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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)

**IRREVOCABLE UNDERTAKING  
TO SUBSCRIBE FOR  
RIGHTS SHARES  
AND  
RESUMPTION OF  
TRADING IN SHARES**

**PROPOSED RIGHTS ISSUE OF  
RIGHTS SHARES OF HK\$0.10  
EACH AT HK\$2.55 PER RIGHTS  
SHARE ON THE BASIS OF ONE  
RIGHTS SHARE FOR EVERY TWO  
SHARES HELD  
AND  
RESUMPTION OF TRADING IN  
SHARES**

**Joint Underwriters of the Rights Issue  
(in alphabetical order)**

 **BOC INTERNATIONAL**

**HSBC** 

**RIGHTS ISSUE**

The respective boards of directors of the Company and NWD are pleased to announce that on 9 October 2009, the Company entered into the Underwriting Agreement in relation to the Rights Issue. The Company proposes to raise not less than approximately HK\$4,892.4 million before expenses and not more than approximately HK\$5,330.5 million before expenses by way of a rights issue of not less than 1,918,584,241 Rights Shares and not more than 2,090,404,338 Rights Shares on the basis of one Rights Share in nil-paid form for every two Shares held by the Qualifying Shareholders at 5:00 p.m. on the Record Date at the Subscription Price of HK\$2.55 per Rights Share payable in full on acceptance. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

The Directors would like to inform Shareholders and potential investors that fully-paid Rights Shares shall entitle the holders thereof to the final dividend of HK\$0.06 per Share for the financial year ended 30 June 2009 as recommended by the Directors on 8 October 2009, as the Rights Shares will be issued before Wednesday, 9 December 2009, being the date for determining entitlement to the final dividend. All transfers accompanied by the relevant share certificates must be lodged with the Registrar not later than 4:30 p.m. on Friday, 4 December 2009 to establish entitlements to the proposed final dividend.

The aggregate number of Rights Shares to be issued pursuant to the terms of the Rights Issue: (i) represents 50% of the Company's issued share capital as at the Latest Practicable Date; and (ii) will represent approximately 33% of the Company's issued share capital as enlarged by the issue of the Rights Shares immediately after the completion of the Rights Issue.

As at the Latest Practicable Date, NWD and Easywin held 2,537,632,731 Shares and 113,351,879 Shares respectively, representing in aggregate approximately 69.09% of the issued share capital of the Company. Pursuant to the Underwriting Agreement, NWD has irrevocably undertaken to the Company and the Joint Underwriters, among other things, to accept or procure the acceptance of the provisional allotment of the Committed Shares, which represent in aggregate approximately 69.09% of the Rights Shares (assuming no exercise of the Conversion and Subscription Rights) and not to exercise any conversion rights attaching to the Convertible Bonds held by it at any time prior to 5:00 p.m. on the Record Date. The Joint Underwriters have conditionally and severally agreed (in their respective proportions) to underwrite the Underwritten Rights Shares. The undertaking made by NWD in favour of the Company and the Joint Underwriters under the Underwriting Agreement does not constitute a notifiable transaction for NWD pursuant to the Listing Rules.

The obligations of the Joint Underwriters to underwrite the Underwritten Rights Shares are conditional on (i) the satisfaction (or, as applicable, waiver) of the conditions referred to in the section headed “Conditions of the Rights Issue and the Underwriting Agreement” in this announcement below, and (ii) the Underwriting Agreement not being terminated by the Joint Underwriters in accordance with its terms. If the conditions are not fulfilled (or waived) or the Underwriting Agreement is terminated pursuant to its terms, the Rights Issue will not proceed.

## **REASONS FOR THE PROPOSED RIGHTS ISSUE AND USE OF PROCEEDS**

The Company is principally engaged in property development and property related investments as well as rental and hotel operation in the PRC. The Directors consider that taking into account the prevailing market conditions, it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity funding for refinancing the Company’s existing borrowings and debts, including the possible redemption or repurchase of the outstanding Convertible Bonds. Pursuant to the terms of the Convertible Bonds, on 11 June 2010, each of the bondholders has the right to require the Convertible Bonds Issuer to redeem all or some of the Convertible Bonds held by them on that day.

Having considered other fund raising alternatives for the Group, including issuance of debt securities and share placements and taking into account the benefits and costs of each alternative, the Directors consider that the Rights Issue is the preferred means for the Group to raise long-term funds without subjecting itself to interest burden or additional debt. The Rights Issue also offers existing Shareholders the opportunity to avoid dilution. The Directors consider that the net proceeds of the Rights Issue will also strengthen the Company’s capital base and enhance the Group’s financial resilience, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms.

The Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole for the reasons mentioned above.

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional expenses, of approximately HK\$38.4 million, will be borne by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$2.53.

