The respective boards of directors of NWD and NWS announce that NWSPMWZ, an indirect 63.6% subsidiary of NWS, has entered into the Agreement on 30 September 2009 with the PRC Party, pursuant to which NWSPMWZ has agreed to sell, and the PRC Party has agreed to purchase and procure its nominee(s) to purchase, 55% equity interest in WZNWT for the Consideration of RMB282.0 million (equivalent to approximately HK$320.5 million). Upon Completion, NWS will no longer hold any equity interest in WZNWT.

As at the date of this announcement, WZNWT is 55% owned by NWSPMWZ which is a non-wholly owned subsidiary of NWS, and NWS is owned as to approximately 57% by NWD. The PRC Party owns 45% equity interest in WZNWT and thus, the PRC Party is a connected person of each of NWD and NWS. The Disposal constitutes a connected transaction for both NWD and NWS under Rule 14A.13(1)(a) of the Listing Rules.

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

INTRODUCTION

The respective boards of directors of NWD and NWS announce that NWSPMWZ, an indirect 63.6% subsidiary of NWS, has entered into the Agreement on 30 September 2009 with the PRC Party, pursuant to which NWSPMWZ has agreed to sell, and the PRC Party has agreed to purchase and procure its nominee(s) to purchase 55% equity interest in WZNWT for the Consideration of RMB282.0 million (equivalent to approximately HK$320.5 million).

The major terms of the Agreement are set out below.
THE AGREEMENT

Date: 30 September 2009

Parties:

Vendor: NWSPMWZ

Purchaser: the PRC Party

Assets to be disposed

The 55% equity interest in WZNWT currently held by NWSPMWZ. Upon Completion, the said 55% equity interest in WZNWT will be transferred by NWSPMWZ to the PRC Party and its nominee(s). The identity of the nominee(s) will be determined by the PRC Party later.

Consideration

Pursuant to the Agreement, the Consideration of RMB282.0 million (equivalent to approximately HK$320.5 million) shall be paid in cash by the PRC Party and its nominee(s) to NWSPMWZ in the following manner:-

1. a sum of RMB197.4 million (equivalent to approximately HK$224.3 million), representing 70% of the Consideration, shall be deposited within 30 working days after the date of the Agreement and upon the hand-over of the management rights of WZNWT to the PRC Party, to a bank account in the PRC designated by NWSPMWZ;

2. a further sum of RMB42.3 million (equivalent to approximately HK$48.1 million), representing 15% of the Consideration, shall be deposited within 15 working days from the date of obtaining the approval of the Disposal from Zhejiang Foreign Trade and Economic Cooperation Bureau to a bank account in the PRC designated by NWSPMWZ; and

3. the remaining balance of RMB42.3 million (equivalent to approximately HK$48.1 million), representing 15% of the Consideration, shall be paid within 15 working days from the date of approval of the registration of the Disposal by Zhejiang Administration for Industry & Commerce (the “Approval Date”) to a bank account jointly designated by NWSPMWZ and the PRC Party (the “Designated Account”).

NWSPMWZ shall procure that the 85% of the Consideration deposited at its designated bank account in the PRC be transferred to the Designated Account within 15 working days from the Approval Date. On the working day immediately after the payment or transfer by the PRC Party and NWSPMWZ of the relevant portion of the Consideration into the Designated Account, NWSPMWZ and the PRC Party shall procure the transfer of the Consideration in the Designated Account, after deduction of all tax payable by NWSPMWZ under the applicable law, to a bank account in Hong Kong designated by NWSPMWZ.
The Consideration was determined between NWSPMWZ and the PRC Party after arm’s length negotiations with reference to cash injected (together with other related costs) by NWSPMWZ, which amounts to approximately HK$267.9 million, plus premium.

Completion

Completion shall take place within 6 months upon signing of the Agreement.

INFORMATION ON NWSPMWZ, THE PRC PARTY AND WZNWT

NWSPMWZ is an investment holding company, whose sole asset is the 55% equity interest in WZNWT. As at the date of this announcement, NWSPMWZ is held as to 63.6% indirectly by NWS.

The PRC Party is Wenzhou Port Group Co., Ltd, a company incorporated in the PRC with limited liability and owns 45% equity interest in WZNWT as at the date of this announcement. The principal business activities of the PRC Party is the operation of terminal and related businesses.

