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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 TRANSACTION: DISPOSAL OF SUBSIDIARIES

The respective board of directors of NWD and NWS announced that ProPlus, an indirect wholly-owned subsidiary of NWS, had entered into the Agreement on 10 March 2009 with the Purchaser, pursuant to which ProPlus agreed to sell, and the Purchaser agreed to purchase, the Sale Shares which represented the shares beneficially held by ProPlus in each of PPS and PPC, both being subsidiaries of NWS.

The Purchaser is jointly owned by Mr. Fan and his daughter. Mr. Fan is a director of each of PPS and PPC, and the Purchaser and Mr. Fan are connected persons of NWS. The Transaction constitutes a connected transaction for NWS under Rule 14A.13(1)(a) of the Listing Rules. Moreover, as at the date of this announcement, NWD held approximately 57% interests in the issued share capital of NWS, the Transaction also constitutes a connected transaction for NWD under the Listing Rules.

In respect of each of NWD and NWS, as the applicable percentage ratios of the Transaction exceed 0.1% but are less than 2.5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

INTRODUCTION

The respective board of directors of each of NWD and NWS announced that ProPlus, an indirect wholly-owned subsidiary of NWS, had entered into the Agreement on 10 March 2009 with the Purchaser, pursuant to which ProPlus agreed to sell, and the Purchaser agreed to purchase, the Sale Shares which represented the shares beneficially held by ProPlus in each of PPS and PPC, both being subsidiaries of NWS.

The major terms of the Agreement are set out below.

THE AGREEMENT

Parties:

- (a) ProPlus Limited, an indirect wholly-owned subsidiary of NWS, as vendor; and
- (b) Bransfield Assets Limited, an investment holding company, as purchaser. The Purchaser is jointly owned by Mr. Fan and his daughter.

Assets to be disposed

The Sale Shares, consisted of the PPS Shares, the PPS Deferred Shares, the PPC Shares and the PPC Deferred Shares.

Consideration

The Consideration shall be HK\$34.5 million, and its terms of payment are as follows:

- (a) HK\$2.0 million was paid by the Purchaser to ProPlus as earnest money prior to the signing of the Agreement, which shall be applied as deposit and part payment of the Consideration;
- (b) HK\$8.0 million was paid by the Purchaser to ProPlus upon signing of the Agreement, as further and part payment of the Consideration; and
- (c) HK\$24.5 million, representing the balance of the Consideration, shall be paid on the date of Completion.

The Consideration was determined after arm's length negotiations between ProPlus and the Purchaser with reference to the unaudited net asset value of PPS and PPC of around HK\$34.2 million as at 31 January 2009.

Completion

Completion shall take place on 18 March 2009 or on any later date as agreed between ProPlus and the Purchaser.

Post Completion

As at the date of this announcement, PPS is providing cleaning or other services to other members of the NWD Group. The terms for such contracts, which set out the specific premises PPS is engaged for the provision of cleaning and other relevant services, are on normal commercial terms and were negotiated among relevant member(s) of the NWD Group on an arm's length basis. It is expected that such contracts will continue in accordance with their respective terms. ProPlus agrees and undertakes with the Purchaser that it will not and will procure members of the NWS Group not to compete with the Purchaser in respect of such existing contracts for the period up to 31 January 2011 or the expiry date of such contracts during such period, whichever is later. The undertaking is applicable to existing contracts and will be for the duration until 31 January 2011 or the expiry of such contracts, whichever is later. If the term of the relevant contract expires during the term of the undertaking, PPS would compete with other service providers in the market while the NWS Group would not participate in such competition. The giving of such undertaking is a commercial arrangement and decision made between ProPlus and the Purchaser after arm's length negotiation. On one hand, the arrangement ensures there will be a smooth business transition while PPS could maintain its current business condition by performing the existing contracts and competing with other service providers when the contracts expire, and the recipient member(s) of the NWD Group would continue to receive services under such contracts during the existing contract term. On the other hand, the arrangement is also in line with the intention of the NWS Group to scale down its cleaning business.

The directors of each of NWD and NWS consider that the terms of the above arrangement are on normal commercial terms and the scope of the undertaking (which only covers the relevant existing contracts of PPS and up to 31 January 2011 or expiry of such contracts, whichever is later) are fair and reasonable and in the interest of each of NWD and NWS and its shareholders as a whole since such arrangement is in line with the plan of the NWS Group and helps to reallocate its relevant resources and to focus on other key businesses.

INFORMATION OF PPS AND PPC

PPS is a private company incorporated in Hong Kong with limited liability and a subsidiary of NWS. It is principally engaged in the provision of cleaning services in Hong Kong. It has an authorised share capital of HK\$19,000,000 divided into 18,499,980 ordinary shares of HK\$1 each and 500,020 non-voting deferred shares of HK\$1 each. It has an issued share capital of HK\$18,557,800 divided into 18,057,780 ordinary shares of HK\$1 each and 500,020 non-voting deferred shares of HK\$1 each. Prior to Completion, 18,057,780 ordinary shares of PPS and 425,017 non-voting deferred shares of PPS were beneficially held by ProPlus and 75,003 non-voting deferred shares of PPS were beneficially held by Mr. Fan. Mr. Fan and the Purchaser will be the beneficial owners of the entire issued share capital of PPS after Completion and PPS will cease to be a subsidiary of each of NWD and NWS.

Based on the audited accounts of PPS for the year ended 30 June 2008, the net asset value of PPS as at 30 June 2008 was HK\$43.0 million. Based on the unaudited accounts of PPS, the net asset value of PPS as at 31 January 2009 was HK\$33.1 million which has taken into account provisions for certain liabilities of PPS. PPS's audited net profits before and after tax for the year ended 30 June 2007 were HK\$10.4 million and HK\$8.9 million respectively, and its audited net profits before and after tax for the year ended 30 June 2008 were HK\$9.1 million and HK\$7.5 million respectively.