The estimated net proceeds of the Rights Issue, after the deduction of all estimated expenses of HK\$38.4 million, will be not less than approximately HK\$4,854.0 million. The Directors currently intend to apply the net proceeds from the Rights Issue for:

- refinancing the Group’s existing borrowings and debts, including the possible redemption or repurchase of the outstanding Convertible Bonds; and

— meeting the future funding requirements for the Group's property development and property related investment in the PRC and as additional general working capital of the Group.

Assuming the maximum number of Shares are allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of the Conversion and Subscription Rights, additional net proceeds of approximately HK\$428.3 million will result from the increase in the number of Rights Shares. Such additional net proceeds are intended by the Directors to be used as general working capital of the Group.

The Prospectus or Prospectus Documents, as appropriate, containing further information on the Rights Issue will be despatched to Shareholders as soon as practicable.

## **WARNING OF THE RISKS OF DEALINGS IN SHARES AND RIGHTS SHARES**

**It should be noted that the Underwriting Agreement contains provisions granting the Joint Underwriters the right to terminate their obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Termination of the Underwriting Agreement" in this announcement below for further details.**

**Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters' right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Friday, 30 October 2009 to Friday, 6 November 2009 (both days inclusive) will bear the risk that the Rights Issue may not become unconditional or may not proceed. If in any doubt, Shareholders, and other persons contemplating dealing in securities of the Company and potential investors are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.**

**The last day for dealing in the Shares on a cum-rights basis is Wednesday, 21 October 2009. The Shares will be dealt in on an ex-rights basis from Thursday, 22 October 2009. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company at 5:00 p.m. on the Record Date, which is currently expected to be Friday, 23 October 2009. In order to be registered as a member of the Company at 5:00 p.m. on the Record Date, any transfer of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar for registration by 4:30 p.m. on the Record Date.**

**The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Acceptance Date. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.**

## **RESUMPTION OF TRADING**

At the request of the Company and NWD, trading in the Shares, the shares of NWD and the Convertible Bonds on the Stock Exchange was suspended from 2:30 p.m. on 9 October 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares, the shares of NWD and the Convertible Bonds with effect from 9:30 a.m. on Monday, 12 October 2009.

## **RIGHTS ISSUE**

The terms of the Rights Issue are set out below.

### **ISSUE STATISTICS**

Basis of the Rights Issue:	One Rights Share for every two Shares held at 5:00 p.m. on the Record Date
Number of Shares in issue:	3,837,168,482 Shares as at the Latest Practicable Date
Number of Rights Shares:	Not less than 1,918,584,241 Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to any exercise of the Conversion and Subscription Rights) and not more than 2,090,404,338 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of the Conversion and Subscription Rights)
Subscription Price:	HK\$2.55 per Rights Share
Joint Underwriters: (in alphabetical order)	BOCI Asia and HSBC
Minimum enlarged issued share capital upon completion of the Rights Issue: (assuming no Shares (other than the Rights Shares) are allotted and issued before completion of the Rights Issue)	5,755,752,723 Shares
Maximum enlarged issued share capital upon completion of the Rights Issue: (assuming Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of the Conversion and Subscription Rights but that otherwise no other Shares (other than the Rights Shares) are allotted and issued before completion of the Rights Issue)	6,271,213,015 Shares

As at the Latest Practicable Date:

- (1) there were outstanding Convertible Bonds (including NWD's Convertible Bonds) with an aggregate principal amount of RMB2,550,000,000 convertible into 331,543,936 Shares at the conversion price of HK\$7.81 per Share (subject to adjustments) using a fixed exchange rate of HK\$1 = RMB0.9848. Assuming full exercise of the conversion rights attaching to the Convertible Bonds (other than NWD's Convertible Bonds) and Shares are allotted and issued pursuant to such exercise before 5:00 p.m. on the Record Date, a total of 325,563,145 new Shares would fall to be issued, which would result in the issue of 162,781,572 additional Rights Shares;
- (2) there were outstanding Share Options in respect of 44,950,000 Shares, of which Share Options in respect of 18,077,050 Shares are Vested Share Options. Assuming full exercise of the subscription rights attaching to the Vested Share Options and Shares are allotted and issued pursuant to such exercise before 5:00 p.m. on the Record Date, a total of 18,077,050 new Shares would fall to be issued, which would result in the issue of 9,038,525 additional Rights Shares.

Save for the outstanding Convertible Bonds and Share Options as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the Latest Practicable Date.

The aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the Company's issued share capital as at the Latest Practicable Date and will represent approximately 33% of the Company's enlarged issued share capital immediately after the completion of the Rights Issue.

## **QUALIFYING SHAREHOLDERS**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. To the extent reasonably practicable, the Company will send copies of the Prospectus to each of the Non-Qualifying Shareholders and the respective holders of the Convertible Bonds and the Share Options for their information only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder or an investor must be: (i) registered as a member of the Company at 5:00 p.m. on the Record Date; and (ii) not be a Non-Qualifying Shareholder.

