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新世界發展有限公司

New World Development Company Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**PROPOSED ISSUE OF HK\$6,000,000,000 ZERO COUPON GUARANTEED
CONVERTIBLE BONDS DUE 2014
CONVERTIBLE INTO ORDINARY SHARES OF
NEW WORLD DEVELOPMENT COMPANY LIMITED**

AND

RESUMPTION OF TRADING

Joint Bookrunners



Merrill Lynch

Morgan Stanley

The Board is pleased to announce that, on 15 May 2007, the Company and Sherson entered into the Subscription Agreement with the Managers, pursuant to which the Managers agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds with an initial aggregate principal amount of HK\$6,000,000,000. In addition, Sherson has granted to the Managers an option to require Sherson to issue all or any of the Optional Bonds, in the same proportion as the Firm Bonds, up to a further principal amount of HK\$1,000,000,000, exercisable in whole or in part, on one or more occasions, solely at the discretion of the Managers, at any time up to and including the thirtieth day following the Closing Date.

Based on an initial Conversion Price of HK\$26.784 and assuming full conversion of the Bonds at the initial Conversion Price, the Bonds will be convertible into 261,350,059 Shares (being the aggregate of 224,014,336 Shares to be converted from the Firm Bonds and 37,335,723 Shares to be converted from the Optional Bonds) (subject to adjustment), representing approximately 7.08% of the issued share capital of the Company as at the date of this announcement and approximately 6.61% of the enlarged issued share capital of the Company. The Shares to be issued upon conversion of the Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

Application will be made to the Singapore Stock Exchange for the listing of the Bonds. The Share are listed on the Hong Kong Stock Exchange and an application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in the Shares to be issued upon conversion of the Bonds.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the section headed "Subscription Agreement" below for further information.

As the Subscription Agreement may or may not complete, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

The Bonds have not been offered or sold and will not be offered or sold in Hong Kong (other than to professional investors within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance) or by means of any document in other circumstances which will result in the document being a “prospectus” as defined in the Companies Ordinance or which will constitute an offer to the public within the meaning of that Ordinance.

The Bonds, the Guarantee and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Guarantee will be offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The net proceeds from the issue of the Firm Bonds are estimated to be approximately HK\$5,913.9 million after deduction of expenses (including but not limited to legal fees and underwriting commission). If the option to require Sherson to issue all of the Optional Bonds is exercised in full, the net proceeds from the issue of the Bonds are estimated to be approximately HK\$6,887.9 million in aggregate after deduction of expenses (including but not limited to legal fees and underwriting commission). The Company currently intends to use the net proceeds of the Bonds to finance property development in Hong Kong and the PRC and for general working capital.

Trading in the Shares has been suspended at the request of the Company with effect from 9:30 a.m. on Tuesday, 15 May 2007 pending publication of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on Wednesday, 16 May 2007.

SUBSCRIPTION AGREEMENT

Date: 15 May 2007

Parties: Sherson (as issuer)
the Managers
the Company (as guarantor)

Subject to the fulfillment of the conditions set out below under the section headed “Conditions Precedent of the Subscription Agreement”, the Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Firm Bonds with an initial aggregate principal amount of HK\$6,000,000,000. In addition, Sherson has granted to the Managers an option to require Sherson to issue all or any of the Optional Bonds, in the same proportion as the Firm Bonds, up to a further principal amount of HK\$1,000,000,000, exercisable in whole or in part, on one or more occasions, at the sole discretion of the Managers, at any time up to and including the thirtieth day following the Closing Date.

Accordingly, the maximum aggregate principal amount of Bonds that may be issued is HK\$7,000,000,000. The Bonds will be issued at 100% of the principal amount. The net price to Sherson after deduction of expenses (including but not limited to legal fees and underwriting commission to be charged by the Managers) will be approximately 98.4% of their principal amount.

Based on an initial Conversion Price of HK\$26.784, the Bonds will be convertible into 261,350,059 Shares (being the aggregate of 224,014,336 Shares to be converted from the Firm Bonds and 37,335,723 Shares to be converted from the Optional Bonds) (subject to adjustment), representing approximately 7.08% of the issued share capital of the Company as at the date of this announcement and approximately 6.61% of the enlarged issued share capital of the Company. The Shares to be issued upon conversion of the Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

The Bonds, the Guarantee and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Guarantee will be offered and sold outside the United States in reliance upon Regulation S of the Securities Act. The Bonds have not been offered or sold and will not be offered or sold in Hong Kong (other than to professional investors within the meaning of the Securities and Futures Ordinance and any rules made under that Ordinance) or by means of any document in other circumstances which will result in the document being a “prospectus” as defined in the Companies Ordinance or which will constitute an offer to the public within the meaning of that Ordinance. None of the Bonds will be offered for subscription by any connected persons (as defined in the Listing Rules) of the Company.