PPC is a private company incorporated in Hong Kong with limited liability and a subsidiary of NWS. It is principally engaged in the provision of cleaning services in Hong Kong. It has an authorised share capital of HK\$1,500,000 divided into 2 ordinary shares of HK\$100 each, 14,420 non-voting deferred shares of HK\$100 each and 578 unclassified shares of HK\$100 each. It has an issued share capital of HK\$1,442,200 divided into 2 ordinary shares of HK\$100 each and 14,420 non-voting deferred shares of HK\$100 each. Prior to Completion, 2 ordinary shares of PPC and 12,257 non-voting deferred shares of PPC were beneficially held by ProPlus and 2,163 non-voting deferred shares of PPC were beneficially held by Mr. Fan. Mr. Fan and the Purchaser will be the beneficial owners of the entire issued share capital of PPC after Completion and PPC will cease to be a subsidiary of each of NWD and NWS.

Based on the audited accounts of PPC for the year ended 30 June 2008, the net asset value of PPC as at 30 June 2008 was HK\$1.0 million. Based on the unaudited accounts of PPC, the net asset value of PPC as at 31 January 2009 was HK\$1.1 million. PPC's audited net profits before and after tax for the year ended 30 June 2007 were HK\$0.2 million and HK\$0.2 million respectively, and its audited net profits before and after tax for the year ended 30 June 2008 were HK\$0.3 million and HK\$0.2 million respectively.

REASONS FOR THE TRANSACTION

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 container terminals.

The businesses of the NWS Group are broadly divided into two divisions, the Infrastructure division and the Service & Rental division. The business of PPS belongs to the Service & Rental division of the NWS Group. The NWS Group provides its cleaning services in Hong Kong and the PRC through PPS, PPC and other subsidiaries of the NWS Group. The disposal of the Sale Shares and the undertaking not to compete with the Purchaser in respect of the existing contracts between PPS and other members of the NWD Group will provide an opportunity for the NWS Group to scale down its cleaning business in Hong Kong and to improve operational efficiency. It is expected that by reducing the scope of cleaning business of the NWS Group, better risk control will be achieved. Moreover, this disposal of the Sale Shares also helps reallocate the NWS Group's resources and to focus on other key businesses in the Service & Rental division.

NWD Group is principally engaged in 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 NWS Group.

As the Consideration was determined with reference to the unaudited net asset value of PPS and PPC as at 31 January 2009, the NWS Group, as well as the NWD Group, is not expected to incur any losses due to the Transaction, while a gain which represents the difference between the Consideration and the unaudited net asset value of PPS and PPC as at 31 January 2009 of about HK\$0.3 million will be resulted.

The net proceeds of approximately HK\$34.0 million after expenses will be used as general working capital of the NWS Group.

The directors (including the independent non-executive directors) of each of NWD and NWS consider that the terms and conditions of the Agreement are fair and reasonable and are on normal commercial terms and that it is in the interest of the NWD Group, the NWS Group and the shareholders of NWD and NWS as a whole.

LISTING RULES IMPLICATIONS

The Purchaser is jointly owned by Mr. Fan and his daughter. Mr. Fan was a director of each of PPS and PPC as at the date of this announcement. As both PPS and PPC are subsidiaries of NWS, Mr. Fan and the Purchaser are connected persons of NWS under Rules 14A.11(1) and 14A.11(4) of the Listing Rules and the Transaction constitutes a connected transaction under Rule 14A.13(1)(a) of the Listing Rules for NWS. As at the date of this announcement, NWD held approximately 57% interests in the issued share capital of NWS, the Transaction also constitutes a connected transaction for NWD under the Listing Rules.

In respect of each of NWD and NWS, as the applicable percentage ratios of the Transaction exceed 0.1% but are less than 2.5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement pursuant to Rule 14A.32 of the Listing Rules.

DEFINITIONS

“Agreement”	the sale and purchase agreement for the Transaction entered into between ProPlus as vendor and Bransfield Assets Limited as purchaser on 10 March 2009
“Completion”	completion of the Agreement
“Consideration”	the consideration for the Sale Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Fan”	Mr. Fan Shek Cheong, Allan, a director of each of PPS and PPC, and a shareholder of the Purchaser of the Agreement
“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
“NWD Group”	NWD and its subsidiaries (including the NWS Group) from time to time
“NWS”	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
“NWS Group”	NWS and its subsidiaries from time to time
“PPC”	Pollution & Protection Consultant Limited, a private company incorporated in Hong Kong with limited liability
“PPC Shares”	2 ordinary shares of PPC of HK\$100 each
“PPC Deferred Shares”	12,257 non-voting deferred shares of PPC of HK\$100 each
“PPS”	Pollution & Protection Services Limited, a private company incorporated in Hong Kong with limited liability
“PPS Shares”	18,057,780 ordinary shares of PPS of HK\$1 each
“PPS Deferred Shares”	425,017 non-voting deferred shares of PPS of HK\$1 each
“PRC”	the People’s Republic of China
“ProPlus”	ProPlus Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of NWS. ProPlus is also the vendor of the Agreement.
“Purchaser”	Bransfield Assets Limited, a company incorporated in the British Virgin Islands which is jointly owned by Mr. Fan and his daughter (Ms. Fan Sheung Ting, Maria)

“Sale Shares”	the subject matter to be disposed of pursuant to the Agreement which comprised the PPS Shares, the PPS Deferred Shares, the PPC Shares and the PPC Deferred Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transaction contemplated under the Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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, 10 March 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 Bui, 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 and Mr. William Junior Guilherme Doo; (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*