The last day for dealing in the Shares on a cum-rights basis is Wednesday, 21 October 2009. The Shares will be dealt with on an ex-rights basis from Thursday, 22 October 2009.

In order to be registered as a member of the Company at 5:00 p.m. on the Record Date, any transfers of Shares must be lodged (together with the relevant share certificate(s)) with the Registrar for registration no later than 4:30 p.m. on the Record Date.

Holders of Convertible Bonds who wish to participate in the Rights Issue should exercise the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 5:00 p.m. on the Record Date.

Holders of the Vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights attaching to the Vested Share Options in accordance with their respective terms and conditions and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 5:00 p.m. on the Record Date.

The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Acceptance Date. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his or her entitlement under the Rights Issue, his or her proportionate shareholding in the Company will be diluted.

## **RIGHTS OF THE NON-QUALIFYING SHAREHOLDERS**

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation or equivalent legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company at the Latest Practicable Date, the Company had a total of two Shareholders with registered addresses outside Hong Kong.

The Company is in the process of making enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. The Company notes the requirements specified in Rule 13.36(2)(a) of the Listing Rules and will only exclude from the Rights Issue those Overseas Shareholders whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges in such jurisdictions, consider it necessary or expedient to exclude. The basis of exclusion of such Overseas Shareholders from the Rights Issue, if any, will be disclosed in the Prospectus.

To the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and the respective holders of the Convertible Bonds and the Share Options for their information only, but the Company will not send any PAL and EAF to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any event before dealings in nil-paid Rights Shares end if a premium in excess of all expenses of sale can be achieved. The aggregate net proceeds of such sale will be distributed by the Company to the Non-Qualifying Shareholders (pro-rata to their shareholdings at 5:00 p.m. on the Record Date), provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any unsold Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application on EAFs by the Qualifying Shareholders.

## **SUBSCRIPTION PRICE**

The Subscription Price is HK\$2.55 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or, where applicable, upon application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (1) a discount of approximately 38.11% to the Last Closing Price;
- (2) a discount of approximately 29.17% to the theoretical ex-rights price (assuming no exercise of the Conversion and Subscription Rights) of approximately HK\$3.60 per Share, which is calculated on the Last Closing Price;
- (3) a discount of approximately 33.42% to the average of the closing prices of approximately HK\$3.83 per Share as quoted on the Stock Exchange for the five consecutive trading days ending on the Last Trade Day;
- (4) a discount of approximately 33.25% to the average of the closing prices of approximately HK\$3.82 per Share as quoted on the Stock Exchange for the ten consecutive trading days ending on the Last Trade Day; and
- (5) a discount of approximately 67.92% to the audited consolidated net asset value attributable to equity holders of the Company per Share as at 30 June 2009 of approximately HK\$7.95.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions and the current financial position of the Group.

After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and use of proceeds” below, the Directors consider that the terms of the Rights Issue, including the Subscription Price and the discounts to the relative values as indicated above, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **BASIS OF PROVISIONAL ALLOTMENT**

The basis of the provisional allotment shall be one Rights Share for every two Shares held by the Qualifying Shareholders at 5:00 p.m. on the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

## **FRACTIONAL ENTITLEMENTS TO THE RIGHTS SHARES**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be available to meet excess applications by Qualifying Shareholders.

## **STATUS OF THE RIGHTS SHARES**

The Rights Shares, when allotted, issued and fully-paid, will rank pari passu in all respects with the then existing Shares in issue, such that holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The Directors would like to inform Shareholders and potential investors that fully-paid Rights Shares shall entitle the holders thereof to the final dividend of HK\$0.06 per Share for the financial year ended 30 June 2009 as recommended by the Directors on 8 October 2009, as the Rights Shares will be issued before Wednesday, 9 December 2009, being the date for determining entitlement to the final dividend. All transfers accompanied by the relevant share certificates must be lodged with the Registrar not later than 4:30 p.m. on Friday, 4 December 2009 to establish entitlements to the proposed final dividend.

## **APPLICATION FOR EXCESS RIGHTS SHARES**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any unsold Rights Shares created by adding together fractions of the Rights Shares and any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e., Qualifying Shareholders applying for smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for whereas Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will still receive a greater number of Rights Shares than those applying for a smaller number)).



Investors whose Shares are held by a nominee (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee should note that the aforesaid arrangement in relation to the top-up of odd lots for allocation of excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to 4:30 p.m. on the Record Date.

Investors whose Shares are held by a nominee and would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration prior to 4:30 p.m. on the Record Date.

Qualifying Shareholders who wish to apply for any Rights Shares in addition to their provisional allotment, must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar by a time which is currently expected to be 4:00 p.m. on the Acceptance Date or such later time and/or date as may be agreed between the Company and the Joint Underwriters.