The subscribers are not connected persons (as defined in the Listing Rules) of the Company.

Sherson’s obligations under the Subscription Agreement shall be guaranteed by the Company under the Subscription Agreement.

Neither Sherson nor the Company nor any of its subsidiaries or affiliates over which they exercise management or voting control, nor any person acting on its or their behalf of any of them will, for a period from the date of the Subscription Agreement up to 180 days after the Closing Date (and, if any Optional Bonds are issued, after the last Option Closing Date), without the prior written consent of the Managers (such consent not to be unreasonably withheld), issue, offer, sell, contract to sell, pledge or otherwise dispose of (or publicly announce any such issuance, offer, sale or disposal), any Shares or securities convertible or exchangeable into or exercisable for Shares or warrants or other rights to purchase Shares or any security or financial product whose value is determined directly or indirectly by reference to the price of the Shares, including equity swaps, forward sales and options representing the right to receive any Shares (whether or not such contract is to be settled by delivery of Shares or such other securities, in cash or otherwise) save for Shares issued (i) pursuant to the conversion provisions of the Bonds; or (ii) pursuant to obligation in existence at the date of the Subscription Agreement, which have been publicly disclosed.

Conditions Precedent of the Subscription Agreement

Completion of the Subscription Agreement is conditional upon, among other things:

- (i) the Managers having been satisfied with the results of its due diligence investigations on Sherson and its subsidiaries for the purposes of the preparation of an information memorandum in relation to the issue of the Bonds and the information memorandum having been prepared in form and content satisfactory to the Managers;
- (ii) the execution (on or prior to the Closing Date) of a trust deed and a paying and conversion agency agreement in connection with the issue of the Bonds in a form reasonably satisfactory to the Managers;
- (iii) the Singapore Stock Exchange, subject to any conditions reasonably satisfactory to the Managers, having agreed to list the Bonds and the Hong Kong Stock Exchange, subject to any conditions reasonably satisfactory to the Managers, having agreed to list the new Shares upon conversion of the Bonds;
- (iv) the delivery to the Managers upon Publication Date and on Closing Date and the Option Closing Date (if any) of auditors’ comfort letters, each in a form reasonably satisfactory to the Managers;
- (v) the delivery to the Managers on or prior to the Closing Date of legal opinions from Hong Kong and British Virgin Islands counsels, each in a form reasonably satisfactory to the Managers and such other resolutions, consents, authorities and documents relating to the issue of the Bonds, as the Managers may reasonably require; and
- (vi) at the Closing Date and the Option Closing Date (if any) (i) the representations and warranties of Sherson and the Company shall remain true, accurate and correct in all respects at, and as if made on such date; (ii) Sherson and the Company shall have performed all of its obligations hereunder expressed

to be performed on or before such date; and (iii) there shall have been delivered to the Managers a certificate dated as of such date, of a duly authorised officer of each of the Issuer and the Company to such effect; and

- (vii) at the Closing Date and the Option Closing Date (if any) there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the condition (financial or other), prospects, operations, business or properties of the Group, its jointly controlled entities and associates, which, in the opinion of the Managers, is material and adverse and which makes it, in the opinion of the Managers, impracticable to market the Bonds on the terms and in the manner contemplated herein in the Agreement.

The Managers may, at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent (other than (ii) and (iii) above).

Termination

The Managers may by notice to Sherson and the Company given at any time prior to the time the net subscription monies for the Bonds are otherwise due and payable to Sherson, terminate the Subscription Agreement in any of the following circumstances:

