



For immediate release

NWS Holdings increases shares in Hangzhou Ring Road

(27 July 2011, Hong Kong) NWS Holdings Limited (“NWS Holdings” or the “Group”; Hong Kong stock code: 659) announced that its wholly-owned subsidiary Moscan Developments Limited (“Moscan”) entered into a sale and purchase agreement with Kaiming Holdings Limited (“Kaiming”), which holds 100% shareholding of Widefaith Group Limited (“Widefaith”), to acquire 25% of the total issued shares in Widefaith at a consideration of US\$145.21 million (approximately HK\$1.133 billion) today. Widefaith currently owns 51% of the total issued shares in Chinese Future Corporation (“CFC”) which in turn owns 95% indirect equity in Hangzhou Ring Road (“HZRR”). Upon completion, which is expected to take place on or about 29 July 2011, the Group’s effective interest in HZRR, when aggregated with the acquisition of approximately 21.55% as announced by NWS Holdings on 14 June 2011, will increase to approximately 33.66%.

HZRR is situated in Hangzhou City, Zhejiang Province. Being one of the longest (103.4km) and busiest expressways with dual 2-3 lanes in the Yangtze River Delta region, HZRR forms a complete loop around Hangzhou City and serves as a hub for inter-city and cross-provincial traffic. The ring road is connected to several major national expressways and links up Hangzhou’s neighbouring provinces and cities such as Shanghai, Nanjing, Ningbo and Suzhou.

Hangzhou is among the largest and most prosperous cities in the Yangtze River Delta region and is one of the fastest growing and wealthiest regions of Mainland China. HZRR is therefore well positioned to benefit from the rapid economic development of the region which consists principally of Shanghai, Zhejiang Province and Jiangsu Province. The traffic flow of HZRR has grown by over 10% annually since 2008 and its traffic volume exceeds 100,000 vehicles per day. Since starting operation in 2005 with operating rights till the end of 2029, HZRR has a proven operating track record and still possesses potential growth capacity in terms of traffic flow.

NWS Holdings’ acquisition of interest in HZRR is a significant addition to its Roads portfolio which strengthens the Group’s investment in the Infrastructure division and is in line with the Group’s corporate strategy. Moreover this acquisition will enlarge our presence in Zhejiang Province and allow NWS Holdings to step into the investment in the Yangtze River Delta region. It is expected that HZRR will produce immediate profit contribution and cash flow to the Group with steady growth rate. It is considered that the investment is made in the interests of the Group and its shareholders as a whole.

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(incorporated in Bermuda with limited liability)

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Upon completion of the aforesaid sale and purchase agreement, Kaiming will grant Moscan a call option over the option shares, being 65% of the total issued shares in Widefaith, whilst Moscan will grant Kaiming a put option over the same option shares. An option advanced payment of US\$63.61 million (approximately HK\$496.16 million) is payable by Moscan to Kaiming as advanced part payment of the exercise of the call option or the put option. The acquisition of 25% of the total shares in Widefaith and the option advanced payment in the aggregate amount of US\$208.82 million (approximately HK\$1.629 billion) will be funded by internal cash resources and bank financing.

NWS Holdings' Roads portfolio currently comprises 21 roads, bridge and related projects in Hong Kong and Mainland China including Guangdong, Guangxi, Shanxi, Zhejiang and Tianjin. Altogether these road projects cover a total length of approximately 721 km.

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This press release is also available at the Group's website (www.nws.com.hk).

NWS Holdings Limited

NWS Holdings Limited ("NWS Holdings", Hong Kong stock code: 659), the infrastructure and service flagship of New World Development Company Limited (Hong Kong stock code: 17), embraces businesses in Hong Kong, Mainland China and Macau. Its **Infrastructure** portfolio includes Roads, Energy, Water and Ports & Logistics projects. Its **Services** division comprises Facilities Management (*the management of Hong Kong Convention and Exhibition Centre and Free Duty*), Construction & Transport (*Hip Hing Construction and bus and ferry services*) and Strategic Investments (*Newton Resources, Tricor, Haitong and securities investments*).

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