



JOINT ANNOUNCEMENT CONNECTED TRANSACTIONS

The Boards of NWD and NWCL would like to announce that on 20 February, 2003, the NWCL Agreement was entered into for the disposal of the Sale Share and the assignment of the Debt to Sino Asset at a total cash consideration of HK\$347,800,260. The Board of NWD would also like to announce that the Participation Agreement was entered into on 20 February, 2003 pursuant to which Sino Asset will participate in the Facilities at a total cash consideration of HK\$270,038,324.

Sino Asset is a wholly owned subsidiary of CTF. CTF is a substantial shareholder of NWD and NWCL by virtue of its holding of an approximately 38.80% interest in the issued share capital of NWD which in turn is interested in approximately 69.77% interest in the issued share capital of NWCL as at the date of this announcement. Accordingly, Sino Asset is a connected person (as defined under the Listing Rules) of both NWD and NWCL.

The entering into of the NWCL Agreement constitutes a connected transaction for NWCL and also for NWD due to its equity interests in NWCL. As the consideration under the NWCL Agreement falls within the scope of Rule 14.25(1) of the Listing Rules, the entering into of the NWCL Agreement is only required to be disclosed by way of a press announcement.

The entering into of the Participation Agreement constitutes a connected transaction for NWD. As the consideration under the Participation Agreement falls within the scope of Rule 14.25(1) of the Listing Rules, the entering into of the Participation Agreement is only required to be disclosed by way of a press announcement.

Details of the NWCL Agreement will be included in the next published annual reports and accounts of each of NWD and NWCL and details of the Participation Agreement will be included in the next published annual reports and accounts of NWD pursuant to Rule 14.25(1)(A) to (D) of the Listing Rules.

BACKGROUND INFORMATION

NWCL Agreement

Parties and principal terms

Date	: 20 February, 2003
Vendor/Assignor	: NWDC
Purchaser/Assignee	: Sino Asset
Subject matters	: the Sale Share (which represents the entire issued share capital of Steady Profits) and the Debt (which represents shareholder's loan in the sum of HK\$270,598,359 due and owing by Steady Profits to NWDC as at the date of this announcement)
Consideration	: HK\$347,800,260, payable in cash upon completion
Completion	: On or before 24 February, 2003

Information on Steady Profits

Steady Profits is an investment holding company which indirectly owns 35% interests in Niceline. The only asset of Niceline is the holding of the entire equity interest in four PRC joint venture companies, namely Beijing Po Garden, Beijing Chang Le, Beijing Niceline and Beijing Fu Wah, that together engage in the Beijing Property Development Project.

The audited consolidated net asset value of Steady Profits was HK\$282,756,238 as at 30 June, 2002. The audited consolidated profit/(loss) before and after taxation of Steady Profits for each of the two financial years ended 30 June, 2002 was HK\$9,744,222 and HK\$(1,247,209), respectively.

The amount of consideration for the NWCL Agreement was arrived at after arm's length negotiations between the parties and is on normal commercial terms after taking into account the estimated return on investment and the interest carrying cost on NWCL's investment (including the Debt) in the Beijing Property Development Project as agreed between the Vendor and the Purchaser. The amount of consideration receivable by NWDC represents a premium of approximately 23% over the audited consolidated net asset value of Steady Profits as at 30 June, 2002.

Participation Agreement

Parties and principal terms

Date	: 20 February, 2003
Lender	: NWF
Participant	: Sino Asset
Borrowers	: Beijing Chang Le, Beijing Fu Wah, Beijing Niceline and Beijing Po Garden
Participated Amount	: the aggregate principal amount of US\$30,247,916.53 (equivalent to approximately HK\$235,933,749) due from the Borrowers and interest accrued thereon and to be calculated at 15 per cent. per annum together with any undrawn portion of the Facilities
Consideration	: HK\$270,038,324, payable in cash on or before 24 February, 2003

Pursuant to the Participation Agreement, NWF has granted to Sino Asset a sub-participation in the Facilities (including any undrawn portion thereof). It is the intention of both parties that the Facilities will be transferred to Sino Asset absolutely, subject to completion of certain registration and filing procedures in the PRC. As such, NWF shall use all its reasonable endeavours to procure the execution of the relevant transfer documentation with each of the Borrowers in favour of Sino Asset and complete the relevant registration and filing procedures in the PRC as soon as practicable.

The amount of consideration for the Participation Agreement was arrived at after arm's length negotiations between the parties and is on normal commercial terms after taking into account the reasonable cost of funds incurred by NWF in respect of the Facilities as agreed between the Lender and the Participant. The amount of consideration receivable by NWF under the Participation Agreement represents a premium of approximately 14.5% to the face value of the Facilities.

REASONS FOR ENTERING INTO THE NWCL AGREEMENT AND THE PARTICIPATION AGREEMENT

The Boards of NWCL and NWD consider that the NWCL Agreement represents a good opportunity for the group of NWCL to realise the long-term investment in Beijing Property Development Project into liquid fund. The proceeds from the NWCL Agreement will be used to finance other property projects of the group of NWCL. The Directors of NWCL and NWD, including the independent non-executive Directors, are of the view that the entering into of the NWCL Agreement is fair and reasonable and is in the interest of each of NWD and NWCL and the respective shareholders of each of NWD and NWCL as a whole.

