



Connected Transaction

LOAN AGREEMENT

The respective board of directors of the Company and NWD announces that NWDC, a wholly-owned subsidiary of the Company, has entered into a Loan Agreement with Juyi, a company in which NWDC has a 70% beneficial interest. Pursuant to the Loan Agreement, NWDC has agreed to provide a shareholder's loan in the principal amount of US\$10,000,000 to Juyi.

CONNECTED TRANSACTION

Pursuant to the Participation Agreement and the Supplemental Agreement, Stanley, a company wholly-owned by Mr. Doo Wai Hoi, William, an executive Director, has a beneficial interest of 30% in Juyi. By virtue of this relationship, Juyi is a connected person of the Company under the Listing Rules. Accordingly, the entering into the Loan Agreement by NWDC and Juyi constitutes a connected transaction for the Company under the Listing Rules. As NWD holds approximately 71.27% attributable interests in the issued share capital of the Company, the above transaction also constitutes a connected transaction for NWD under the Listing Rules.

As each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Loan Agreement for each of the Company and NWD is less than 2.5%, the entering into the Loan Agreement is only subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement as set out in Chapter 14A of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of each of the Company and NWD in accordance with Rule 14A.45 of the Listing Rules.

LOAN AGREEMENT

Date

29 July 2005

Parties

- (1) NWDC as the lender; and
- (2) Juyi as the borrower

Major terms of the Loan Agreement

Loan Amount

The shareholder's loan is in the principal amount of US\$10,000,000 (approximately HK\$78,000,000). Under the Loan Agreement, Juyi may request the shareholder's loan to be provided by NWDC by instalments upon serving written drawdown notice to NWDC. The requested loan amount shall be in multiples of US\$500,000.

Interest payable by Juyi

Interest will be payable at 1.35% above LIBOR per annum on the shareholder's loan or any outstanding part thereof and will be calculated on the basis of 360 days per year.

Repayment of loan and interest

Juyi shall repay the shareholder's loan prior to the termination of the Loan Agreement and pay the interest accrued therefrom to NWDC in January each year.

Term and termination

The Loan Agreement is for an initial term of 5 years, commencing from the date of Juyi's first drawdown of any loan amount. The parties may extend the term of the Loan Agreement provided that (1) written notice is served by Juyi to NWDC 3 months prior to the expiration of the initial term stating its intention to extend the term of the Loan Agreement; and (2) NWDC agrees to such arrangement.

REASONS FOR ENTERING INTO THE LOAN AGREEMENT

Juyi is a wholly foreign owned enterprise incorporated in the PRC and is principally engaged in the Project. NWDC is the sole legal owner of Juyi. Pursuant to the Participation Agreement and the Supplemental Agreement, Juyi is beneficially owned as to 70% by NWDC and 30% by Stanley. In accordance with the relevant law and regulations in the PRC, the loan amount under the Loan Agreement will only be provided by NWDC as shareholder's loan, which will be utilized to finance the construction of a new phase of the Project.

There are two blocks of flats in the Project with a total gross floor area of 44,691 square metres for residential and commercial purposes which were completed at the end of 2001 and have been sold out. It is anticipated that upon the completion of the Project, which is expected to be on or around 2009/2010, it will comprise a large scale development complex of hotel, residential and commercial buildings with a total gross floor area of 499,965 square metres. Pursuant to the Participation Agreement and the Supplemental Agreement, the loan amount under the Loan Agreement will be provided as to US\$7,000,000 by NWDC and US\$3,000,000 by Stanley in accordance with their respective beneficial interest in Juyi.

The terms of the Loan Agreement were negotiated on an arm's length basis between NWDC and Juyi and are on normal commercial terms. The respective board of directors (including the independent non-executive directors) of the Company and NWD considers that the terms of the Loan Agreement are fair and reasonable so far as their respective shareholders are concerned and that the entering into the Loan Agreement is in the best interests of the Company and NWD.