- (i) if there shall have come to the notice of the Managers any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure by Sherson or the Company to perform any of its undertakings or agreements in the Subscription Agreement; or
- (ii) if any of the conditions precedent specified in the Subscription Agreement have not been satisfied or waived by the Managers; or
- (iii) if there shall have occurred any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions or currency exchange rates or foreign exchange controls which would, in the Managers' view, be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (iv) if there shall have occurred a general moratorium on commercial banking activities in the PRC or the United Kingdom or United States or Hong Kong by any PRC, United Kingdom, New York State, United States Federal or Hong Kong authorities which would in the Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (v) if there shall have occurred an outbreak or escalation of hostilities or act of terrorism which would in the Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market; or
- (vi) if on or after the date of the Subscription Agreement, there shall have occurred either of the following:
 - (i) a suspension or material limitation of trading in securities generally on the Shanghai Stock Exchange, the New York Stock Exchange, the Nasdaq Stock Market, Inc., the London Stock Exchange plc or the Hong Kong Stock Exchange; or
 - (ii) a suspension in trading in the Company's securities on the Hong Kong Stock Exchange on the Closing Date or for more than two consecutive trading days prior to the Closing Date, which would in the Managers' view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

Subject to the foregoing, completion of the subscription and issue of the Firm Bonds shall take place on the Closing Date.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

- Issue : Sherson
- Guarantor : the Company
- Principal amount : The aggregate principal amount of the Firm Bonds will be HK\$6,000,000,000. In addition, Sherson has granted to the Managers an option to require Sherson to issue all or any of the Optional Bonds, in the same proportion as the Firm Bonds, up to a further principal amount of HK\$1,000,000,000, exercisable in whole or in part, on one or more occasions, solely at the discretion of the Managers, at any time up to and including the thirtieth day following the Closing Date. Accordingly, the maximum aggregate principal amount of Bonds that may be issued is HK\$7,000,000,000
- Issue price: 100% of the principal amount of the Bonds
- Interest : Save for the default interest at the rate of 5% per annum, the Bonds do not bear any interest
- Conversion period : Bondholder(s) may exercise conversion rights at any time on or after 16 July 2007 up to the close of business (at the place where the certificate evidencing such Bond is deposited for conversion) on 25 May 2014 or if such Bond has been called for redemption by Sherson before the Maturity Date, then up to the close of business on a date no later than seven business days prior to the date fixed for redemption thereof
- Conversion Price : The initial Conversion Price will be HK\$26.784 per Share, representing a premium of 35% over the closing price of HK\$19.84 per Share as quoted on the Stock Exchange on 14 May 2007, which is the last Trading Day before suspension of trading in Shares before the Subscription Agreement was signed
- The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events including (among others) consolidation, subdivision or reclassification of Shares, capitalisation of profits or reserves, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than 95% of current market price and capital distribution (including any cash dividend, which, when taken together with any other cash dividends previously made or paid in respect of the same fiscal year on a per Share basis, exceeds 1.75% of the arithmetic average of the closing price per Share for the 10 consecutive Trading Days ending on the Trading Day immediately preceding the date on which the cash dividend is announced)
- Ranking of Conversion Shares : The Shares to be issued upon conversion of the Bonds will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date

- Redemption at option of Sherson : Sherson may (i) from time to time, on or at any time after 4 June 2012 and prior to the Maturity Date, by giving not less than 30 nor more than 60 days' notice to the Bondholders, the trustee and the principal paying agent (which notice will be irrevocable), redeem all or some only of the Bonds at a redemption price equal to the Early Redemption Amount on the redemption date provided that no such redemption may be made unless the closing price of the Shares (as derived from the daily quotations sheet of the Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange) for each of 30 consecutive Trading Days immediately prior to the date upon which notice of such redemption is given was at least 130% of the applicable Early Redemption Amount divided by the conversion ratio; or (ii) at any time, by giving not less than 30 nor more than 60 days' notice to the Bondholders, the trustee and the principal paying agent (which notice will be irrevocable), redeem all and not some only of the Bonds at a redemption price equal to the Early Redemption Amount on the redemption date if at least 90% of the principal amount of the Bonds has already been converted, redeemed or purchased and cancelled
- Redemption for taxation reason : The Bonds may be redeemed at the option of Sherson in whole, but not in part, at any time, by giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) in accordance with terms and conditions of the Bonds at the Early Redemption Amount, if (i) Sherson satisfies the trustee immediately prior to the giving of such notice that Sherson or the Company, as the case may be, has or will become obliged to pay additional tax amounts as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands or Hong Kong or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 15 May 2007, and (ii) such obligation cannot be avoided by Sherson or the Company, as the case may be, taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which Sherson or the Company, as the case may be, would be obliged to pay such additional tax amounts were a payment in respect of the Bonds then due
- Redemption for Delisting or Change of Control : Following the occurrence of the following events:
- (i) when the Shares cease to be listed or admitted to trading on the Hong Kong Stock Exchange; or
 - (ii) when there is a change of control (as detailed in the terms and conditions of the Bonds) in the Company,
- the Bondholder(s) will have the right to require Sherson to redeem all or some of the Bonds at the Early Redemption Amount on the 14th day after the expiry of the later of 60 days following (a) any of the above two events or, if later, (b) the date upon which notice thereof is given to the Bondholders by Sherson
- Maturity : Unless previously purchased and cancelled, converted or redeemed, each Bond shall be redeemed at 128.3716% of its principal amount on the Maturity Date

