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CONNECTED TRANSACTIONS INVOLVING TRANSFERS OF 10% INTERESTS IN SHANGHAI JUJI REAL ESTATE DEVELOPMENT CO., LTD. AND FUNG SENG ESTATE DEVELOPMENT (SHANGHAI) CO., LTD.

The respective board of directors of NWD and NWC announced that NWDC, a wholly-owned subsidiary of NWC, had entered into sale and purchase agreements relating to the transfers of 10% beneficial interests in Juji and Fung Seng to Stanley for a consideration of HK\$72,053,800 and HK\$13,225,610 respectively.

Pursuant to the agreements, the beneficial interests of NWDC in Juji and Fung Seng will be reduced from 80% to 70%.

Owing to the fact that Stanley is wholly-owned by Mr. Doo Wai Hoi, William, a director of NWC, and is a substantial shareholder of certain subsidiaries of NWC, the aforesaid transfers constitute connected transactions for NWC under the Listing Rules. As NWD held approximately 69.77% attributable interests in the issued share capital of NWC, these transactions also constitute connected transactions of NWD.

Details of the agreements are required to be disclosed by way of a press announcement, relevant details of which will also be included in the next published annual report and accounts of each of NWD and NWC in accordance with Rule 14.25(1) of the Listing Rules.

SALE AND PURCHASE AGREEMENT DATED 14TH MARCH, 2003 RELATING TO THE TRANSFER OF 10% INTEREST IN SHANGHAI JUJI REAL ESTATE DEVELOPMENT CO., LTD. ("JUJI AGREEMENT")

Parties:

- (i) New World Development (China) Limited ("NWDC"), a wholly-owned subsidiary of New World China Land Limited ("NWC"), as vendor; and
- (ii) Stanley Enterprises Limited ("Stanley"), as purchaser.

Particulars of the Juji Agreement:

Pursuant to the Juji Agreement, NWDC has unconditionally agreed to transfer and Stanley has unconditionally agreed to acquire a participating interest representing 10% equity interest in Shanghai Juji Real Estate Development Co., Ltd. (the "Juji Interest") for a consideration of HK\$72,053,800 payable in cash within 5 business days after signing of the Juji Agreement.

The consideration is determined with regard to the estimated return on NWDC's investment in Juji as agreed between NWDC and Stanley.

Information relating to Juji:

Shanghai Juji Real Estate Development Co., Ltd. ("Juji") is an equity joint venture company incorporated in the People's Republic of China ("PRC") and is beneficially owned as to 80% and 20% by NWDC and Stanley respectively as at the date of the Juji Agreement. After completion of the Juji Agreement, Juji will be beneficially owned as to 70% and 30% by NWDC and Stanley respectively.

Juji is principally engaged in the development of Shanghai Hong Kong New World Garden (the "Garden") located in Luwan District, Shanghai, the PRC. The Garden is being planned to be developed in four phases. Phase I of the Garden, consisting of two blocks of flats with a total gross floor area of 45,485 square metres, has now been completed. Phase II of the Garden with a total gross floor area of 156,633 square metres will be completed in December 2004. It is anticipated that when the remaining phases of the Garden are completed, it will comprise twenty-two blocks of 30-storey apartment building having a total gross floor area of 451,918 square metres.

The audited consolidated net asset value of Juji as at 30th June, 2002 was HK\$593,617,208. The audited consolidated net loss before and after taxation and extraordinary items of Juji for the years ended 30th June, 2001 and 30th June, 2002 was HK\$2,569,394 and HK\$15,331,003 respectively. The consideration for the transfer of the Juji Interest represents a premium of approximately 21% to the attributable audited consolidated net asset value of the Juji Interest as at 30th June, 2002.

SALE AND PURCHASE AGREEMENT DATED 14TH MARCH, 2003 RELATING TO THE TRANSFER OF 10% INTEREST IN FUNG SENG ESTATE DEVELOPMENT (SHANGHAI) CO., LTD. ("FUNG SENG AGREEMENT")

Parties:

- (i) NWDC, as vendor; and
- (ii) Stanley, as purchaser.

Particulars of the Fung Seng Agreement:

Pursuant to the Fung Seng Agreement, NWDC has unconditionally agreed to transfer and Stanley has unconditionally agreed to acquire a participating interest representing 10% equity interest in Fung Seng Estate Development (Shanghai) Co., Ltd. (the "Fung Seng Interest") for a consideration of HK\$13,225,610 payable in cash within 5 business days after signing of the Fung Seng Agreement.

The consideration is determined with regard to the estimated return on NWDC's investment in Fung Seng as agreed between NWDC and Stanley.

Information relating to Fung Seng:

Fung Seng Estate Development (Shanghai) Co., Ltd. ("Fung Seng") is a wholly foreign owned enterprise incorporated in the PRC and is beneficially owned as to 80% and 20% by NWDC and Stanley respectively as at the date of the Fung Seng Agreement. After completion of the Fung Seng Agreement, Fung Seng will be beneficially owned as to 70% and 30% by NWDC and Stanley respectively.

The principal businesses of Fung Seng include the ownership of an office building located in Huaihaizhong Road, Xuhui District, Shanghai, PRC, being occupied by the group of NWC with a total gross floor area of approximately 793.81 square metres. Fung Seng also owns two parcels of vacant sites with a total site area of approximately 24,684 square metres located in Mengzi Road, Luwan District, Shanghai, the PRC. The vacant sites are adjacent to the land site of Juji and are planned to be developed into residential buildings.

The audited consolidated net asset value of Fung Seng as at 30th June, 2002 was HK\$71,061,839. The audited consolidated net loss before and after taxation and extraordinary items of Fung Seng for the years ended 30th June, 2001 and 30th June, 2002 was HK\$935,295 and HK\$609,364 respectively. The consideration for the transfer of the Fung Seng Interest represents a premium of approximately 86% to the attributable audited consolidated net asset value of the Fung Seng Interest as at 30th June, 2002.

REASONS FOR ENTERING INTO THE JUJI AGREEMENT AND FUNG SENG AGREEMENT

The respective board of directors of NWD and NWC believes that the disposals of the Juji Interest and the Fung Seng Interest ("Disposals") are in line with NWC's business strategy to realize its investments at suitable opportunity. After the Disposals, NWC still maintains controlling interests in Juji and Fung Seng and remains at a strong position to take advantage of the prospering property market in Shanghai. The sale proceed will be used to refinance its existing property projects. NWC has no present intention to dispose of further interests in Juji and Fung Seng.

The terms of the Juji Agreement and the Fung Seng Agreement (collectively, the "Agreements") were negotiated on an arm's length basis between the Company and Stanley and were determined on normal commercial terms. The respective board of directors (including the independent non-executive directors) of NWD and NWC considers that the terms of the Agreements are fair and reasonable as far as their respective shareholders are concerned and that the Agreements are in the interest of NWD and NWC.

GENERAL

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

By virtue of the fact that Stanley is wholly-owned by Mr. Doo Wai Hoi, William, a director of NWC, and is a substantial shareholder of certain subsidiaries of NWC, the transfers of Juji Interest and the Fung Seng Interest (collectively, the "Transfers") constituted connected transactions of NWC pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). As NWD held approximately 69.77% attributable interests in the issued share capital of NWC, the Transfers also constituted connected transactions of NWD.

Details of the Juji Agreement and the Fung Seng Agreement will be disclosed in the next published annual report and accounts of each of NWD and NWC in accordance with Rule 14.25(1) of the Listing Rules.

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, 14th March, 2003