



CONNECTED TRANSACTION

The respective board of directors of NWD and NWC announced that Starluxe Enterprises, an indirect wholly-owned subsidiary of NWC, entered into the JV Contract with Hainan Zhonghong on 23 April 2007 relating to the formation of Changsha Property with registered capital of RMB166,666,000 (equivalent to approximately HK\$168,417,543) for the purposes of carrying on business of land and property development in respect of the Land. Changsha Property will be owned as to 70% and 30% by Starluxe Enterprises and Hainan Zhonghong, respectively.

Owing to the fact that Hainan Zhonghong is a substantial shareholder of certain subsidiaries of NWC and hence a connected person of NWC within the meaning of the Listing Rules, the entering into of the JV Contract constitutes a connected transaction for NWC under the Listing Rules. As NWD held approximately 70% attributable interests in the issued share capital of NWC, the entering into of the JV Contract also constitutes a connected transaction for NWD.

As each of the relevant percentage ratio as defined in Rule 14A.10 of the Listing Rules is less than 2.5%, the entering into of the JV Contract is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules.

THE JV CONTRACT

Date:	23 April 2007
Parties:	(1) Starluxe Enterprises, an indirect wholly-owned subsidiary of NWC; (2) Hainan Zhonghong
Purpose:	To form a joint venture company tentatively known as Changsha Property to carry on business of land and property development in respect of the Land in Yuhua District, Changsha City, Hunan Province, the PRC
Total investment:	RMB333,332,000 (equivalent to approximately HK\$336,835,085)
Total registered capital:	RMB166,666,000 (equivalent to approximately HK\$168,417,543), of which 70%, amounting to RMB116,666,200 (equivalent to approximately HK\$117,892,280), will be contributed by Starluxe Enterprises and 30%, amounting to RMB49,999,800 (equivalent to approximately HK\$50,525,263), will be contributed by Hainan Zhonghong
Term:	15 years from the date of issue of the business licence of Changsha Property
Board of directors:	The board of directors of Changsha Property will consist of three directors, two of whom will be appointed by Starluxe Enterprises and one of whom will be appointed by Hainan Zhonghong. The chairman of Changsha Property will be appointed by Starluxe Enterprises
Profit and loss sharing:	Starluxe Enterprises and Hainan Zhonghong will share the profit and loss of Changsha Property in proportion to their respective contribution to the registered capital of Changsha Property
Undertaking:	Hainan Zhonghong undertook that the average development cost (including but not limited to land cost, construction cost and finance expenses) of the Land will not exceed RMB2,800 per sq. m., any excess portion will be deducted from the profit entitlement of Hainan Zhonghong in Changsha Property
Effective date:	The JV Contract will take effect upon approval from the relevant PRC authorities

REASONS FOR ENTERING INTO THE JV CONTRACT

Hainan Zhonghong has possessed land development right in respect of the Land with an area of approximately 280 mu (equivalent to approximately 186,666 sq. m.). The formation of Changsha Property will provide an opportunity for NWC to co-operate with Hainan Zhonghong to engage in the land improvement and development works in respect of the Land through the vehicle of Changsha Property and also in the probable acquisition of land use right from the PRC government in respect of the Land for future development of properties. The entering into of the JV Contract is in line with NWC's strategy to expand its property portfolio in the PRC.

The terms of the JV Contract were arrived at after arm's length negotiation with Hainan Zhonghong and the respective board of directors of NWD and NWC (including their respective independent non-executive directors) believes that the JV Contract is fair and reasonable, on normal commercial terms and in the interests of NWD and NWC and their respective shareholders as a whole.

INFORMATION RELATING TO NWD AND NWC

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

INFORMATION RELATING TO HAINAN ZHONGHONG

Hainan Zhonghong is principally engaged in the property development and investment business in the PRC.

CONNECTED TRANSACTION

Hainan Zhonghong is a connected person of NWC by virtue of its holding of 10% interest in Hunan Success New Century Investment Company Limited (湖南成功新世紀投資有限公司), an indirect 90% owned subsidiary of NWC, and 20% interest in Changsha Xiangxianghai Housing Development Co., Ltd. (長沙湘海房地產開發有限公司), an indirect 80% owned subsidiary of NWC. Accordingly, the entering into of the JV Contract constitutes a connected transaction for NWC under the Listing Rules. As at the date of this announcement, NWD held approximately 70% attributable interests in the issued share capital of NWC, the entering into of the JV Contract also constitutes a connected transaction for NWD.

As each of the relevant percentage ratio as defined in Rule 14A.10 of the Listing Rules is less than 2.5%, the entering into of the JV Contract is only subject to the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules and is exempt from independent shareholders' approval requirement under the Listing Rules. Details of the JV Contract will be disclosed in the next published annual report and accounts of each of NWD and NWC in accordance with Rule 14A.45 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

"Changsha Property"	New World Property (Changsha) Co., Ltd. (新世界地產(長沙)有限公司)
"Hainan Zhonghong"	Hainan Zhonghong Investments Company Limited* (海南中泓投資有限公司)
"JV Contract"	The joint venture contract dated 23 April 2007 made between Starluxe Enterprises and Hainan Zhonghong
"Land"	a piece of land located to the south of Laodong East Road, to the west of the Guitang River, to the east of Guitang Road/Shumuling Road and to the north of Qutang Road, Yuhua District, Changsha City, Hunan Province, the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"NWC"	New World China Land Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
"NWD"	New World Development Company Limited, a company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
"PRC"	the People's Republic of China
"sq. m."	square metres
"Starluxe Enterprises"	Starluxe Enterprises Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of NWC
"%"	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, 23 April 2007

As at the date of this announcement, the board 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) five non-executive directors, namely 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) four independent non-executive directors, namely 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.

As at the date of this announcement, the board of NWC comprises (a) nine executive directors, namely Dr. Cheng Kar-shun, Henry, Mr. Doo Wai-hoi, William, Mr. Cheng Kar-shing, Peter, Mr. Leung Chi-kin, Stewart, Mr. Chow Kwai-cheung, Mr. Chow Yu-chun, Alexander, Mr. Fong Shing-kwong, Michael, Ms. Ngan Man-ying, Lynda and Mr. Cheng Chi-kong, Adrian; (b) a non-executive director, namely Mr. Fu Sze-shing; and (c) three independent non-executive directors, namely Mr. Cheng Wai-chee, Christopher, Mr. Tien Pei-chun, James and Mr. Lee Luen-wai, John.

* for identification purposes only

For the purpose of this announcement, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB0.9896 = HK\$1.00.