Listing	: An application will be made to the Singapore Stock Exchange for the listing of the Bonds
	An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Bonds
Guarantee	: The Company has guaranteed the due payment of all sums expressed to be payable by Sherson under a trust deed to be entered into in connection with the Bonds and the Bonds has been unconditionally and irrevocably guaranteed by the Company
Form and denomination of the Convertible Bonds	: the Bonds are issued in registered form in denomination of HK\$10,000 and integral multiples thereof
Transferability	: the Bonds are freely transferable
Status	: The Bonds constitute direct, unsubordinated, unconditional and (subject to the terms and conditions of the Bonds) unsecured obligations of Sherson and shall at all times rank pari passu and without any preference or priority among themselves

EFFECT ON THE SHARE CAPITAL

The following table summarises the shareholding structure of the Company as at the date of this announcement and as a result of conversion of the Bonds (assuming the total number of Shares in issue otherwise remain unchanged from the date of this announcement):

Name of Shareholder	Existing (as at the date of this announcement)		Assuming that the Firm Bonds are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HK\$26.784 each		Assuming that the Firm Bonds and the Optional Bonds (Note 4) are fully converted into Shares (subject to adjustment) at the initial Conversion Price of HK\$26.784 each	
	No. of Shares	Approximate % of issued share capital of the Company	No. of Shares	Approximate % of enlarged issued shares capital of the Company	No. of Shares	Approximate % of enlarged issued shares capital of the Company
Chow Tai Fook Enterprises Limited (Note 1)	1,348,865,983	36.53%	1,348,865,983	34.44%	1,348,865,983	34.12%
Directors	5,577,699	0.15%	5,577,699	0.14%	5,577,699	0.14%
	(Note 2)		(Note 2)		(Note 2)	
Public	2,337,665,846	63.32%	2,337,665,846	59.70%	2,337,665,846	59.13%
Bondholders (Note 3)	—	—	224,014,336	5.72%	261,350,059	6.61%
Total	<u>3,692,109,528</u>	<u>100.00%</u>	<u>3,916,123,864</u>	<u>100.00%</u>	<u>3,953,459,587</u>	<u>100.00%</u>

Notes:

1. Chow Tai Fook Enterprises Limited together with its subsidiaries.
2. Including spouse interests and corporate interests.
3. Bondholders constituting public.

4. Assuming the option to require Sherson to issue the Optional Bonds is exercised in full.

USE OF PROCEEDS

The net proceeds from the issue of the Firm Bonds are estimated to be approximately HK\$5,913.9 million after deduction of expenses (including but not limited to legal fees and underwriting commission). If the option to require Sherson to issue all of the Optional Bonds is exercised in full, the net proceeds from the issue of the Bonds are estimated to be approximately HK\$6,887.9 million in aggregate after deduction of expenses (including but not limited to legal fees and underwriting commission). The Company currently intends to use the net proceeds from the Bonds to finance property development in Hong Kong and the PRC and for general working capital.

REASONS FOR AND BENEFITS OF THE BONDS ISSUE

The issue of the Bonds provides a flexible and cost-efficient funding opportunity which is in the best interest of the Group. Upon conversion of the Bonds, the capital base of the Company will be enlarged and strengthened which will benefit the Group's future growth and developments. The Directors consider that the terms and conditions of the Subscription Agreement and the Bonds are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

GENERAL

The Group is principally engaged in investments in the areas of property, infrastructure, services, department store operation, hotel operation and telecommunications and technology.

Application will be made to the Singapore Stock Exchange for the listing of the Bonds. The Shares are listed on the Hong Kong Stock Exchange and an application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon conversion of the Bonds.

The Bonds, the Guarantee and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Guarantee are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

The Bonds have not been offered or sold and will not be offered or sold in Hong Kong (other than to professional investors within the meaning of the Securities and Futures Ordinance) or by means of any document in other circumstances which will result in the document being a prospectus as defined in the Companies Ordinance.

