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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

ACQUISITION OF THE SALE SHARE AND ASSIGNMENT OF THE SHAREHOLDER'S LOAN

The Board would like to announce that on 24 September 2015, 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, which were completed on the same day.

The Purchaser is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, NWD is interested in approximately 61.32% of the total issued share capital of the Company and the Vendor is a direct wholly-owned subsidiary of NWD. The Vendor 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 certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board would like to announce that on 24 September 2015, 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

24 September 2015

Parties

- (1) Catchy Investments Limited (as Vendor)
- (2) Hip Hing Construction Holdings Limited (as Purchaser)

Assets disposed

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

As the Transaction was completed on 24 September 2015, the Target has ceased to be a subsidiary of the Vendor and became a subsidiary of the Purchaser and the Target owes the Shareholder's Loan to the Purchaser.

Consideration

Pursuant to the Agreement, the Consideration is HK\$261,855,950.69 (subject to adjustment, the details of which are set out below), which was determined after arm's length negotiations between the Vendor and the Purchaser, taking into account the valuation of the Properties of HK\$264 million as at 31 August 2015 conducted by an independent professional valuer and the pro forma NTAV. The Consideration was satisfied in cash by the Purchaser.

The Vendor shall, if required by the Purchaser, within 14 business days after the date of Completion, deliver to the Purchaser the audited or unaudited consolidated financial statements showing the actual NTAV. The Consideration shall be increased by the amount of difference between the actual NTAV and the pro forma NTAV if the actual NTAV is greater than the pro forma NTAV, and shall be decreased by the amount of difference between the actual NTAV and the pro forma NTAV if the actual NTAV is less than the pro forma NTAV.

Completion

Completion took place on 24 September 2015.

INFORMATION ON THE TARGET

The Target was incorporated in the British Virgin Islands in 2011 and is an investment holding company whose main asset is its investment in the Subsidiary, whose main assets are the Properties.

The unaudited consolidated assets of the Target as at 30 June 2015 was approximately HK\$265.4 million. The unaudited consolidated net profit before and after tax and extraordinary items attributable to the Target were approximately HK\$19.6 million and approximately HK\$18.6 million, respectively, for the year ended 30 June 2014, and the unaudited consolidated net profit before and after tax and extraordinary items attributable to the Target were approximately HK\$20.3 million and approximately HK\$19.3 million, respectively, for the year ended 30 June 2015.

Based on the information provided by the Vendor, the original acquisition cost of the Properties by the Vendor was approximately HK\$172.0 million in 2012.

REASONS FOR AND THE BENEFITS OF THE TRANSACTION

Prior to the Transaction, the Group leased the Properties from the Vendor as one of its offices, and the Group will continue to use the Properties as one of its offices. The Directors believe that the Transaction can help to save rental expenses and eliminate the risk of suffering from possible future rental increase.

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 Purchaser is an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, NWD is interested in approximately 61.32% of the total issued share capital of the Company and the Vendor is a direct wholly-owned subsidiary of NWD. The Vendor 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 certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

APPROVAL BY THE BOARD

Dr. Cheng Kar Shun, Henry, being a Director, is also a director of NWD. Accordingly, Dr. Cheng Kar Shun, Henry and those of his associates who are also Directors (i.e. Mr. Cheng Chi Ming, Brian and Mr. William Junior Guilherme Doo) abstained from voting on the resolutions approving the Transaction at the Board meeting.

Save as disclosed above, no other Directors are regarded as having a material interest in the Transaction and hence no other Directors are required under the Listing Rules to abstain from voting on the resolutions approving the Transaction at the Board meeting.

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 Vendor and the NWD Group

The Vendor is a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of NWD.

The NWD Group (including the Group) is principally engaged in property development and investments in the area of property, infrastructure, hotel operations, department store operations, services, as well as telecommunications and technology. NWD is the ultimate holding company of the Company and is interested in approximately 61.32% 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 24 September 2015
“Board”	the 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 61.32% by NWD as at the date of this announcement
“Completion”	the 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\$261,855,950.69
“Director(s)”	the director(s) 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
“NTAV”	the unaudited consolidated net tangible assets value of the Target as at the date of Completion, as defined in the Agreement
“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 ultimate holding company of the Company
“NWD Group”	NWD and its subsidiaries (including the Group) from time to time
“Properties”	all those office units nos. 1 to 20 on the eleventh floor of all that piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 5974 and of and in the messuages erections and buildings erected thereon now designated and known as “CHEVALIER COMMERCIAL CENTRE (其士商業中心)”
“Purchaser”	Hip Hing Construction Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company

“Sale Share”	the one share of par value of US\$1.00 in the share capital of the Target legally and beneficially owned by the Vendor, representing the entire issued share capital of the Target
“Shareholder’s Loan”	the outstanding shareholder’s loan of the Target owed to the Vendor in the amount of HK\$154,016,995.82 immediately prior to the Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	New Advent Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of the Target and is the owner of the Properties
“Target”	Next Jubilee Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Transaction”	the acquisition 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”	Catchy Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of NWD
“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, 24 September 2015

As at the date of this announcement, (a) the executive Directors are Dr. Cheng Kar Shun, Henry, Mr. Tsang Yam Pui, Mr. Hui Hon Chung, Mr. Lam Wai Hon, Patrick, Mr. Cheung Chin Cheung and Mr. Cheng Chi Ming, Brian; (b) the non-executive Directors are Mr. To Hin Tsun, Gerald, Mr. Dominic Lai and Mr. William Junior Guilherme Doo; and (c) the independent non-executive Directors are Mr. Kwong Che Keung, Gordon, Dr. Cheng Wai Chee, Christopher, The Honourable Shek Lai Him, Abraham, Mr. Wilfried Ernst Kaffenberger (alternate director to Mr. Wilfried Ernst Kaffenberger: Mr. Yeung Kun Wah, David) and Mr. Lee Yiu Kwong, Alan.

* For identification purposes only