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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)

ANNOUNCEMENT

DISCLOSURE PURSUANT TO RULE 13.09 OF THE LISTING RULES

UPDATE ON NW TMT COMPLAINT

Further to the Company's announcement of 5 December 2006, the board of directors of NWD wishes to announce that the Court has on 27 December 2006 (U.S. time) set the amount that NW TMT has won against Tony Qu and the PrediWave Companies at over US\$2.8 billion. This sum includes US\$2 billion in punitive damage against Tony Qu and the PrediWave Companies.

NW TMT will base on the Court's award seek recovery for the amount awarded from Tony Qu and the PrediWave Companies including their assets. The amount that can eventually be recovered is uncertain and NW TMT expects only a low fractional recovery. Further, the Court's decision is subject to further appeal by Tony Qu and the PrediWave Companies.

Shareholders of NWD and holders of other securities of NWD are reminded to exercise caution when dealing in the securities of NWD.

NWD will keep shareholders of NWD and holders of other securities of NWD posted on any new development.

Reference is made to the announcement of the Company dated 5 December 2006 (the "Announcement"). Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The board of directors of NWD wishes to announce that the Superior Court of the State of California, County of Santa Clara, in the United States of America (the "Court") has on 27 December 2006 (U.S. time) set the amount that NW TMT has won against Tony Qu and the PrediWave Companies at over US\$2.8 billion. This sum includes US\$2 billion in punitive damage against Tony Qu and the PrediWave Companies.

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By order of the Board
Dr. Cheng Kar-Shun, Henry
Managing Director

Hong Kong, 29 December 2006

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 and Mr. LEUNG Chi-Kin, Stewart; (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, JP, 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."