



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(stock code: 0017)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is issued pursuant to rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached notice released by Sherson Limited, a wholly-owned subsidiary of New World Development Company Limited, to Singapore Exchange Securities Trading Limited.

Hong Kong, 14 June 2007

As at the date hereof, (a) the executive directors of New World Development Company Limited (the "Company") are 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) the non-executive directors of the Company 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 the Company are Lord SANDBERG, Michael, Mr. YEUNG Ping-Leung, Howard, Dr. CHA Mou-Sing, Payson, Mr. CHA Mou-Zing, Victor (as alternate director to Dr. CHA Mou-Sing, Payson) and Mr. LEE Luen-Wai, John.



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**NOTICE TO BONDHOLDERS OF
POSSIBLE ADJUSTMENT OF CONVERSION PRICE**

Sherson Limited

(incorporated with limited liability in the British Virgin Islands)

HK\$6,000,000,000

Zero Coupon Guaranteed Convertible Bonds due 2014

**(subject to an option of up to an additional HK\$1,000,000,000 in aggregate
principal amount of Zero Coupon Guaranteed Convertible Bonds due 2014)
(the “Bonds”)**

Guaranteed by

**New World Development Company Limited
(the “Company”)**

(ISIN: XS0301648738)

NOTICE IS HEREBY GIVEN that the Conversion Price of the Bonds (currently HK\$26.784 per ordinary share of the Company (the “Share”)), at which the Bonds are convertible into Shares, may be adjusted pursuant to Condition 6(C)(5) of the terms and conditions of the Bonds set out in the Offering Memorandum dated 31 May 2007 as a result of the proposed grant of entitlements to shareholders of the Company whose names appear on the register of members of the Company as holding 182 Shares (or such other number of Shares as may be stated in the prospectus (the “Prospectus”) to be issued by New World Department Store China Limited (“NWDS”), a subsidiary of the Company, in connection with its initial public offering) or more as of 5:00 p.m. on 22 June 2007 (other than shareholders of the Company (a) who are connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) of NWDS or (b) whose addresses on the register of members of the Company as of such time are outside Hong Kong) to subscribe on an assured basis for one ordinary share of NWDS for every whole multiple of 182 Shares (or such other number of Shares as may be stated in the Prospectus) at the final offer price of a share of NWDS in connection with its initial public offering (as stated in the announcement of the Company in Hong Kong dated 7 June 2007), which adjustment (if any) will become effective on 21 June 2007, being the first date on which the Shares are traded on an ex-entitlement basis.

An independent investment bank of international repute will be appointed in connection with the determination of any adjustment to the Conversion Price, and further notice will be given after an adjustment to the Conversion Price (if any) has been determined.

By Order of the Board
New World Development Company Limited
Leung Chi Kin, Stewart
Company Secretary

Hong Kong, 14 June 2007