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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: 17)


新創建 NWS
新創建集團有限公司*
NWS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(stock code: 659)

CONNECTED TRANSACTIONS PROVISION OF PROJECT MANAGEMENT SERVICES

The NWD Directors and the NWS Directors jointly announced that the following Transactions which constitute connected transactions for NWD and NWS have been entered into:

1. provision of project management services by NWS Engineering (a member of NWD Group and NWS Group) to Shanghai Trio in respect of the electrical and mechanical engineering works of the Shanghai Zhongshan Square (Phase III) Project pursuant to the Shanghai Agreement; and
2. provision of project management services by Hip Hing Builders (a member of NWD Group and NWS Group) to DPHKL and GCDL in respect of the construction work of the Li Yuen Street East Project pursuant to the Li Yuen Street East Agreement.

As at the date of this announcement, each of NWS Engineering and Hip Hing Builders is an indirect wholly owned subsidiary of NWS which is in turn owned as to approximately 57% by NWD. Mr. Doo, an executive director of NWS, beneficially owns 52.5% interest in Shanghai Trio and 50% interest in each of DPHKL and GCDL and thus, Shanghai Trio, DPHKL and GCDL are associates of Mr. Doo and in turn connected persons of each of NWD and NWS. The Transactions (including the Previous Transactions), when aggregated, are subject to reporting and announcement requirements pursuant to Rule 14A.32 of the Listing Rules.

Moreover, Shanghai Trio is beneficially owned as to 47.5% by NWCL and each of DPHKL and GCDL is beneficially owned as to 50% by CTF. As at the date of this announcement, CTF holds approximately 38.6% of the total issued share capital of NWD which, in turn, holds approximately 57% and 70% of the total issued share capital of NWS and NWCL respectively. Shanghai Trio is an associate of each of NWD and CTF and thus a connected person of NWS. By virtue of the fact that CTF is a substantial shareholder of each of NWD and NWS, DPHKL and GCDL, being associates of CTF, are connected persons of each of NWD and NWS. So far as CTF and its associates are concerned, these connected transactions have been covered by the annual caps under the continuing connected transactions as announced by NWD and NWS on 24 January 2008.

INTRODUCTION

The NWD Directors and the NWS Directors jointly announced that the following Transactions which constitute connected transactions for NWD and NWS have been entered into:

1. provision of project management services by NWS Engineering (a member of NWD Group and NWS Group) to Shanghai Trio in respect of the electrical and mechanical engineering works of the Shanghai Zhongshan Square (Phase III) Project pursuant to the Shanghai Agreement; and
2. provision of project management services by Hip Hing Builders (a member of NWD Group and NWS Group) to DPHKL and GCDL in respect of the construction work of the Li Yuen Street East Project pursuant to the Li Yuen Street East Agreement.

A summary of the major terms of each of the Shanghai Agreement and the Li Yuen Street East Agreement is set out below.

THE SHANGHAI AGREEMENT

Date: 16 July 2009

Parties:

(a) Shanghai Trio

Shanghai Trio is a sino-foreign joint venture established in the PRC and is principally engaged in property development. As at the date of this announcement, Mr. Doo and NWCL beneficially owns 52.5% and 47.5% interest in Shanghai Trio respectively. Shanghai Trio is an associate of Mr. Doo and therefore a connected person of each of NWD and NWS.

A wholly owned subsidiary of NWCL had agreed to purchase the 52.5% interest in Shanghai Trio beneficially owned by Mr. Doo under a sale and purchase agreement dated 30 April 2009, details of which were set out in the circular of NWD dated 13 May 2009. Upon completion of this agreement, Shanghai Trio will be wholly owned by NWCL. However, completion of the said agreement has not yet taken place as at the date of this announcement.

(b) NWS Engineering

NWS Engineering, an indirect wholly owned subsidiary of NWS which is in turn owned as to approximately 57% by NWD as at the date of this announcement. The principal activity of NWS Engineering is the provision of mechanical and electrical engineering services.

(c) NWS Engineering (Shanghai branch office)

The branch office of NWS Engineering established in Shanghai, the PRC, of which the principal activity is the provision of mechanical and electrical engineering services.

Subject matter:

NWS Engineering has agreed to provide to Shanghai Trio project management services in respect of the electrical and mechanical engineering works of the Shanghai Zhongshan Square (Phase III) Project. These services include project planning and supervision, cost budgeting management, material procurement and management, selection and appointment of sub-contractors, liaising and coordinating with the relevant authorities for obtaining the necessary approvals for the construction work.