## **SHARE CERTIFICATES AND REFUND CHEQUES FOR THE RIGHTS ISSUE**

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for fully-paid Rights Shares are expected to be posted to those who have accepted and (where applicable) applied for, and paid for, the Rights Shares by ordinary post at their own risk on or before Wednesday, 18 November 2009. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted to the applicants by ordinary post at their own risk on or before Wednesday, 18 November 2009. Dealings in the fully-paid Rights Shares are expected to commence on or about Friday, 20 November 2009.

## **APPLICATION FOR LISTING OF THE RIGHTS SHARES ON THE STOCK EXCHANGE**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the Shares is listed, or dealt in, or for which listing or permission to deal is being or is proposed to be sought, on any other stock exchange. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares (i.e. 400 Shares in one board lot).

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty and any other applicable fees and charges in Hong Kong.

## **RIGHTS SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day after the date of the transaction.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **UNDERWRITING ARRANGEMENTS**

### **Principal Terms of the Underwriting Agreement**

Date: 9 October 2009

Parties: the Company, NWD and the Joint Underwriters

Number of Underwritten Rights Shares: Not less than 593,091,937 Rights Shares (assuming no Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to any exercise of the Conversion and Subscription Rights) and not more than 764,912,034 Rights Shares (assuming Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of the Conversion and Subscription Rights).

The Underwritten Rights Shares will be underwritten by the Joint Underwriters on a several basis pro rata to each Joint Underwriter's relevant proportion of Underwritten Rights Shares.

Joint Underwriters' Commission: The commission payable by the Company in respect of the Rights Issue is 2.25% of the aggregate Subscription Price in respect of the actual number of Underwritten Rights Shares as determined at 5:00 p.m. on the Record Date.

The Board considers the terms of the Underwriting Agreement including the rate of commission to be fair and reasonable so far as the Company and the Shareholders are concerned.

## **Conditions of the Rights Issue and the Underwriting Agreement**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional. The obligations of the Joint Underwriters under the Underwriting Agreement are conditional upon:

- (1) permission to deal in and listing of all the Rights Shares (in their nil paid and fully paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully paid forms respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (2) all relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange and the SFC, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required;
- (3) compliance with and performance of the obligations of the Company taking place by the times specified in the Underwriting Agreement in connection with the making of the Rights Issue and the allotment and offer of the Rights Shares;
- (4) compliance with and performance of the obligations of NWD taking place by the times specified in the Underwriting Agreement in connection with its irrevocable undertaking under the Underwriting Agreement; and
- (5) receipt by the Joint Underwriters (in a form and substance satisfactory to them) of all relevant documents to be provided by the Company by the times specified in the Underwriting Agreement.

The Company and NWD shall use their reasonable endeavours to procure the fulfilment of each of the above conditions by the due time and/or date referred to in each case (or if no date is specified, by the Latest Time for Termination) and to procure that each of such conditions is fulfilled in sufficient time so that the date on which the Latest Time for Termination occurs falls on or before Monday, 30 November 2009 (or such later date as the Company and the Joint Underwriters may jointly agree) and in particular shall furnish such information, supply such documents, pay (in the case of the Company) such fees, give such undertakings and do all such acts and things as may reasonably be required by the Joint Underwriters and the Stock Exchange in connection with the making of the Rights Issue and the listing of the Rights Shares.

If any of the above conditions shall not have been fulfilled or waived if permitted by the terms of the Underwriting Agreement, in whole or in part by the Joint Underwriters by the specified time and date or the date on which the Latest Time for Termination occurs, or if the Latest Time for Termination will occur after Monday, 30 November 2009 (or such later date as the Company and the Joint Underwriters may jointly agree), the Underwriting Agreement shall terminate (save in respect of certain rights or obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

The Joint Underwriters shall have the right, in their absolute discretion, by giving written notice to the Company and NWD on or before the latest time at which, or the latest day on which, any of the above conditions may be fulfilled:

- (1) to extend the deadline for the fulfilment of any condition by such time or number of days or in such manner as the Joint Underwriters may determine;
- (2) to waive such condition (other than conditions (1) and (2) above), and such waiver may be made subject to such terms and conditions as the Joint Underwriters may determine.

### **Lock-up**

The Company has undertaken to the Joint Underwriters, and NWD has undertaken to the Joint Underwriters to procure that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the date of completion of the Rights Issue (which is expected to be on Monday, 16 November 2009), except with the prior written consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed), the Company will not (except for the Rights Shares and save pursuant to: (1) the terms of the Share Option Scheme; or (2) the terms of the Convertible Bonds) (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; (ii) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares; (iii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iv) announce any intention to enter into or effect any such transaction described in (i), (ii) or (iii) above.