WZNWT is a sino-foreign equity joint venture enterprise incorporated in the PRC with limited liability and is carrying on the business of terminal operation.

REASONS FOR THE DISPOSAL

Continuous deferral of construction of public facilities and infrastructure severely impacts the normal operation of WZNWT. As a newly developed terminal area, NWS considers the timing of operation is the key success factor. WZNWT has secured a major customer for start-up, however, business opportunities have been lost due to deferral of terminal operation as compared to original plan and the business environment has been changed drastically.

According to the audited accounts of WZNWT for the year ended 31 December 2008, the net asset value of WZNWT amounted to RMB481.0 million (equivalent to approximately HK$546.6 million). Since the terminal project held by WZNWT is still undergoing construction, no profit or loss (both before and after taxation and extraordinary items) were recognized by WZNWT during the two financial years ended 31 December 2007 and 2008.

The directors of NWS re-evaluate the latest development of the project and the overall business environment and conclude that it is in the interest of NWS to dispose of its 55% equity interest in WZNWT.

The directors (including the independent non-executive directors) of each of NWD and NWS consider the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable and in the interest of each of the NWD Group and the NWS Group and their respective shareholders as a whole.
EFFECTS AND FINANCIAL IMPLICATIONS OF THE DISPOSAL

Upon Completion, an estimated unaudited gain (being the amount by which the Consideration exceeds the aggregate of the estimated transaction costs and the unaudited book value of the NWSPMWZ’s total carrying value of approximately HK$244.2 million as at the date of this announcement) of approximately HK$72.1 million for NWSPMWZ is expected to arise from the Disposal. The NWS Group’s effective share of this unaudited gain is estimated to be approximately HK$45.8 million.

The net proceeds of approximately HK$316.3 million after expenses will be received by NWSPMWZ. The NWS Group’s share of such net proceeds will be used as its general working capital. Upon Completion, NWS will no longer hold any equity interest in WZNWT.

LISTING RULES IMPLICATION

As at the date of this announcement, WZNWT is 55% owned by NWSPMWZ which is a non-wholly owned subsidiary of NWS, and NWS is owned as to approximately 57% by NWD. The PRC Party owns 45% equity interest in WZNWT and thus, the PRC Party is a connected person of each of NWD and NWS. The Disposal constitutes a connected transaction for both NWD and NWS under Rule 14A.13(1)(a) of the Listing Rules.

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

GENERAL

The 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.

The NWS Group is principally engaged in (1) the investment in and/or operation of facilities, contracting, transport and financial services; and (2) 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

“Agreement” the Chinese sale and purchase agreement dated 30 September 2009 entered into between, inter alia, NWSPMWZ as vendor and the PRC Party as purchaser in respect of the sale and purchase of the 55% equity interest in WZNWT

“Completion” completion of the Agreement

“Consideration” RMB282.0 million (equivalent to approximately HK$320.5 million)

“connected person” has the meaning ascribed to it under the Listing Rules

“Disposal” the proposed disposal of 55% equity interest in WZNWT by NWSPMWZ pursuant to the terms of the Agreement and the performance of the transactions contemplated thereunder

“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

“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 issued shares of which are listed on the main board of the Stock Exchange and beneficially owned as to approximately 57% by NWD as at the date of this announcement

“NWS Group” NWS and its subsidiaries from time to time

“NWSPMWZ” NWS Ports Management (Wenzhou) Limited, a company incorporated in Hong Kong with limited liability and held as to 63.6% indirectly by NWS as at the date of this announcement
“PRC” the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“PRC Party” 溫州港集團有限公司 Wenzhou Port Group Co., Ltd, a company incorporated in the PRC with limited liability and owns 45% equity interest in WZNWT as at the date of this announcement

“RMB” Renminbi, the lawful currency of the PRC

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“WZNWT” 溫州狀元奧新創建國際碼頭有限公司 Wenzhou Zhuangyuan Ao New World International Terminals Company Limited, a sino-foreign equity joint venture enterprise incorporated in the PRC with limited liability, and held as to 55% by NWSPMWZ and as to 45% by the PRC Party as at the date of this announcement

“%” 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 ratio 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, 30 September 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. 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