CONNECTED TRANSACTION

Pursuant to the Participation Agreement and the Supplemental Agreement, Stanley, a company wholly-owned by Mr. Doo Wai Hoi, William, an executive Director, has a beneficial interest of 30% in Juyi. By virtue of this relationship, Juyi is a connected person of the Company under the Listing Rules. Accordingly, the entering into the Loan Agreement by NWDC and Juyi constitutes a connected transaction for the Company under the Listing Rules. As NWD holds approximately 71.27% attributable interests in the issued share capital of the Company, the above transaction also constitutes a connected transaction for NWD under the Listing Rules.

As each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) for the Loan Agreement for each of the Company and NWD is less than 2.5%, the entering into the Loan Agreement is only subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement as set out in Chapter 14A of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of each of the Company and NWD in accordance with Rule 14A.45 of the Listing Rules.

INFORMATION RELATING TO THE COMPANY

The principal business of the Company includes property development and property related investments in the PRC.

INFORMATION RELATING TO NWD

The principal activities of NWD are property development, property investments, hotel and infrastructure investments, services and telecommunications and technology business, primarily in Hong Kong and the PRC.

INFORMATION RELATING TO NWDC

The principal business of NWDC includes property development and property related investments in the PRC.

INFORMATION RELATING TO JUYI

Juyi is a wholly foreign owned enterprise incorporated in the PRC and is beneficially owned as to 70% and 30% by NWDC and Stanley, respectively. Juyi is principally engaged in the Project.

DEFINITIONS

"Company"	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
"connected person"	has the meaning ascribed to it under the Listing Rules
"Directors"	directors of the Company
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Juyi"	Shanghai Juyi Real Estate Development Co., Ltd, a wholly foreign owned enterprise incorporated in the PRC and is beneficially owned as to 70% and 30% by NWDC and Stanley, respectively
"LIBOR"	means the London Inter-Bank Offered Rate in the currency in which any of the outstanding loan amount is denominated
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreement"	the loan agreement dated 29 July 2005 entered into between NWDC and Juyi in respect of the provision of shareholder's loan by NWDC to Juyi in the principal amount of US\$10,000,000
"NWD"	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange and which is the controlling shareholder (as defined under the Listing Rules) of the Company
"NWDC"	New World Development (China) Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company
"Participation Agreement"	the participation agreement dated 28 June 1995 entered into between NWDC and Stanley, pursuant to which Stanley acquired 20% beneficial interest in Juyi
"PRC"	the People's Republic of China
"Project"	the development of Shanghai Hong Kong New World Garden located in Luwan District, Shanghai, the PRC
"Stanley"	Stanley Enterprises Limited, a company incorporated in British Virgin Islands and is wholly-owned by Mr. Doo Wai Hoi, William, an executive Director
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Agreement"	the supplemental agreement to the Participation Agreement dated 14 March 2003 entered into between NWDC and Stanley, pursuant to which Stanley increased its beneficial interest in Juyi from 20% to 30%
"US\$"	the lawful currency of the United States of America
"%"	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
Chow Yu Chun, Alexander
Company Secretary

Hong Kong, 29 July 2005

At the date of this announcement: (a) the executive directors of NWD are Dato' Dr. Cheng Yu Tung, Dr. Cheng Kar Shun, Henry, Dr. Sin Wai Kin, David, Mr. Liang Chong Hou, David and Mr. Leung Chi Kin, Stewart; (b) the non-executive directors of NWD are Mr. Cheng Yue Pui, Mr. Cheng Kar Shing, Peter, Mr. Chow Kwai Cheung, Mr. Ho Hau Hay, Hamilton and Mr. Liang Cheung Biu, Thomas, and (c) the independent non-executive directors of NWD are Lord Sandberg, Michael, Mr. Yeung Ping Leung, Howard, Dr. Cha Mou Sing, Payson (alternate director to Dr. Cha Mou Sing, Payson: Mr. Cha Mou Zing, Victor) and Mr. Lee Luen Wai, John.

At the date of this announcement: (a) the executive Directors are 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 and Mr. Fong Shing Kwong, Michael; (b) the non-executive Director is Mr. Fu Sze Shing and (c) the independent non-executive Directors are Mr. Cheng Wai Chee, Christopher, Mr. Tien Pei Chun, James and Mr. Lee Luen Wai, John

For the purpose of this announcement, US\$1.00 is equivalent to HK\$7.80.