NWD has undertaken that it will not, and shall procure that (so far as applicable) Easywin shall not, without first having obtained the prior written consent of the Company and the Joint Underwriters:

- (1) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein between the date of the Underwriting Agreement and the Record Date; or
- (2) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except by taking up Rights Shares provisionally allotted to it pursuant to the Rights Issue and pursuant to the Underwriting Agreement or acquiring nil-paid rights or submitting EAFs or acquiring Shares in circumstances which do not contravene the Listing Rules) any Share or any interest therein between the Record Date and 4:00 p.m. on the Acceptance Date.

NWD has further undertaken to the Company and the Joint Underwriters that for a period of 90 days from the date on which the Latest Time for Termination occurs, except with the prior written consent of the Joint Underwriters (such consent not to be unreasonably withheld or delayed) it will not and will procure that Easywin (whether directly or indirectly) will not:

- (1) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Rights Shares) or any interests therein beneficially owned or held by NWD or such controlled companies or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (2) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (1) or (2) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (3) announce any intention to enter into or effect any such transaction described in (1) or (2) above.

### **Termination of the Underwriting Agreement**

The Underwriting Agreement contains provisions granting the Joint Underwriters, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

The Joint Underwriters may at any time prior to the Latest Time for Termination terminate the Underwriting Agreement if:

- (1) any material breach of any of the warranties or the undertakings given by the Company and NWD in the Underwriting Agreement comes to the knowledge of either of the Joint Underwriters, or there has been a material breach on the part of the Company or NWD of any other provision of the Underwriting Agreement; or
- (2) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the warranties given by the Company and NWD in the Underwriting Agreement are deemed to be given, would have rendered any of those warranties untrue, incorrect or misleading in any material respect; or
- (3) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (4) the Company is required to produce a Supplementary Prospectus; or
- (5) there is any adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the opinion of the Joint Underwriters acting in good faith is material in the context of the Rights Issue; or

- (6) permission to deal in and listing of all the Rights Shares (in their nil paid and fully paid forms) has been withdrawn by the Stock Exchange; or
- (7) there has occurred, happened, come into effect or become public knowledge any event, series of events or circumstances concerning or relating to (whether or not foreseeable):
- (i) any change in, or any event or series of events resulting in a change in (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls (including without limitation, any declaration by the PRC, Hong Kong or the United States of a national emergency, any outbreak or escalation of hostilities, any acts of terrorism, or any other epidemics, calamity or crisis, in any of those places); or
  - (ii) the declaration of a banking moratorium by Hong Kong authorities; or
  - (iii) any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange; or
  - (iv) any suspension of dealings in the Shares for more than a period of three consecutive Business Days (other than as a result of announcing the Rights Issue); and

the effect of any of the matters listed in (i) to (iv) above (in the opinion of the Joint Underwriters acting in good faith): (a) is materially adverse to, or will materially and prejudicially affect, the Group or its prospects; (b) is material in the context of the Rights Issue; or (c) will or may materially and prejudicially affect the success of the Rights Issue, or make it inadvisable or inexpedient to proceed with the Rights Issue.

In the event the Joint Underwriters exercise their rights to terminate the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement), the obligations of all parties thereunder shall terminate forthwith. If the Joint Underwriters exercise such right, the Rights Issue will not proceed.

### **Irrevocable undertaking from NWD**

As at the Latest Practicable Date, NWD and Easywin are the beneficial owners of 2,537,632,731 Shares and 113,351,879 Shares, respectively, representing in aggregate of approximately 69.09% of the existing entire issued share capital of the Company.

Pursuant to the Underwriting Agreement, NWD has irrevocably undertaken to the Company and the Joint Underwriters, among other things, to accept, or procure the acceptance of, the provisional allotment of the Committed Shares, which are to be allotted to it and Easywin under the Rights Issue in full and not to exercise any conversion rights attaching to the Convertible Bonds held by it at any time prior to 5:00 p.m. on the Record Date.

Upon the giving of written notice of termination, all the obligations of the Joint Underwriters, NWD and the Company under the Underwriting Agreement (save in respect of certain rights or obligations under the Underwriting Agreement) shall cease and no party shall have any Claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (other than in respect of any antecedent breaches). If the Joint Underwriters exercise such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Further announcement will be made if the Underwriting Agreement is terminated by the Joint Underwriters.

