors of New World Development Company Limited and New World China Land Limited announced that New World China Land Limited had provided a guarantee in respect of the obligation and liabilities of Shanghai Ju Yi Real Estate Development Co., Ltd. under loan facilities as granted by an independent financial institution up to an aggregate principal amount of RMB100 million (equivalent to approximately HK\$94,340,000).

Shanghai Ju Yi Real Estate Development Co., Ltd., the borrower, is an indirect non wholly-owned subsidiary of New World China Land Limited, and is owned as to 80% by New World China Land Limited and 20% by Stanley Enterprises Limited. Stanley Enterprises Limited has agreed to indemnify New World China Land Limited in respect of its liability under the guarantee as to 20% and pay to New World China Land Limited a guarantee fee of 0.25% per annum on the amount of the banking facility being utilized by the borrower.

Stanley Enterprises Limited is a connected person of New World China Land Limited by virtue of its substantial shareholdings in certain subsidiaries of New World China Land Limited, including Shanghai Ju Yi Real Estate Development Co., Ltd. At the date hereof, New World Development Company Limited held approximately 69.74% attributable interests in the issued share capital of New World China Land Limited. Accordingly, the provision of the abovementioned guarantee and payment of guarantee fee by Stanley Enterprises Limited to New World China Land Limited constitute connected transactions for New World Development Company Limited and New World China Land Limited respectively under the Listing Rules. Details of the guarantee and the annual guarantee fee will be included in the next published annual report and accounts of each of New World Development Company Limited and New World China Land Limited in accordance with Rule 14.25(1) of the Listing Rules.

### THE GUARANTEE DATED 19TH JULY, 2002

#### Parties:

- (i) New World China Land Limited (“NWC”), as guarantor; and
- (ii) a financial institution (“Lender”), as beneficiary. The Lender is independent of the directors, chief executives and substantial shareholders of each of New World Development Company Limited (“NWD”) and NWC, their respective subsidiaries or their respective associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

#### Purpose:

NWC guarantees the full obligation and liabilities of Shanghai Ju Yi Real Estate Development Co., Ltd. (the “Borrower”) under loan facilities (the “Facilities”) as granted by the Lender up to an aggregate principal amount of RMB100 million (equivalent to approximately HK\$94,340,000) (the “Guarantee”) for a term of seven years which will be utilized by the Borrower to finance the development cost of Shanghai Hong Kong New World Garden (the “Property”) owned by the Borrower. The Property, being planned to be developed in four phases, is a premier residential development located in Luwan District, Shanghai, the People’s Republic of China (“PRC”), nearby the Huangpu River. Phase I of the Property, consisting of two blocks of flats with a total gross floor area of 45,874.06 square metres, is now completed. It is anticipated that when the Property is completed, it will comprise twenty-two blocks of 30-storey apartment building having a total gross floor area of 478,231 square metres.

#### REASONS FOR ENTERING INTO THE GUARANTEE

The Borrower is an equity joint venture company established in the PRC whose principal business is the development of the Property. The Borrower is owned by the Company as to 80% and by Stanley Enterprises Limited (“Stanley”) as to 20%. It is a term of the Facilities that NWC should provide the Guarantee in order to obtain the Facilities for the benefit of the Borrower.

Stanley has agreed to indemnify NWC in respect of its liability under the Guarantee as to 20% by executing a counter indemnity in favour of NWC and agreed to pay to NWC a guarantee fee of 0.25% per annum on the amount of the Facilities being utilized by the Borrower.

The respective board of directors (including the independent non-executive directors) of NWD and NWC considers that it is in the interest of NWD and NWC that the Borrower can obtain the Facilities and considers that the terms of the Guarantee, being arrived at after arm’s length negotiation with the Lender, are determined upon normal commercial terms and are fair and reasonable as far as the independent shareholders of each of NWD and NWC are concerned.

#### GENERAL

The core businesses of NWD include property, infrastructure, services as well as telecommunications and technology. NWC is principally engaged in property development and property related investment in the PRC.

Stanley is a substantial shareholder of certain subsidiaries of NWC, including the Borrower. Apart from the foregoing, Stanley is independent of and not connected with the directors, substantial shareholders or chief executives of each of NWD and NWC, their respective subsidiaries or their respective associates (as defined in the Listing Rules). At the date hereof, NWD held approximately 69.74% attributable interests in the issued share capital of NWC. Accordingly, the provision of the Guarantee by NWC and the payment of the annual guarantee fee from Stanley to NWC constitute connected transactions for NWD and NWC respectively under the Listing Rules. The maximum exposure of NWC under the Guarantee and the annual guarantee fee fall within the de minimis level as stipulated under rule 14.25(1) of the Listing Rules. Details of the Guarantee and the annual guarantee fee will be disclosed in the next published annual report and accounts of each of NWD and NWC in accordance with Rule 14.25(1) of the Listing Rules.

For your convenience, this announcement contains translation between Hong Kong dollars and Renminbi at HK\$0.9434=RMB1.00.

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  
Chow Yu-chun, Alexander  
Company Secretary

Hong Kong, 19th July, 2002