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新創建集團有限公司*
NWS Holdings Limited

(incorporated in Bermuda with limited liability)

(stock code: 0659)

CONNECTED TRANSACTIONS

The Board announces that NWD, NWDS, the Joint Global Coordinators (for itself and on behalf of other Hong Kong Underwriters) and Taifook (as one of the Hong Kong Underwriters) have entered into the Hong Kong Underwriting Agreement in respect of the Hong Kong Public Offering on 27 June 2007, pursuant to which the Hong Kong Underwriters (including Taifook) have severally agreed to subscribe or procure subscribers for, on the terms and conditions of the Prospectus and the application forms, their respective applicable proportions of NWDS Shares under the Hong Kong Public Offering. Taifook is also expected to be one of the underwriters in the International Placing and therefore is expected to enter into the International Placing Underwriting Agreement with NWD, NWDS and the Joint Global Coordinators (for itself and on behalf of other International Placing Underwriters) in respect of the International Placing in due course prior to Listing.

Taifook is one of the underwriters in the Hong Kong Public Offer with an underwriting commitment of not more than 1,218,900 NWDS Shares and is expected to be one of the underwriters in the International Placing with an underwriting commitment of not more than 10,970,100 NWDS Shares. Based on the preliminary indicative price range per NWDS Share under the Global Offering of between HK\$4.80 and HK\$5.80 and subject to the terms and conditions of the Underwriting Agreements, Taifook may receive approximately HK\$1.8 million to HK\$2.1 million in commission for the expected maximum underwriting commitments.

As at the date of this announcement, the Company holds approximately 61.3% of the issued share capital of Taifook and NWDS is a wholly-owned subsidiary of NWD. Given that NWD holds approximately 56.1% of the issued share capital of the Company as at the date of this announcement and is, therefore, a connected person of the Company within the meaning of the Listing Rules, accordingly, NWDS is also a connected person of the Company within the meaning of the Listing Rules. The Underwriting Agreements in so far as Taifook's commitment is concerned are, and will constitute, connected transactions of the Company under the Listing Rules. As each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated with reference to Taifook's expected maximum aggregate underwriting commitment under the Underwriting Agreements and the expected maximum Offer Price is less than 2.5%, the entering into of the Underwriting Agreements are only subject to the reporting and announcement requirements but exempt from independent shareholders' approval as set out in Chapter 14A of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

Reference is made to the announcement of NWD dated 5 March 2007 that an advance booking form for an application for the listing of, and permission to deal in, the NWDS Shares in issue or to be issued under the Global Offering (including the NWDS Shares to be issued upon the exercise of options that may be granted under the share option scheme(s) to be adopted by NWDS) on the Main Board of the Stock Exchange was submitted by NWDS to the Stock Exchange on 5 March 2007.

THE UNDERWRITING AGREEMENTS

The Hong Kong Underwriting Agreement

Parties

- (1) NWD
- (2) NWDS
- (3) the Joint Global Coordinators (for itself and on behalf of other Hong Kong Underwriters)
- (4) Taifook (as one of the Hong Kong Underwriters)

Date

27 June 2007

Major terms of the Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Underwriters (including Taifook) have severally agreed to subscribe or procure subscribers for, on the terms and conditions of the Prospectus and the application forms, their respective applicable proportions of NWDS Shares under the Hong Kong Public Offering.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to: (a) the Stock Exchange granting the listing of, and permission to deal in, the NWDS Shares concerned and such listing and permission not subsequently being revoked prior to the commencement of dealings in the NWDS Shares on the Stock Exchange on the Listing Date or a later date as NWDS and the Joint Global Coordinators (on behalf of the Underwriters) may agree; (b) certain other conditions set out in the underwriting agreement (including but not limited to the Offer Price being agreed between NWDS and the Joint Global Coordinators (on behalf of the Underwriters)); and (c) the underwriting agreement in respect of the International Placing having been duly executed and delivered and having become unconditional in accordance with its terms (save as regards any condition relating to the underwriting agreement in respect of the Hong Kong Public Offering having become unconditional) and not having been terminated in accordance with its terms or otherwise, prior to 8:00 a.m. on the Listing Date. The Hong Kong Underwriting Agreement may also be terminated by notice in writing from the Joint Global Coordinators if, at any time prior to 8:00 a.m. on the Listing Date, there occur certain force majeure events as more particularly set out in the Hong Kong Underwriting Agreement.

The Hong Kong Underwriters (including Taifook) will receive a commission of 3% of the aggregate Offer Price in respect of NWDS Shares underwritten by them. The maximum underwriting commitment of Taifook under the Hong Kong Underwriting Agreement is 1,218,900 NWDS Shares.

The International Placing Underwriting Agreement

Taifook is also expected to be one of the underwriters in the International Placing and therefore is expected to enter into the International Placing Underwriting Agreement with NWD, NWDS and the Joint Global Coordinators (for itself and on behalf of other International Placing Underwriters) in respect of the International Placing in due course prior to Listing. The maximum underwriting commitment of Taifook under the International Placing Underwriting Agreement is expected to be 10,970,100 NWDS Shares.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE UNDERWRITING AGREEMENTS

The principal activities of Taifook Group comprise of securities and futures contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management and the provision of financial planning services. The Directors consider it to be in the best interests of the Group and its shareholders to enter into the Underwriting Agreements as it falls within the business scopes of Taifook and the underwriting arrangements under each of the Underwriting Agreements is expected to contribute positively to the Group's income.

The Directors (including the independent non-executive Directors) consider that the Underwriting Agreements (including Taifook's underwriting commitment) is, or will be, on normal commercial terms and fair and reasonable and in the interests of the Company and its shareholders as a whole.