## EXPECTED TIMETABLE

The expected timetable for the proposed Rights Issue is set out below:

	<b>2009</b>
Last day of dealings in Shares on a cum-rights basis . . . . .	Wednesday, 21 October
First day of dealings in Shares on an ex-rights basis . . . . .	Thursday, 22 October
Latest time for lodging transfers of Shares and related documents in order to qualify for the Rights Issue . . . . .	4:30 p.m., Friday, 23 October
Reference time on the Record Date . . . . .	5:00 p.m., Friday, 23 October
Despatch of the Prospectus Documents . . . . .	Wednesday, 28 October
First day of dealings in nil-paid Rights Shares . . . . .	Friday, 30 October
Latest time for splitting of nil-paid Rights Shares . . . . .	4:30 p.m., Tuesday, 3 November
Last day of dealings in nil-paid Rights Shares . . . . .	Friday, 6 November
Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares . . . . .	4:00 p.m., Wednesday, 11 November
Rights Issue expected to become unconditional . . . . .	after 4:00 p.m., Monday, 16 November
Publication of the announcement of results of acceptance of and excess applications for the Rights Issue . . . . .	Tuesday, 17 November
Refund cheques for wholly or partially unsuccessful applications for excess Rights Shares to be despatched on or before . . . . .	Wednesday, 18 November
Share certificates for fully-paid Rights Shares to be despatched on or before . . . . .	Wednesday, 18 November
First day of dealings in fully-paid Rights Shares . . . . .	Friday, 20 November

*Note:* All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in this announcement are indicative only and may be extended or varied by agreement between the Company and the Joint Underwriters. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as appropriate.

## **EFFECT OF BAD WEATHER ON LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (1) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 11 November 2009. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; and
- (2) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 11 November 2009. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares does not take place on the Acceptance Date, the dates mentioned in the section headed “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcements of any change to the expected timetable as soon as practicable.

## **EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY**

The shareholdings in the Company as at the Latest Practicable Date and immediately after the completion of the Rights Issue are and will be as follows:



## Scenario 1:

Assuming no Shares (other than the Rights Shares) are allotted and issued before completion of the Rights Issue

	Immediately prior to 5:00 p.m. on the Record Date <sup>1</sup>		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the Qualifying Shareholders (save for NWD and Easywin))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
NWD	2,537,632,731	66.13	3,806,449,096	66.13	3,806,449,096	66.13
Easywin	113,351,879	2.96	170,027,818	2.96	170,027,818	2.96
NWD's affiliated companies	63,874,170	1.66	95,811,255	1.66	63,874,170	1.11
Directors	153,034,826	3.99	229,552,239	3.99	153,034,826	2.66
	<u>2,867,893,606</u>	<u>74.74</u>	<u>4,301,840,408</u>	<u>74.74</u>	<u>4,193,385,910</u>	<u>72.86</u>
Public	969,274,876	25.26	1,453,912,315	25.26	969,274,876	16.84
Joint Underwriters	—	—	—	—	593,091,937	10.30
Total	<u>3,837,168,482</u>	<u>100.00</u>	<u>5,755,752,723</u>	<u>100.00</u>	<u>5,755,752,723</u>	<u>100.00</u>

## Scenario 2:

Assuming Shares have been allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of the Conversion and Subscription Rights but that otherwise no other Shares (other than the Rights Shares) are allotted and issued before completion of the Rights Issue

	Immediately prior to 5:00 p.m. on the Record Date <sup>2</sup>		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming no Rights Shares are taken up by the Qualifying Shareholders (save for NWD and Easywin))	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
NWD	2,537,632,731	60.70	3,806,449,096	60.70	3,806,449,096	60.70
Easywin	113,351,879	2.71	170,027,818	2.71	170,027,818	2.71
NWD's affiliated companies	63,874,170	1.53	95,811,255	1.53	63,874,170	1.02
Directors	178,346,980	4.27	267,520,470	4.27	178,346,980	2.84
	<u>2,893,205,760</u>	<u>69.21</u>	<u>4,339,808,639</u>	<u>69.21</u>	<u>4,218,698,064</u>	<u>67.27</u>
Public	1,287,602,917	30.79	1,931,404,376	30.79	1,287,602,917	20.53
Joint Underwriters	—	—	—	—	764,912,034	12.20
Total	<u>4,180,808,677</u>	<u>100.00</u>	<u>6,271,213,015</u>	<u>100.00</u>	<u>6,271,213,015</u>	<u>100.00</u>

1 Assuming no change in shareholdings from the Latest Practicable Date.

2 Assuming no change in shareholdings from the Latest Practicable Date other than pursuant to the exercise of the Conversion and Subscription Rights.

## REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in property development and property related investments as well as rental and hotel operation in the PRC. The Directors consider that taking into account the prevailing market conditions, it would be in the best interests of the Company and the Shareholders as a whole to raise long-term equity funding for refinancing the Company's existing borrowings and debts, including the possible redemption or repurchase of the outstanding Convertible Bonds. Pursuant to the terms of the Convertible Bonds, on 11 June 2010, each of the bondholders has the right to require the Convertible Bonds Issuer to redeem all or some of the Convertible Bonds held by them on that day.

