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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 TRANSACTION

The Board would like to announce that on 31 October 2011, the Vendor and the Purchaser entered into the Agreement in respect of the sale and purchase of the Sale Share and the assignment of the Shareholder's Loan.

The Vendor is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, NWD is interested in approximately 59.79% of the total issued share capital of the Company and the Purchaser is an indirect wholly-owned subsidiary of NWD. The Purchaser is therefore a connected person of the Company and the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction is more than 0.1% and all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) are less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board would like to announce that on 31 October 2011, the Vendor and the Purchaser entered into the Agreement in respect of the sale and purchase of the Sale Share and the assignment of the Shareholder's Loan, the principal terms and conditions of which are set out below.

THE TRANSACTION

Date of the Agreement

31 October 2011

Parties

- (1) Hip Hing Construction Company Limited (as Vendor)
- (2) Land Source Investment Limited (as Purchaser)

Assets to be disposed

The Vendor has conditionally agreed to dispose the Sale Share, representing the entire issued share capital of Ease Kind, and assign the Shareholder's Loan to the Purchaser.

Upon Completion, Ease Kind will cease to be a subsidiary of the Company and will become a subsidiary of the Purchaser and Ease Kind will owe the Shareholder's Loan to the Purchaser.

Consideration

Pursuant to the Agreement, the consideration for the Transaction is HK\$239.0 million (subject to any adjustment to be mutually agreed between the Vendor and the Purchaser prior to Completion), which was determined after arm's length negotiations between the Vendor and the Purchaser and based on the valuation of the Properties of HK\$239.0 million as at 15 September 2011 conducted by an independent professional valuer, Savills Valuation and Professional Services Limited. 10% of the Consideration shall be payable by the Purchaser to the Vendor on the date of the Agreement while 90% of the Consideration shall be payable by the Purchaser on Completion. The Consideration will be satisfied in whole and in cash by the Purchaser.

Conditions precedent to Completion

The sale and purchase of the Sale Share and the assignment of the Shareholder's Loan is subject to and conditional upon:

- (i) 10% of the Consideration, being HK\$23.9 million, having been paid by the Purchaser to the Vendor on the date of the Agreement;
- (ii) all approvals and consents (including the Stock Exchange and other regulatory authority, if required) which are necessary for the entering into and the implementation of the Agreement and all transactions contemplated under the Agreement having been obtained;
- (iii) completion of business, legal and financial due diligence of Ease Kind to the reasonable satisfaction of the Purchaser; and
- (iv) the Vendor having delivered to the Purchaser certificates of title in respect of the Properties, and a certificate of incumbency and a certificate of good standing of Ease Kind.

Completion

Completion shall take place on the 45th day after the date of the Agreement (or such other date as shall be agreed in writing between the Vendor and the Purchaser), provided that all of the conditions precedent specified under the Agreement have been fulfilled or waived (as the case may be).

INFORMATION ON EASE KIND

Ease Kind was incorporated in the British Virgin Islands in 2007 and is an investment holding company whose main assets are the Properties situated at Nos.3-6, Kwai Fong Street, Happy Valley, Hong Kong with a total site area of approximately 239.87 square metres.

The audited net liabilities of Ease Kind as at 30 June 2011 were approximately HK\$295,000. The audited net profit before and after tax and extraordinary items attributable to Ease Kind for the year ended 30 June 2011 were approximately HK\$161,000 (net loss of approximately HK\$22,000 for the year ended 30 June 2010).

FINANCIAL EFFECTS OF THE TRANSACTION

As a result of the Transaction, it is estimated that the Group will record an unaudited gain of approximately HK\$75.6 million before tax and related expenses, being the difference between the Consideration and the Vendor's total carrying value of Ease Kind, which will be reflected in the consolidated income statement of the Group for the year ending 30 June 2012. The Group intends to use the proceeds received from the Transaction as general working capital.

REASONS FOR AND THE BENEFITS OF THE TRANSACTION

Property development is not a core business of the Group and the Transaction will enhance the financial position of the Group and eliminate potential risks associated with the property development process.

The Directors (including the independent non-executive Directors) consider the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Vendor is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, NWD is interested in approximately 59.79% of the total issued share capital of the Company and the Purchaser is an indirect wholly-owned subsidiary of NWD. The Purchaser is therefore a connected person of the Company and the Transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction is more than 0.1% and all of the relevant percentage ratios (as defined under Rule 14.07 of the Listing Rules) are less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

APPROVAL BY THE BOARD

None of the Directors has a material interest in the Transaction. However, Dr. Cheng Kar Shun, Henry, Mr. Doo Wai Hoi, William, Mr. William Junior Guilherme Doo and Mr. Cheng Chi Ming, Brian voluntarily abstained from voting on the relevant board resolutions to approve the Agreement.

GENERAL INFORMATION

Information on the Group

The Group is principally engaged in (i) the investment in and/or operation of facilities, construction, transport and strategic investments; 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.

Information on the Purchaser and the NWD Group

The Purchaser is a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of NWD. The NWD Group is principally engaged in property development and investments in the areas of property, infrastructure, hotel operation, department store operation, services as well as telecommunications and technology. NWD is the ultimate holding company of the Company and is interested in approximately 59.79% of the total issued share capital of the Company as at the date of this announcement.

DEFINITIONS

The following terms have the following meanings in this announcement, unless the context otherwise requires:

“Agreement”	the agreement for the sale and purchase of the Sale Share and the assignment of the Shareholder’s Loan entered into between the Vendor and the Purchaser on 31 October 2011
“Board”	board of Directors

“Company”	NWS Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 659) and is interested as to approximately 59.79% by NWD as at the date of this announcement
“Completion”	completion of the Transaction under the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Sale Share and the Shareholder’s Loan in the sum of HK\$239.0 million (subject to any adjustment to be mutually agreed between the Vendor and the Purchaser prior to Completion)
“Directors”	directors of the Company
“Ease Kind”	Ease Kind Development Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 17) and the holding company of the Company
“NWD Group”	NWD and its subsidiaries (including the Group) from time to time
“Properties”	all that piece or parcel of ground together with the buildings thereon at Nos.3-6, Kwai Fong Street, Happy Valley, Hong Kong and all that piece or parcel of ground together with the erections and buildings thereon registered at the Land Registry as the Remaining Portion of Inland Lot No.2670
“Purchaser”	Land Source Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of NWD
“Sale Share”	the one share of par value of US\$1.00 in the share capital of Ease Kind legally and beneficially owned by the Vendor, representing the entire issued share capital of Ease Kind

“Shareholder’s Loan”	the outstanding shareholder’s loan of Ease Kind owed to the Vendor in the amount of HK\$170,430,116 as of 30 June 2011
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the proposed sale of the Sale Share and the assignment of the Shareholder’s Loan pursuant to the terms of the Agreement and the performance of the transactions contemplated thereunder
“Vendor”	Hip Hing Construction Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 31 October 2011

As at the date of this announcement, the Board comprises (a) six executive Directors, namely Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung, Mr. William Junior Guilherme Doo and Mr. Cheng Chi Ming, Brian; (b) four non-executive Directors, namely Mr. Doo Wai Hoi, William, 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) three independent non-executive Directors, namely Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher and The Honourable Shek Lai Him, Abraham.

* *For identification purposes only*