The Board of NWD considers that the Participation Agreement provides a good opportunity for NWD to realise the investment in form of Facilities to the Borrowers into liquid fund. The proceeds from the Participation Agreement will be used as general working capital of NWD. The Directors of NWD, including the independent non-executive Directors, are of the view that the entering into of the Participation Agreement is fair and reasonable and is in the interest of each of NWD and its shareholders as a whole.

CONNECTED TRANSACTIONS

Sino Asset is a wholly owned subsidiary of CTF. CTF is a substantial shareholder of NWD and NWCL by virtue of its holding of an approximately 38.80% interest in the issued share capital of NWD which in turn is interested in approximately 69.77% interest in the issued share capital of NWCL as at the date of this announcement. Accordingly, Sino Asset is a connected person (as defined under the Listing Rules) of both NWD and NWCL.

The entering into of the NWCL Agreement constitutes a connected transaction for NWCL and also for NWD due to its equity interests in NWCL. As the amount of consideration receivable by NWDC under the NWCL Agreement falls within the scope of Rule 14.25(1) of the Listing Rules, the entering into of the NWCL Agreement is only required to be disclosed by way of a press announcement.

The entering into of the Participation Agreement constitutes a connected transaction for NWD. As the amount of consideration receivable by NWF under the Participation Agreement falls within the scope of Rule 14.25(1) of the Listing Rules, the entering into of the Participation Agreement is only required to be disclosed by way of a press announcement.

GENERAL INFORMATION

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

Details of the NWCL Agreement will be included in the next published annual report and accounts of each of NWD and NWCL and that of the Participation Agreement will be included in the next published annual report and accounts of NWD, as required by Rule 14.25(1)(A)-(D) of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the use of capitalised terms here shall have the following meanings:

"Beijing Chang Le"	北京長樂房地產開發有限公司 (Beijing Chang Le Real Estates Development Co., Ltd.), a co-operative joint venture company incorporated under the laws of the PRC with a registered capital of US\$12,000,000;
"Beijing Fu Wah"	北京富華房地產開發有限公司 (Beijing Fu Wah Real Estates Development Co., Ltd.), a co-operative joint venture company incorporated under the laws of the PRC with a registered capital of US\$8,000,000;
"Beijing Niceline"	北京麗來房地產開發有限公司 (Beijing Niceline Real Estates Development Co., Ltd.), a co-operative joint venture company incorporated under the laws of the PRC with a registered capital of US\$8,000,000;
"Beijing Po Garden"	北京寶苑房地產開發有限公司 (Beijing Po Garden Real Estates Development Co., Ltd.), a co-operative joint venture company incorporated under the laws of the PRC with a registered capital of US\$12,000,000;
"Beijing Property Development Project"	the property development project in Tienchu Township, Shunyi County, Chaoyang District, the PRC which is owned by Beijing Chang Le; Beijing Fu Wah; Beijing Niceline and Beijing Po Garden;
"Board"	the board of Directors of NWD and NWCL, as the context requires;
"Borrowers"	Beijing Chang Le, Beijing Fu Wah, Beijing Niceline and Beijing Po Garden;
"CTF"	Chow Tai Fook Enterprises Limited, a company incorporated under the laws of Hong Kong with limited liability;
"Debt"	a shareholder's loan in the sum of HK\$270,598,359 owing to NWDC by Steady Profits which is interest free and repayable on demand;
"Directors"	the directors of NWD or NWCL, as the context requires;
"Facilities"	the loan facilities granted by NWF to each of the Borrowers up to an aggregate principal amount of US\$16.26 million, US\$10.11 million, US\$10.11 million and US\$16.26 million, respectively, at an interest rate of 15 per cent. per annum;
"Group"	NWD and its subsidiaries;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"Niceline"	Niceline Company Limited, a company incorporated under the laws of Hong Kong with limited liability;
"NWCL"	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;
"NWCL Agreement"	the agreement dated 20 February, 2003 made between NWDC and Sino Asset for sale and purchase of the Sale Share and assignment of the Debt;
"NWD"	New World Development Company Limited, a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Stock Exchange;
"NWDC"	New World Development (China) Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly owned subsidiary of NWCL;
"NWF"	New World Finance Company Limited, a company incorporated under the laws of Hong Kong with limited liability and a wholly-owned subsidiary of NWD;
"Participated Amount"	US\$30,247,916.53 (equivalent to approximately HK\$235,933,749), being the aggregate principal amount which are sub-participated to Sino Asset pursuant to the Participation Agreement, and accrued interests payable thereon together with any undrawn portion of the Facilities;
"Participation Agreement"	the agreement dated 20 February, 2003 made between NWF and Sino Asset for participation in the Facilities (including any undrawn portion thereof);
"PRC"	the People's Republic of China which for the purpose of this announcement, excludes Hong Kong, Macau Administrative Region and Taiwan;
"Sale Share"	one Share, representing the entire issued share capital of Steady Profits;
"Share"	share of US\$1.00 each in the share capital of Steady Profits;
"Sino Asset"	Sino Asset Property Limited, a company incorporated under the laws of the British Virgin Islands, a wholly owned subsidiary of CTF and a connected person (as defined under the Listing Rules) of both NWD and NWCL;
"Steady Profits"	Steady Profits Limited, a company incorporated under the laws of the British Virgin Islands and a wholly owned subsidiary of NWDC; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

By order of the Board of
New World Development Company Limited
Leung Chi-kin
Company Secretary

By order of the Board of
New World China Land Limited
Chow Yu-chun, Alexander
Company Secretary

Hong Kong, 20 February, 2003