Having considered other fund raising alternatives for the Group, including issuance of debt securities and share placements and taking into account the benefits and costs of each alternative, the Directors consider that the Rights Issue is the preferred means for the Group to raise long-term funds without subjecting itself to interest burden or additional debt. The Rights Issue also offers existing Shareholders the opportunity to avoid dilution. The Directors consider that the net proceeds of the Rights Issue will also strengthen the Company's capital base and enhance the Group's financial resilience, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms.

The Directors believe that the Rights Issue is in the interests of the Group and the Shareholders as a whole for the reasons mentioned above.

The estimated gross proceeds from the Rights Shares will be not less than approximately HK\$4,892.4 million before expenses.

The estimated expenses in relation to the Rights Issue, including financial, legal and other professional expenses, of approximately HK\$38.4 million, will be borne by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$2.53.

The estimated net proceeds of the Rights Issue, after the deduction of all estimated expenses of HK\$38.4 million, will be not less than approximately HK\$4,854.0 million. The Directors currently intend to apply the net proceeds from the Rights Issue for:

- refinancing the Group's existing borrowings and debts, including the possible redemption or repurchase of the outstanding Convertible Bonds; and
- meeting the future funding requirements for the Group's property development and property related investment in the PRC and as additional general working capital of the Group.

Assuming the maximum number of Shares are allotted and issued before 5:00 p.m. on the Record Date pursuant to the full exercise of the Conversion and Subscription Rights, additional net proceeds of approximately HK\$428.3 million will result from the increase in the number of Rights Shares. Such additional proceeds are intended by the Directors to be used as general working capital of the Group.

## **POSSIBLE ADJUSTMENTS TO THE CONVERTIBLE BONDS AND SHARE OPTIONS**

As at the Latest Practicable Date, there are outstanding Convertible Bonds (including NWD's Convertible Bonds) with an aggregate principal amount of RMB2,550,000,000 convertible into 331,543,936 Shares at the conversion price of HK\$7.81 per Share (subject to adjustments) using a fixed exchange rate of HK\$1 = RMB0.9848. Assuming full exercise of the conversion rights attaching to the Convertible Bonds (other than NWD's Convertible Bonds) and Shares are allotted and issued pursuant to such exercise before 5:00 p.m. on the Record Date, a total of 325,563,145 new Shares would fall to be issued, which would result in the issue of 162,781,572 additional Rights Shares. There are also outstanding Share Options in respect of 44,950,000 Shares, of which Share Options in respect of 18,077,050 Shares are Vested Share Options. Assuming full exercise of the subscription rights attaching to the Vested Share Options and Shares are allotted and issued pursuant to such exercise before 5:00 p.m. on the Record Date, a total of 18,077,050 new Shares would fall to be issued, which would result in the issue of 9,038,525 additional Rights Shares.

As a result of the Rights Issue, the conversion price of the outstanding Convertible Bonds and the exercise price of the outstanding Share Options may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the Share Option Scheme. The Company expects to make further announcement on the appropriate adjustments and the date it is to take effect in due course.

## **PREVIOUS FUND RAISING EXERCISE OF THE COMPANY**

Save for the Rights Issue, the Company has not undertaken any equity fund raising exercise in the 12-month period immediately preceding the date of this announcement.

## **GENERAL**

The Prospectus or Prospectus Documents, as appropriate, containing further information on the Rights Issue will be despatched to Shareholders as soon as practicable. Shareholders and potential investors should exercise caution in dealing in the Shares.

Pursuant to Rule 7.19(6)(a) of the Listing Rules, since the Rights Issue would increase the issued share capital of the Company by no more than 50%, the Rights Issue is not conditional on approval by the Shareholders.

## **NWD**

Pursuant to the Underwriting Agreement, NWD has irrevocably undertaken to the Company and the Joint Underwriters, among other things, to accept, or procure the acceptance of, the provisional allotment of the Committed Shares, which are to be allotted to it and Easywin under the Rights Issue in full and not to exercise any conversion rights attaching to the Convertible Bonds held by it at any time prior to 5:00 p.m. on the Record Date.

The undertaking made by NWD in favour of the Company and the Joint Underwriters under the Underwriting Agreement does not constitute a notifiable transaction for NWD pursuant to the Listing Rules.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**The Shares are expected to be dealt in on an ex-rights basis from Thursday, 22 October 2009. Dealings in the Rights Shares in the nil-paid form are expected to take place from Friday, 30 October 2009 to Friday, 6 November 2009 (both dates inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional. If the conditions of the Rights Issue are not fulfilled (or waived) or if the Joint Underwriters terminate the Underwriting Agreement, the Rights Issue will not proceed.**

**Any Shareholder or other person contemplating selling or purchasing Shares or the Rights Shares or any other securities of the Company in their nil-paid form and who is in any doubt about his position, is recommended to consult his professional adviser. Any Shareholder or other person dealing in Shares or other securities of the Company up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters' right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Friday, 30 October 2009 to Friday, 6 November 2009 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## **RESUMPTION OF TRADING**

At the request of the Company and NWD, trading in the Shares, the shares of NWD and the Convertible Bonds on the Stock Exchange was suspended from 2:30 p.m. on 9 October 2009 pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares, the shares of NWD and Convertible Bonds with effect from 9:30 a.m. on Monday, 12 October 2009.