Service fee:

NWS Engineering shall be entitled to a service fee of RMB19.0 million (equivalent to approximately HK\$21.6 million). If the aggregate of the final total construction costs incurred in respect of the electrical and mechanical engineering works of the Shanghai Zhongshan Square (Phase III) Project is less than RMB197.0 million (being the estimated total construction costs in respect of the entire electrical and mechanical engineering works of the Shanghai Zhongshan Square (Phase III) Project which is subject to final determination), NWS Engineering shall be entitled to a bonus in the amount to be agreed between the contracting parties. Based on the current best estimates, the bonus would not be higher than 5% of the aforesaid estimated total construction costs. In the event that the bonus would be higher than 5% of the aforesaid estimated total construction costs, appropriate disclosure will be made by NWD and NWS in accordance with the Listing Rules.

The service fee was determined after arm's length negotiations between the parties taking into account the usual rate which NWS Engineering will charge its clients for providing project management services as well as the basis of charging such project management fee.

The service fee is payable to NWS Engineering in the following manner:

- RMB3,800,000 was paid as at 8 April 2008;
- a monthly payment of RMB600,000 shall be paid during the period from March 2008 to December 2009;
- RMB1,000,000 shall be paid at completion of the construction work;
- RMB500,000 shall be paid one year after the completion of the construction work; and
- RMB500,000 shall be paid after the expiry of the 2-year quality assurance period commencing after the completion of the construction work.

If the construction work is completed before 31 December 2009, the monthly payment of RMB600,000 for the remaining period up to 31 December 2009 shall be paid in the month when the construction work is completed.

THE LI YUEN STREET EAST AGREEMENT

Date: 16 July 2009

Parties:

(a) DPHKL

DPHKL is a limited liability company incorporated in Hong Kong and is principally engaged in property investment. DPHKL is beneficially owned as to 50% by Mr. Doo. DPHKL is an associate of Mr. Doo and therefore a connected person of each of NWD and NWS. The remaining 50% interest of DPHKL is beneficially owned by CTF.

(b) GCDL

GCDL is a limited liability company incorporated in Hong Kong and is principally engaged in property investment. GCDL is beneficially owned as to 50% by Mr. Doo. GCDL is an associate of Mr. Doo and therefore a connected person of each of NWD and NWS. The remaining 50% interest of GCDL is beneficially owned by CTF.

(c) Hip Hing Builders

Hip Hing Builders, an indirect wholly owned subsidiary of NWS which is in turn owned as to approximately 57% by NWD as at the date of this announcement. The principal activity of Hip Hing Builders is building construction and project management.

Subject matter:

Hip Hing Builders has agreed to provide to DPHKL and GCDL project management services for the development of the Li Yuen Street East Project. These services include:

- (a) monitoring the feasibility and progress of the development, design and construction methods, cost implications of the development and making all requisite arrangement for the Li Yuen Street East Project;
- (b) co-ordination, superintendence and supervision of the carrying out of the development;
- (c) assisting DPHKL and GCDL in selection and appointment of the professional team; and
- (d) such other matters as Hip Hing Builders shall consider necessary to carry out or perform its duties.

Service fee:

Hip Hing Builders shall be entitled to a management fee which shall be calculated as follows:

- (a) 2% of the part of the cost in relation to the execution and completion of mechanical and electrical installations of the Li Yuen Street East Project; and
- (b) 6% of the cost of the Li Yuen Street East Project other than that in paragraph (a) above.

Under the current best estimate based on the budget of the project, the maximum management fee in respect of the Li Yuen Street East Project is expected to be approximately HK\$18.67 million. In the event that the maximum management fee in respect of the Li Yuen Street East Project exceeds the aforesaid amount, appropriate disclosure will be made by NWD and NWS in accordance with the Listing Rules.

The management fee was determined after arm's length negotiations between the parties taking into account the usual rate (in the range of 5.5% to 6%) which Hip Hing Builders will charge its clients for providing project management services as well as the basis of charging such project management fee. Item referred to in paragraph (a) above involves less resources and management time as those are mainly specialist works and procurement of which are done directly by the employer and only coordination assistance and on-site supervision are provided by Hip Hing Builders, while item referred to in paragraph (b) represents the major part of the management fee. Thus, the management fee in respect of the Li Yuen Street East Project is generally based on 6%, which is within the range of 5.5% to 6%.

The management fee will be invoiced on a monthly basis by reference to the amount of chargeable agreed costs actually incurred during the relevant month. The final service fee payable by DPHKL and GCDL pursuant to the Li Yuen Street East Agreement will be determined with reference to the final agreed costs incurred in respect of the Li Yuen Street East Project.