CONNECTED TRANSACTIONS

Taifook is one of the underwriters in the Hong Kong Public Offering with an underwriting commitment of not more than 1,218,900 NWDS Shares and is expected to be one of the underwriters in the International Placing with an underwriting commitment of not more than 10,970,100 NWDS Shares. Based on the preliminary indicative price range per NWDS Share under the Global Offering of between HK\$4.80 and HK\$5.80 and subject to the terms and conditions of the Underwriting Agreements, Taifook may receive approximately HK\$1.8 million to HK\$2.1 million in commission for the expected maximum underwriting commitments.

As at the date of this announcement, the Company holds approximately 61.3% of the issued share capital of Taifook and NWDS is a wholly-owned subsidiary of NWD. Given that NWD holds approximately 56.1% of the issued share capital of the Company as at the date of this announcement and is, therefore, a connected person of the Company within the meaning of the Listing Rules, accordingly, NWDS is also a connected person of the Company within the meaning of the Listing Rules. The Underwriting Agreements in so far as Taifook's commitment is concerned are, and will constitute, connected transactions of the Company under the Listing Rules. As each of the percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated with reference to Taifook's expected maximum aggregate underwriting commitment under the Underwriting Agreements and the expected maximum Offer Price is less than 2.5%, the entering into of the Underwriting Agreements are only subject to the reporting and announcement requirements but exempt from independent shareholders' approval as set out in Chapter 14A of the Listing Rules. Relevant details will also be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

Reference is made to the announcement of NWD dated 5 March 2007 that an advance booking form for an application for the listing of, and permission to deal in, the NWDS Shares in issue or to be issued under the Global Offering (including the NWDS Shares to be issued upon the exercise of options that may be granted under the share option scheme(s) to be adopted by NWDS) on the Main Board of the Stock Exchange was submitted by NWDS to the Stock Exchange on 5 March 2007.

INFORMATION RELATING TO NWD

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

INFORMATION RELATING TO NWDS

NWDS is principally engaged in the operations and management of department stores in the PRC and Hong Kong.

INFORMATION RELATING TO TAIFOOK

Taifook Group is principally engaged in securities and futures contracts broking and trading, the provision of margin and other financing, the provision of corporate advisory, placing and underwriting services, bullion contracts dealing and trading, leveraged foreign exchange trading, the provision of nominee and custodian services, fund management and the provision of financial planning services.

INFORMATION RELATING TO THE GROUP

The Group is principally engaged in (i) the investment in and/or operation of facilities, contracting, transport and financial services; and (ii) the development, investment, operation and/or management of power plants, water treatment and waste management plants, roads as well as container terminals.

DEFINITIONS

For the purposes of this announcement, capitalised items appearing herein shall, unless the context otherwise admits, have the meanings set out below:

“Board”	board of Directors
“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and a non wholly-owned subsidiary of NWD
“Directors”	directors of the Company
“Global Offering”	the proposed initial public offering and placing of NWDS Shares, comprising the Hong Kong Public Offering and the International Placing
“Group”	the Company and its subsidiaries as at the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Public Offering”	the offering for subscription of NWDS Shares for cash at the Offer Price by way of a public offer in Hong Kong on and subject to the terms and conditions to be stated in the Prospectus and in the application forms relating thereto
“Hong Kong Underwriting Agreement”	the underwriting agreement dated 27 June 2007 relating to the Hong Kong Public Offering
“Hong Kong Underwriters”	the underwriters named in the Hong Kong Underwriting Agreement, including Taifook
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong

“International Placing”	the placing of NWDS Shares to certain professional, institutional and other investors at the Offer Price pursuant to the Global Offering
“International Placing Underwriters”	the underwriters to be named in the International Placing Underwriting Agreement, which is expected to include Taifook
“International Placing Underwriting Agreement”	the underwriting agreement expected to be dated on or around 5 July 2007 relating to the International Placing
“Joint Global Coordinators”	the joint global coordinators of the Global Offering, being Deutsche Bank AG, Hong Kong Branch and The Hongkong and Shanghai Banking Corporation Limited
“Listing”	the proposed listing of NWDS Shares on the Main Board of the Stock Exchange
“Listing Date”	The date, expected to be on or about 12 July 2007, on which NWDS Shares are listed and from which dealings therein are permitted to take place on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market operated by the Stock Exchange
“NWD”	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 Stock Exchange
“NWDS”	New World Department Store China Limited, a company incorporated in the Cayman Islands with limited liability and a wholly-owned subsidiary of NWD as at the date of this announcement
“NWDS Share(s)”	the ordinary share(s) of NWDS with a nominal value of HK\$0.10 each
“Offer Price”	the final offer price of each NWDS Share (exclusive of brokerage of 1%, Stock Exchange trading fee of 0.005% and transaction levy of the Securities and Futures Commission of 0.004% of the Offer Price) in the Global Offering
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus dated 28 June 2007 to be issued by NWDS in connection with the Hong Kong Public Offering
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taifook”	Taifook Securities Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Taifook Group”	Taifook and its subsidiaries as at the date of this announcement

“Underwriting Agreements” the Hong Kong Underwriting Agreement and the International Placing Underwriting Agreement

“%” per cent.

By order of the Board
Dr. Cheng Kar Shun, Henry
Chairman

Hong Kong, 27 June 2007

As at the date of this announcement: (a) the executive directors of the Company are Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. Chan Kam Ling, Mr. Tsang Yam Pui, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung and Mr. William Junior Guilherme Doo; (b) the non-executive directors of the Company are Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David), Mr. To Hin Tsun, Gerald and Mr. Dominic Lai; and (c) the independent non-executive directors of the Company are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

* For identification purposes only