## **DEFINITIONS**

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“Acceptance Date”	Wednesday, 11 November 2009, being the latest time for acceptance of the offer of the Rights Shares
“Board”	the board of Directors or a duly authorised executive committee thereof
“BOCI Asia”	BOCI Asia Limited, a corporation registered with the SFC and licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under SFO
“Business Day”	a day on which banks are generally open for normal banking business in Hong Kong other than Saturdays and Sundays
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“Claims”	any claims, actions, litigation, proceedings or investigations (whether by governmental or regulatory bodies or otherwise) demands, judgements or awards
“Committed Shares”	the 1,325,492,304 Rights Shares which NWD has irrevocably undertaken to accept or procure the acceptance of in the Rights Issue
“Company”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Conversion and Subscription Rights”	the conversion rights attaching to the Convertible Bonds (other than NWD’s Convertible Bonds) and the subscription rights attaching to the Vested Share Options
“Convertible Bonds”	the US Dollar Settled Zero Coupon Guaranteed Convertible Bonds due 2012 of an aggregate principal amount of RMB2.8 billion issued by the Convertible Bonds Issuer on 11 June 2007 and 28 June 2007 and guaranteed by the Company (of which an aggregate principal amount of RMB250,000,000 have been repurchased by the Group) (Stock Name: NWCLFL B1206) (Stock Code: 1517)
“Convertible Bonds Issuer”	New World China Land Finance Limited, a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares to be issued in connection with the Rights Issue
“Easywin”	Easywin Enterprises Corporation Limited, a wholly-owned subsidiary of NWD
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a corporation registered with the SFC and licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contract) and Type 6 (advising on corporate finance) regulated activities under the SFO

“Joint Underwriters”	BOCI Asia and HSBC (in alphabetical order)
“Last Closing Price”	the closing price of HK\$4.12 per Share as quoted on the Stock Exchange on the Last Trade Day
“Last Trade Day”	Thursday, 8 October 2009, being the last full trading day for the Shares before the release of this announcement
“Latest Practicable Date”	Thursday, 8 October 2009, being the latest practicable date prior to the release of this announcement for inclusion of certain information in this announcement
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the latest time for acceptance of and payment for the Rights Shares which is expected to be Monday, 16 November 2009
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) in respect of whom the Directors, based on legal advice, consider it necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the main board of the Stock Exchange and which is the controlling shareholder of the Company
“NWD’s Convertible Bonds”	the outstanding Convertible Bonds with a principal amount of RMB46,000,000 convertible into 5,980,791 Shares being held by NWD, which NWD has irrevocably undertaken to the Company and the Joint Underwriters not to exercise the conversion rights attaching thereto at any time prior to 5:00 p.m. on the Record Date
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be issued by the Company for the Rights Issue

“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear on the register of members of the Company at 5:00 p.m. on the Record Date
“Record Date”	Friday, 23 October 2009 or such other time and date as the Joint Underwriters may agree in writing with the Company as the time and date by reference to which entitlements of the Qualifying Shareholders to subscribe for the Rights Shares are to be determined
“Registrar”	Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the issue by way of rights of one Rights Share for every two Shares in issue at 5:00 p.m. on the Record Date at a price of HK\$2.55 per Rights Share
“Rights Shares”	new Shares to be allotted and issued under the Rights Issue (being not less than 1,918,584,241 and not more than 2,090,404,338 new shares)
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 26 November 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$2.55 per Rights Share
“Supplementary Prospectus”	any supplementary prospectus published by the Company pursuant to Rule 11.13 of the Listing Rules

“Underwriting Agreement”	the conditional underwriting agreement dated 9 October 2009 entered into between the Company, NWD and the Joint Underwriters in relation to the underwriting of the Underwritten Rights Shares and certain other arrangements in respect of the Rights Issue
“Underwritten Rights Shares”	the Rights Shares other than the Committed Shares (being not less than 593,091,937 and not more than 764,912,034 Rights Shares) underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement
“Vested Share Option(s)”	the Share Options that are validly vested to and exercisable by the holders thereof to enable them to subscribe for Shares to be allotted and issued to them on or before 5:00 p.m. on the Record Date (being Share Options in respect of 18,077,050 Shares as at the Latest Practicable Date)
“%”	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, 9 October 2009

*As 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.*

*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.*

*This announcement is published on the websites of the Company ([www.nwcl.com.hk](http://www.nwcl.com.hk)), NWD ([www.nwd.com.hk](http://www.nwd.com.hk)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).*