REASONS FOR TRANSACTIONS

The provision of the project management services by NWS Engineering and Hip Hing Builders pursuant to the Transactions falls under their ordinary course of business. Both NWS Engineering and Hip Hing Builders have been carrying on business as contractors for various key property development projects. The NWD Directors and the NWS Directors believe that being a project manager for the Shanghai Zhongshan Square (Phase III) Project and the Li Yuen Street East Project is a business opportunity beneficial to NWS Engineering and Hip Hing Builders respectively.

The NWD Directors and the NWS Directors consider that the terms under each of the Shanghai Agreement and the Li Yuen Street East Agreement are no more favourable than those offered by NWS Engineering and Hip Hing Builders to independent third parties. The NWD Directors and the NWS Directors (including their respective independent non-executive directors) consider that the terms and conditions of each of the Shanghai Agreement and the Li Yuen Street East Agreement are fair and reasonable and are on normal commercial terms and that each of them is in the interest of the NWD Group and the NWS Group and their respective shareholders as a whole.

REPORTING AND DISCLOSURE REQUIREMENTS

As at the date of this announcement, each of NWS Engineering and Hip Hing Builders is an indirect wholly owned subsidiary of NWS which is in turn owned as to approximately 57% by NWD. Mr. Doo, an executive director of NWS, beneficially owns 52.5% interest in Shanghai Trio and 50% interest in each of DPHKL and GCDL and thus, Shanghai Trio, DPHKL and GCDL are associates of Mr. Doo and in turn connected persons of each of NWD and NWS. The Transactions (including the Previous Transactions), when aggregated, are subject to reporting and announcement requirements by both NWD and NWS pursuant to Rule 14A.32 of the Listing Rules.

Moreover, Shanghai Trio is beneficially owned as to 47.5% by NWCL while each of DPHKL and GCDL is beneficially owned as to 50% by CTF. As at the date of this announcement, CTF holds approximately 38.6% of the total issued share capital of NWD which, in turn, holds approximately 57% and 70% of the total issued share capital of NWS and NWCL respectively. Shanghai Trio is an associate of each of NWD and CTF and thus a connected person of NWS. By virtue of the fact that CTF is a substantial shareholder of each of NWD and NWS, DPHKL and GCDL, both being associates of CTF, are connected persons of each of NWD and NWS. So far as CTF and its associates are concerned, these connected transactions have been covered by the annual caps under the continuing connected transactions as announced by NWD and NWS on 24 January 2008.

GENERAL

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

The NWS 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 ports and logistics facilities.

DEFINITIONS

“CTF”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability which holds approximately 38.6% of the total issued share capital of NWD and approximately 2.9% of the total issued share capital of NWS
“DPHKL”	Dragon Plaza (H.K.) Limited, a company incorporated in Hong Kong with limited liability which owns the premises situated at Nos. 19-26 Li Yuen Street East, Central, Hong Kong
“GCDL”	Great City Developments Limited, a company incorporated in Hong Kong with limited liability which owns the premises situated at Nos. 27-28 Li Yuen Street East and No. 39 Queen’s Road Central, Hong Kong
“Hip Hing Builders”	Hip Hing Builders Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of NWS
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Li Yuen Street East Project”	the property development project situate at No. 39 Queen’s Road Central and Nos. 19-28 Li Yuen Street East, Hong Kong
“Li Yuen Street East Agreement”	an agreement dated 16 July 2009 and made among DPHKL, GCDL and Hip Hing Builders in respect of the provision of certain project management services for the Li Yuen Street East Project
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Doo”	Mr. Doo Wai Hoi, William, an executive director of NWS, the director of certain subsidiaries of NWD and NWS and is the beneficial owner of several corporate substantial shareholders of certain subsidiaries of NWD and NWS. Mr. Doo is the son-in-law of Dato’ Dr. Cheng Yu Tung (director of NWD), the brother-in-law of Dr. Cheng Kar Shun, Henry (director of NWD and NWS) and Mr. Cheng Kar Shing, Peter (director of NWD), the uncle of Mr. Cheng Chi Kong, Adrian (director of NWD) and Mr. Cheng Chi Ming, Brian (director of NWS) and the father of Mr. William Junior Guilherme Doo (director of NWS)