The Company will promptly notify the Stock Exchange upon becoming aware of any dealing in the Bonds by any connected person (as defined in the Listing Rules) of the Company.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares has been suspended at the request of the Company from 9:30 a.m. on Tuesday, 15 May 2007 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:30 a.m. on Wednesday, 16 May 2007.

GENERAL MANDATE

At the annual general meeting of the Company held on 24 November 2006, the Company granted a general mandate to the Directors to allot and issue up to 732,776,929 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the general mandate granted. As at the date of this announcement, the Company is entitled to issue up to 732,776,929 Shares pursuant to such general mandate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

“Alternative Stock Exchange”	at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, the principal stock exchange or securities market on which the shares are then listed or quoted or dealt in
“associate(s)”	has the same meaning as defined in the Listing Rules
“Bondholder(s)”	holder(s) of the Bonds from time to time
“Bonds”	the Firm Bonds and the Optional Bonds (assuming the option to require Sherson to issue the Optional Bonds is exercised in full)
“Closing Date”	4 June 2007 or such other date as Sherson, the Company and the Managers may agree
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Hong Kong Stock Exchange
“Conversion Price”	the price at which Shares will be issued upon conversion which will initially be HK\$26.784 per Share and will be subject to adjustment in the manner provided in the terms and conditions of the Bonds
“Directors”	the directors of the Company
“Early Redemption Amount”	in respect of each HK\$10,000 principal amount of Bonds, an amount which represents for the Bondholder a gross yield of 3.60% per annum, calculated on a semi-annual basis and determined in accordance with the formula as set out in the terms and conditions of the Bonds
“Firm Bonds”	the Zero Coupon Guaranteed Convertible Bonds due 2014 of an aggregate principal amount of HK\$6,000,000,000
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee by the Company referred to in the paragraph headed “Guarantee” in the section headed “Principal Terms of the Bonds”
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Managers”	Merrill Lynch and Morgan Stanley
“Maturity Date”	4 June 2014

“Merrill Lynch”	Merrill Lynch International and in so far as it is “dealing in securities”, as defined in Schedule 5 of the Securities and Futures Ordinance, it shall only do so through its agent Merrill Lynch Far East Limited and only in circumstances such that none of the sub-provisos (I), (II), (III), (IV) and (V) in sub-paragraph (iv) to the definition of “dealing in securities” in Part 2 of Schedule 5 of the Securities and Futures Ordinance are applicable
“Morgan Stanley”	Morgan Stanley & Co. International plc and in so far as it is “dealing in securities”, as defined in Schedule 5 of the Securities and Futures Ordinance, it shall be doing so through its agent Morgan Stanley Dean Witter Asia Limited and only in circumstances such that none of the sub-provisos (I), (II), (III), (IV) and (V) in sub-paragraph (iv) to the definition of “dealing in securities” in Part 2 of Schedule 5 of the Securities and Futures Ordinance are applicable
“Option Closing Date”	a date to be specified by the Managers upon exercise of the option to require Sherson to issue all or any of the Optional Bonds, being a date not later than 15 business days after the date of exercise of such option
“Optional Bonds”	the additional Zero Coupon Guaranteed Convertible Bonds due 2014 of up to a principal amount of HK\$1,000,000,000
“PRC”	the People’s Republic of China
“Publication Date”	the date of the information memorandum which is not later than three business days prior to the Closing Date or such other date as may be agreed between Sherson, the Company and the Managers
“Regulation S”	Regulation S under the Securities Act
“Securities Act”	the US Securities Act of 1933, as amended
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Sherson”	Sherson Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company
“Singapore Stock Exchange”	The Singapore Exchange Securities Trading Limited
“Subscription Agreement”	the subscription agreement dated 15 May 2007 entered into between the Company, Sherson and the Managers
“Trading Day”	a day when the Stock Exchange or, as the case may be an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days
“United States”	the United States of America
“US person(s)”	any person or entity deemed to be a US person for purposes of Regulation S under the Securities Act of 1933, as amended

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

By Order of the Board
NEW WORLD DEVELOPMENT COMPANY LIMITED
Leung Chi Kin, Stewart
Company Secretary

Hong Kong, 15 May 2007

As at the date of this announcement: (a) the executive directors of 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 Liang Cheung Bui, Thomas and Mr Ho Hau Hay, Hamilton and (c) the independent non-executive directors of the Company are Lord Michael Sandberg, 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, JP.

*“Please also refer to the published version of this announcement in **The Standard**.”*