“NWCL”	New World China Land Limited, a company incorporated in the Cayman Islands with limited liability and is owned as to approximately 70% by NWD and its subsidiaries, the shares of which are listed on the Main Board of the Stock Exchange
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Main Board of the Stock Exchange
“NWD Directors”	the directors of NWD
“NWD Group”	NWD and its subsidiaries and for the purpose of this announcement, excludes the NWS Group
“NWS”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability and approximately 57% owned by NWD as at the date of this announcement, the shares of which are listed on the Main Board of the Stock Exchange
“NWS Directors”	the directors of NWS
“NWS Engineering”	新創機電工程有限公司 (NWS Engineering Ltd.), a wholly foreign owned enterprise established in the PRC and an indirect wholly owned subsidiary of NWS
“NWS Group”	NWS and its subsidiaries
“Previous Transactions”	the previous transactions of NWS under the following arrangements: <ul style="list-style-type: none"> (a) the provision of project management services by 協興建築 (中國) 有限公司 (Hip Hing Construction (China) Company Limited) (a wholly foreign owned enterprise established in the PRC and an indirect wholly owned subsidiary of NWS) to 上海局一房地產發展有限公司 (Shanghai Juyi Real Estate Development Co., Ltd.) (which, at the date of this announcement, is owned as to 50% by Mr. Doo and being an associate of Mr. Doo and therefore a connected person of each of NWD and NWS) (“Shanghai Juyi”) pursuant to the relevant project management agreement dated 16 January 2009 in relation to the construction works of a property development project situated at Shanghai, the PRC at a service fee of 2.7% of the total estimated construction costs which amounted to approximately RMB81.0 million (equivalent to approximately HK\$92.0 million); and

- (b) the provision of project management services by NWS Engineering to Shanghai Juyi pursuant to the relevant project management agreement dated 28 February 2009 in relation to the electrical and mechanical engineering works of a property development project situated at Shanghai, the PRC at a service fee of approximately RMB40.35 million (equivalent to approximately HK\$45.85 million)

At the time when the relevant agreements for the Previous Transactions were entered into, apart from the participating interest held by Mr. Doo (in which he was entitled to 30% of the returns received by NWCL in respect of Shanghai Juyi), he did not have any equity interest or voting right in Shanghai Juyi. He also did not have any power to control the composition of a majority of the board of directors of Shanghai Juyi. Thus, Shanghai Juyi was not a connected person to each of NWD and NWS and the Previous Transactions did not constitute connected transactions for each of NWD and NWS on the date of signing of the relevant agreements.

“PRC”	The People’s Republic of China
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Shanghai Agreement”	an agreement dated 16 July 2009 and made between Shanghai Trio, NWS Engineering and NWS Engineering (Shanghai branch office) in respect of the provision of certain project management services for the Shanghai Zhongshan Square (Phase III) Project and a confirmation letter dated 16 July 2009
“Shanghai Trio”	上海三聯物業發展有限公司 (Shanghai Trio Property Development Co., Ltd.)
“Shanghai Zhongshan Square (Phase III) Project”	the property development project situated at Hongqiao Development Zone, Shanghai, the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transactions” the provision of project management services by NWS Engineering and Hip Hing Builders pursuant to the Shanghai Agreement and the Li Yuen Street East Agreement respectively

“%” per cent.

For the purpose of this announcement and for illustrative purpose only, amounts denominated in RMB have been translated into HK\$ using the following rate:

HK\$1 = RMB0.88

No representation is made that any amount in RMB or HK\$ could have been or could be converted at the above rate or any other rates at all.

By order of the board of
New World Development Company Limited
Leung Chi Kin, Stewart
Company Secretary

By order of the board of
NWS Holdings Limited
Chow Tak Wing
Company Secretary

Hong Kong, 16 July 2009

As at the date of this announcement, (a) the executive directors of NWD 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 NWD are Mr. Cheng Kar Shing, Peter, Mr. Chow Kwai Cheung, Mr. Liang Cheung Biu, Thomas and Ms. Ki Man Fung, Leonie; and (c) the independent non-executive directors of NWD are Mr. Yeung Ping Leung, Howard, Dr. Cha Mou Sing, Payson (alternate director to Dr. Cha Mou-Sing, Payson: Mr. Cha Mou Zing, Victor), Mr. Ho Hau Hay, Hamilton and Mr. Lee Luen Wai, John.

As at the date of this announcement: (a) the executive directors of NWS 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, Mr. William Junior Guilherme Doo and Mr. Cheng Chi Ming, Brian; (b) the non-executive directors of NWS 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 NWS are Mr. Kwong Che Keung, Gordon, Mr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

* For identification purposes only